

# **Acumen Fund, Inc. and Subsidiaries**

Consolidated Financial Report  
December 31, 2022

## Contents

---

|   |       |
|---|-------|
| Independent auditor's report                            | 1-3   |
| Management's discussion and analysis (unaudited)        | 4-5   |
| 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              | 12-36 |
| Supplementary information                               |       |
| Consolidating schedule of financial position            | 37    |
| Consolidating schedule of activities                    | 38    |
| Consolidating schedule of functional expenses by region | 39    |

---

## Independent Auditor's Report

Board of Directors  
Acumen Fund, Inc. and Subsidiaries

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the consolidated financial statements of Acumen Fund, Inc. and Subsidiaries (Acumen), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Acumen as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, effective January 1, 2022, Acumen adopted Financial Accounting Standards Board Accounting Standards Codification 842, *Leases*, which resulted in Acumen recording a right-of-use asset of \$2,585,933 and a lease liability of \$2,797,022, respectively. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary consolidating schedules of financial position, activities and functional expenses by region are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We were engaged to audit the financial statements taken as a whole. The accompanying Management's Discussion and Analysis (MD&A) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, it is inappropriate to and we do not express an opinion on the MD&A.

*RSM US LLP*

Boston, Massachusetts  
August 25, 2023

## **MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)**

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

### **Overview and Outlook**

If there was ever a time to reaffirm Acumen’s commitment to solving the problems of poverty, and to push harder and stronger than ever before in our mission, 2022 was it.

Sharing what we learn: Acumen is now one of the foremost problem-solvers in the world. We launched a new Insights & Strategy team that is leveraging our insights so that others can adopt and build them into practice. We researched and published lessons about our 20 years of Patient Capital investing, demonstrating that a spectrum of capital can be used to fund entrepreneurs serving the poor.

We grew bolder; more confident: After more than two decades, we crossed a critical, affirming milestone: 500 million lives impacted through our Patient Capital work. This is the result of the hard work of our community – entrepreneurs and their teams, donors, and partners, co-investors, our customers, and Acumen’s team of committed individuals who show up and bring their best selves to serve the world.

We are leading coalitions: Acumen continues to break new ground with innovative solutions that can serve in places where others dare not go. Centering smallholder farmers and meeting those living in the hardest to reach areas are what anchors our commitment to create new markets that work for everyone.

Acumen still has much to offer the world. As we grow and strengthen our impact, it’s thrilling to see the progress we’re making on solving the big problems we face.

### **Operating Results**

In 2022, Acumen raised \$60.9 million in philanthropic capital, an increase of 112.1% from 2021. Acumen recognized non-cash revenue of \$2.1 million for donated legal services and donated goods to support our investing work.

We received \$0.1 million in interest income from portfolio loans and recorded a loss provision of \$3.9 million for portfolio investment losses. Acumen carries our program investments at cost, and we lower these valuations when impairment exists. We review our portfolio of assets on an annual basis and apply a consistent valuation philosophy across the companies in our portfolio. Because we carry these investments at cost, we do not mark up our equity investments to fair market value, even when subsequent funding rounds imply an increase in the holding value of our investments. The only exception would be mark-ups related to orderly transactions of identical shares. Any other increase in value of equity investments would be recognized as realized gains or profits upon exit.

Operating expenses represents all the direct costs related to the running of Acumen programs as well as our management and general and fundraising costs. They do not reflect any of our investments in our portfolio companies. Total expenses for 2022 were \$32.7 million, a 6.5% increase compared to the prior year driven by additional headcount and research costs to support new programs.

**Acumen**

40 Worth Street, Suite 303  
New York, NY 10013  
[www.acumen.org](http://www.acumen.org)

Program work constitutes 74.4% of our total expenses. Portfolio expenses were \$13.6 million, representing the cost of sourcing, due diligence, planning and the execution of \$10.1 million in new and follow-on investment disbursements. As of December 2022, Acumen invested \$154.4 million in 167 companies. Outreach, Impact and Communications expenses were \$4.8 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 decreased by 1.0% in 2022 with expenses of \$6.0 million. Fundraising costs and Management and General expense accounted for \$8.4 million, which included investments in improving organization efficiency and effectiveness.

**Statement of Financial Position**

Acumen's total assets were \$194.5 million as of December 31, 2022. Acumen's assets are split primarily between Operating Assets (\$106.2 million) and Portfolio Assets (\$88.3 million). The largest component of our Operating Assets is our cash balance of \$67.3 million, where \$36.4 million (54.0%) of the total balance was restricted and designated for specific programmatic uses or for use as investment capital. Liabilities at the end of 2022 totaled \$12.7 million, comprising unearned revenue from conditional grants and returnable grants used for portfolio investments under the East Africa Education Initiative. Net assets at the end of the year were \$181.8 million compared to \$149.8 million at the end of 2021 – a 21.3% increase.

## Acumen Fund, Inc. and Subsidiaries

### Consolidated Statements of Financial Position December 31, 2022 and 2021

|   | 2022                  | 2021                  |
|---|-----------------------|-----------------------|
| <b>Assets</b>                                 |                       |                       |
| Operating assets                              |                       |                       |
| Cash and cash equivalents                     | \$ 63,726,936         | \$ 52,745,887         |
| Contributions receivable, net                 | 32,493,939            | 13,223,420            |
| Interest receivable                           | 28,164                | 27,806                |
| Accounts and other receivables                | 1,194,305             | 511,397               |
| Investments                                   | 1,654,126             | -                     |
| Prepaid expenses and other assets             | 606,550               | 530,994               |
| Interest in charitable remainder trust        | 496,226               | 611,085               |
| Cash restricted for long-term investment      | 3,617,084             | 5,172,660             |
| Property and equipment, net                   | 253,289               | 158,205               |
| Right of use lease assets, net                | 1,919,393             | -                     |
| Security deposits                             | 248,141               | 226,090               |
| <b>Total non-portfolio assets</b>             | <b>106,238,153</b>    | <b>73,207,544</b>     |
| Portfolio assets                              |                       |                       |
| Interest and dividend receivable, net         | 979,726               | 1,420,732             |
| Program related equity investments, net       | 55,147,374            | 55,441,386            |
| Program related loans receivable, net         | 12,673,498            | 12,330,081            |
| Program related partnership investments, net  | 19,462,619            | 16,701,456            |
| <b>Total portfolio assets</b>                 | <b>88,263,217</b>     | <b>85,893,655</b>     |
| <b>Total assets</b>                           | <b>\$ 194,501,370</b> | <b>\$ 159,101,199</b> |
| <b>Liabilities and Net Assets</b>             |                       |                       |
| Liabilities                                   |                       |                       |
| Accounts payable and accrued expenses         | \$ 559,278            | \$ 1,378,808          |
| Accrued salaries and related expenses         | 1,760,110             | 1,505,497             |
| Taxes payable on foreign loan interest income | 4,961                 | 41,828                |
| Conditional advances                          | 2,443,230             | 2,842,004             |
| Returnable grant capital                      | 5,819,399             | 3,487,267             |
| Lease liability                               | 2,106,898             | -                     |
| <b>Total liabilities</b>                      | <b>12,693,876</b>     | <b>9,255,404</b>      |
| Net assets                                    |                       |                       |
| Without donor restrictions:                   |                       |                       |
| Operating                                     | 25,278,584            | 28,659,112            |
| Portfolio funds                               | 88,263,217            | 85,893,655            |
| <b>Total without donor restrictions</b>       | <b>113,541,801</b>    | <b>114,552,767</b>    |
| With donor restrictions                       | 68,265,693            | 35,293,028            |
| <b>Total net assets</b>                       | <b>181,807,494</b>    | <b>149,845,795</b>    |
|   | <b>\$ 194,501,370</b> | <b>\$ 159,101,199</b> |

See notes to consolidated financial statements.



## Acumen Fund, Inc. and Subsidiaries

### Consolidated Statement of Activities Year Ended December 31, 2022

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

See notes to consolidated financial statements.

## Acumen Fund, Inc. and Subsidiaries

### Consolidated Statement of Activities Year Ended December 31, 2021

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total              |
|---|-------------------------------|----------------------------|--------------------|
| Support and revenue:  |                               |                            |                    |
| Operating support and revenue:  |                               |                            |                    |
| Contributions   | \$ 7,888,285                  | \$ 20,828,290              | \$ 28,716,575      |
| In-kind contributions   | 4,458,152                     | -                          | 4,458,152          |
| Program fees  | 4,147,086                     | -                          | 4,147,086          |
| Net investment income   | 214,926                       | -                          | 214,926            |
| Change in value of charitable remainder trust   | -                             | (58,933)                   | (58,933)           |
| Gain on short-term loan payable forgiveness   | 1,171,555                     | -                          | 1,171,555          |
| Other income  | 246,383                       | -                          | 246,383            |
| Net assets released from restrictions   | 11,672,002                    | (11,672,002)               | -                  |
| <b>Total operating support and revenue</b>  | <b>29,798,389</b>             | <b>9,097,355</b>           | <b>38,895,744</b>  |
| Portfolio revenue (losses):   |                               |                            |                    |
| Interest and dividend income, program<br>related investments  | 2,686,002                     | -                          | 2,686,002          |
| Realized and unrealized losses on equity<br>and partnership investments                                     | (2,060,147)                   | -                          | (2,060,147)        |
| Realized debt portfolio losses  | (664,871)                     | -                          | (664,871)          |
| Provision for losses  | (1,044,637)                   | -                          | (1,044,637)        |
| Other portfolio investment income   | 55,500                        | -                          | 55,500             |
| Net assets released from restrictions   | 10,793,645                    | (10,793,645)               | -                  |
| <b>Total portfolio revenue (losses)</b>   | <b>9,765,492</b>              | <b>(10,793,645)</b>        | <b>(1,028,153)</b> |
| <b>Total support and revenue</b>  | <b>39,563,881</b>             | <b>(1,696,290)</b>         | <b>37,867,591</b>  |
| Expenses:   |                               |                            |                    |
| Program expenses:   |                               |                            |                    |
| Portfolio management  | 14,629,821                    | -                          | 14,629,821         |
| Outreach, impact and communications   | 4,111,320                     | -                          | 4,111,320          |
| Leadership  | 6,045,213                     | -                          | 6,045,213          |
| <b>Total program expenses</b>   | <b>24,786,354</b>             | <b>-</b>                   | <b>24,786,354</b>  |
| Supporting expenses:  |                               |                            |                    |
| Management and general  | 2,629,824                     | -                          | 2,629,824          |
| Fundraising   | 3,168,358                     | -                          | 3,168,358          |
| <b>Total supporting expenses</b>  | <b>5,798,182</b>              | <b>-</b>                   | <b>5,798,182</b>   |
| <b>Total expenses</b>   | <b>30,584,536</b>             | <b>-</b>                   | <b>30,584,536</b>  |
| Change in net assets before foreign<br>currency translation loss and capital distributions<br>and transfers | 8,979,345                     | (1,696,290)                | 7,283,055          |
| Foreign currency translation loss   | (222,418)                     | 28,776                     | (193,642)          |
| Capital distributions and transfers   | (2,401,157)                   | -                          | (2,401,157)        |
| <b>Change in net assets</b>   | <b>6,355,770</b>              | <b>(1,667,514)</b>         | <b>4,688,256</b>   |
| Net assets:   |                               |                            |                    |
| Beginning of the year   | 108,196,997                   | 36,960,542                 | 145,157,539        |
| End of the year   | \$ 114,552,767                | \$ 35,293,028              | \$ 149,845,795     |

See notes to consolidated financial statements.

Acumen Fund, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses  
Year Ended December 31, 2022

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

See notes to consolidated financial statements.

**Acumen Fund, Inc. and Subsidiaries**

**Consolidated Statement of Functional Expenses  
Year Ended December 31, 2021**

|   | Program Services        |   |                     |                      | Management<br>and General | Fundraising         | Total                |
|---|-------------------------|---|---------------------|----------------------|---------------------------|---------------------|----------------------|
|   | Portfolio<br>Management | Outreach,<br>Impact and<br>Communications | Leadership          | Total                |                           |                     |                      |
| Compensation                              | \$ 5,514,303            | \$ 2,785,400                              | \$ 3,362,393        | \$ 11,662,096        | \$ 1,282,357              | \$ 2,597,127        | \$ 15,541,580        |
| Professional and consultant fees          | 1,709,041               | 754,076                                   | 715,575             | 3,178,692            | 362,854                   | 178,727             | 3,720,273            |
| Program grants                            | 2,158,861               | -   | 1,040,475           | 3,199,336            | 2,293                     | -                   | 3,201,629            |
| In-kind contributions                     | 4,128,834               | 86,520                                    | -                   | 4,215,354            | 242,798                   | -                   | 4,458,152            |
| Travel                                    | 79,210                  | 6,523                                     | 103,463             | 189,196              | 15,278                    | 6,205               | 210,679              |
| Meetings                                  | 11,781                  | 2,492                                     | 24,546              | 38,819               | 11,120                    | 7,769               | 57,708               |
| Marketing material                        | 55,276                  | 80,708                                    | 106,731             | 242,715              | 92                        | 2,748               | 245,555              |
| Technology expenses                       | 245,127                 | 106,711                                   | 186,716             | 538,554              | 151,212                   | 94,995              | 784,761              |
| Telephone                                 | 13,816                  | 16,163                                    | 18,646              | 48,625               | 8,444                     | 9,866               | 66,935               |
| Office supplies, printing and postage     | 15,747                  | 20,458                                    | 42,844              | 79,049               | 21,875                    | 13,933              | 114,857              |
| Occupancy                                 | 236,645                 | 159,315                                   | 271,669             | 667,629              | 60,043                    | 142,989             | 870,661              |
| Insurance                                 | 53,998                  | 19,033                                    | 26,483              | 99,514               | 8,870                     | 17,427              | 125,811              |
| Investment fees and bank charges          | 254,876                 | 32,912                                    | 72,151              | 359,939              | 102,681                   | 74,284              | 536,904              |
| VAT and real estate taxes (recovery)      | (6,351)                 | 17,595                                    | 19,921              | 31,165               | 216,266                   | 14,033              | 261,464              |
| Interest                                  | 3,285                   | -   | -                   | 3,285                | -                         | -                   | 3,285                |
| Income tax                                | 128,299                 | -   | -                   | 128,299              | 103,033                   | -                   | 231,332              |
| Miscellaneous                             | (14,427)                | -   | 6,102               | (8,325)              | 4,395                     | 4                   | (3,926)              |
| <b>Total expenses before depreciation</b> | <b>14,588,321</b>       | <b>4,087,906</b>                          | <b>5,997,715</b>    | <b>24,673,942</b>    | <b>2,593,611</b>          | <b>3,160,107</b>    | <b>30,427,660</b>    |
| Depreciation                              | 41,500                  | 23,414                                    | 47,498              | 112,412              | 36,213                    | 8,251               | 156,876              |
| <b>Total expenses</b>                     | <b>\$ 14,629,821</b>    | <b>\$ 4,111,320</b>                       | <b>\$ 6,045,213</b> | <b>\$ 24,786,354</b> | <b>\$ 2,629,824</b>       | <b>\$ 3,168,358</b> | <b>\$ 30,584,536</b> |

See notes to consolidated financial statements.

## Acumen Fund, Inc. and Subsidiaries

### Consolidated Statements of Cash Flows Years Ended December 31, 2022 and 2021

|   | 2022                 | 2021                 |
|---|----------------------|----------------------|
| Cash flows from operating activities:   |                      |                      |
| Change in net assets  | \$ 31,961,699        | \$ 4,688,256         |
| Adjustments to reconcile change in net assets to net cash provided by operating activities:               |                      |                      |
| Depreciation  | 103,554              | 156,876              |
| Provision (recovery) for uncollectible contributions receivable and write-offs, net                       | 1,180,986            | (190,876)            |
| Change in interest in charitable remainder trust  | 114,859              | 58,933               |
| Foreign currency translation loss   | 141,236              | 193,642              |
| Loss on disposal of property and equipment  | 2,698                | -                    |
| Donated securities  | (1,932,253)          | (1,489,085)          |
| Proceeds from sale of donated securities used for operations  | 264,707              | 1,668,473            |
| Realized (loss) gain on sale of donated securities  | 13,420               | (179,388)            |
| Realized and unrealized (gain) loss on equity and partnership investments                                 | (1,095,530)          | 2,060,147            |
| Realized debt portfolio losses  | 102,879              | 664,871              |
| Provision for portfolio losses  | 3,942,703            | 1,044,637            |
| Realized loss on program related loan conversions   | 260,715              | -                    |
| Forgiveness of short-term loan payable  | -                    | (1,171,555)          |
| Partner distribution  | -                    | 2,401,157            |
| Change in operating assets and liabilities:   |                      |                      |
| Contributions receivable  | (20,451,505)         | 55,939               |
| Interest and dividend receivable  | 440,648              | (453,385)            |
| Accounts and other receivables  | (682,908)            | (120,433)            |
| Prepaid expenses and other assets   | 135,533              | (51,949)             |
| Operating right of use lease assets   | 666,540              | -                    |
| Security deposits   | (22,051)             | 64,873               |
| Accounts payable and accrued expenses   | (564,917)            | 1,026,865            |
| Returnable grant capital  | 2,332,132            | 2,099,134            |
| Conditional advances  | (398,774)            | (167,704)            |
| Operating lease liability   | (690,124)            | -                    |
| Taxes payable on foreign loan interest income   | (36,867)             | (26,846)             |
| <b>Net cash provided by operating activities</b>  | <b>15,789,380</b>    | <b>12,332,582</b>    |
| Cash flows from investing activities:   |                      |                      |
| Partner distribution  | -                    | (2,401,157)          |
| Purchase of property and equipment  | (237,141)            | (10,414)             |
| Proceeds from sale of property and equipment  | 35,805               | -                    |
| Proceeds from sale of program related equity and partnership investments                                  | 3,346,890            | 1,739,618            |
| Program related loans made  | (3,410,000)          | (4,368,000)          |
| Program related equity investments made   | (4,606,163)          | (5,220,469)          |
| Program related partnership investments made  | (2,084,079)          | (3,539,289)          |
| Repayment of program related loans  | 590,781              | 3,360,643            |
| <b>Net cash used in investing activities</b>  | <b>(6,363,907)</b>   | <b>(10,439,068)</b>  |
| Cash flows from financing activities:   |                      |                      |
| Principal payments on notes payable   | -                    | (395,803)            |
| <b>Net cash used in financing activities</b>  | <b>-</b>             | <b>(395,803)</b>     |
| <b>Net change in cash and cash equivalents and cash restricted for long-term investment</b>               | <b>9,425,473</b>     | <b>1,497,711</b>     |
| Cash and cash equivalents and cash restricted for long-term investment                                    |                      |                      |
| Beginning   | 57,918,547           | 56,420,836           |
| Ending  | \$ 67,344,020        | \$ 57,918,547        |
| Reconciliation of cash and cash equivalents and cash restricted for long-term investment:                 |                      |                      |
| Cash and cash equivalents   | \$ 63,726,936        | \$ 52,745,887        |
| Cash restricted for long-term investment  | 3,617,084            | 5,172,660            |
| <b>Total cash and cash equivalents and cash restricted for long-term investment</b>                       | <b>\$ 67,344,020</b> | <b>\$ 57,918,547</b> |
| Supplemental disclosures of cash flow information   |                      |                      |
| Cash paid for taxes   | \$ 359,638           | \$ 488,201           |
| Cash paid for interest  | \$ 18,437            | \$ 26,540            |
| Supplemental disclosures of non-cash financing activities:  |                      |                      |
| Leased assets obtained in exchange for new operating lease liabilities                                    | \$ 31,816            | \$ -                 |
| Operating lease right of use assets obtained and liabilities incurred as a result of adoption of ASC 842: |                      |                      |
| Operating right of use lease assets   | \$ 2,585,933         | \$ -                 |
| Operating lease liability   | \$ 2,797,022         | \$ -                 |

See notes to consolidated financial statements.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 1. Nature of Activities

Acumen Fund, Inc., a 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 social impact and financial results. Acumen Fund, Inc. manages an investment portfolio with seven areas of expertise focused on global social needs. These areas include Agriculture, Education, Energy, Financial Inclusion, Health, Water and Sanitation and Workforce Development. In addition, Acumen Fund, Inc. runs a leadership program that consists of five regional fellowship programs to identify, support and connect social change leaders. In 2020, Acumen launched Acumen Academy, merging its Leadership program and +Acumen courses to create a school for social change, along with a new platform to make its online courses and community accessible to anyone, anywhere. Acumen Fund, Inc. also focuses on the dissemination of ideas, particularly those related to the insights derived from the impact measurement of its work and efforts to raise awareness about its approaches to tackling poverty. Acumen Fund, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation.

In addition to managing its global operations from its New York office, Acumen Fund, Inc. formed Acumen Advisory Services India Private Limited (Acumen India) and Acumen Fund Pakistan (Acumen Pakistan) as subsidiaries which manage regional operations. Acumen India is a corporation of which Acumen Fund, Inc. holds 99.9% ownership. In addition, Acumen India Trust, an Indian 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, Colombia and the United Kingdom.

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

In February 2017, Acumen Fund, Inc. formed a Delaware limited liability corporation, Acumen Capital Holding, LLC (ACH), in which it holds a 100% ownership stake. ACH was created to make portfolio investments consistent with, and as an extension of, Acumen Fund, Inc.'s charitable activities. ACH elected to be taxed as a corporation for income tax purposes. As of December 31, 2022 and 2021, ACH had net operating loss deductions available of \$950,377. ACH has determined it is unlikely that these available deductions will be utilized and recorded a valuation allowance for the full amount.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 1. Nature of Activities (Continued)

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

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

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

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

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

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

#### Note 2. Significant Accounting Policies

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

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

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 2. Significant Accounting Policies (Continued)

**Basis of presentation:** A not-for-profit organization is required to report information regarding its financial position and activities in accordance with two classes of assets: without donor restrictions and with donor restrictions. Accordingly, net assets of Acumen and, changes therein, are classified and reported as follows:

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

**Net assets with donor restrictions:** Resources 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.

Unconditional contributions that are restricted by the donor are reported as increases in net assets with donor restrictions if the restriction expires in the reporting period in which the contribution is received and then subsequently released in the same period. Restricted conditional gifts that become unconditional during the period are recognized as revenues with donor restrictions and then subsequently released in the same period. Some net assets may include stipulations to be maintained in perpetuity (perpetual in nature) while permitting Acumen to expend the income generated by the assets in accordance with the provisions of the donor-imposed stipulations. Acumen had no assets that are perpetual in nature as of December 31, 2022 and 2021.

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

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

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

Conditional contributions and promises to give, that is, those with a measurable performance barrier, or other barrier and right of return, are not recognized until they become unconditional, that is, at the time when the conditions in which they depend on are substantially met. As of December 31, 2022 and 2021, Acumen had \$2.4 million and \$2.8 million, respectively, of cash advances related to conditional contributions and are reported in conditional advances. In addition, at December 31, 2022 and 2021, Acumen had outstanding conditional grants of \$14.3 million and \$14.6 million, respectively, including conditional advances.



## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 2. Significant Accounting Policies (Continued)

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

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

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

**Level 1:** Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by Acumen.

**Level 2:** Observable prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data.

**Level 3:** Unobservable inputs based on Acumen's own judgement as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data. The fair value of the interest in charitable remainder trust held by a third-party trustee is based on the fair value of underlying investments and present value techniques.

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

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

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

During the years ended December 31, 2022 and 2021, there were no changes in Acumen's techniques that had, or are expected to have, a material impact on its consolidated statements of financial position or activities.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 2. Significant Accounting Policies (Continued)

**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, or lease term, if shorter, and three to five years for furniture, computer equipment and website development. Right-of-use lease assets are depreciated over the lease term.

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

**Leases:** In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) Topic 842 (Topic 842) to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities. Acumen adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, Acumen has applied Topic 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with Acumen's historical accounting treatment under ASC Topic 840, Leases.

Acumen has elected the package of practical expedients under the transition guidance within Topic 842, in which Acumen does not reassess (i) the historical lease classification, (ii) whether any existing contracts at transition are or contain leases, or (iii) the initial direct costs for any existing leases. Acumen has not elected to adopt the hindsight practical expedient and, therefore, will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of Topic 842 on January 1, 2022.

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

Acumen made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, Acumen made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 2. Significant Accounting Policies (Continued)

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

Acumen has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate and equipment asset classes. The non-lease components typically represent additional services transferred to Acumen, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Acumen's operating leases of \$2,585,933 and \$2,797,022 at January 1, 2022. The adoption of the new lease standard did not materially impact consolidated net income or consolidated cash flows and did not result in a cumulative effect adjustment to the opening balance of net assets.

**Impairment of long-lived assets:** Acumen evaluates the recoverability of its property and equipment whenever adverse events and changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated. If the net book value of the related asset exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management believes no indication of impairment existed at December 31, 2022 and 2021.

**Beneficial interest in a charitable remainder trust:** Acumen has a beneficial interest in a Charitable Remainder Trust (Trust). Under the terms of the Trust, distributions are made from the Trust to designated beneficiaries for the remainder of their lives. The remainder of the assets in the Trust will be transferred to Acumen. The Trust is held and managed by an independent trustee. As of December 31, 2022 and 2021, the value of Acumen's estimated interest in the Trust was approximated using a 7.0% discount rate over the remaining life expectancy of the income beneficiaries.

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

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

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

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 2. Significant Accounting Policies (Continued)

Certain investments are reviewed periodically to determine whether the underlying value has been impaired. If impairment has been identified and such impairment is deemed to be other than temporary, the carrying value of the investment is written down to the impaired value.

**Program related loans receivable:** Loans are carried at an amount equal to the assets transferred if the loans are issued at the market interest rate applicable to the borrower. If the contractual interest rate is lower than the market rate, the difference between the cash transferred to the borrower and the present value of the contractual payments for the loan at the effective interest rate is recognized as contribution expense.

Each loan is analyzed for significant risk factors and appropriate interest rates are charged (currently ranging from 0.0% to 12.0%). 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.

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

**In-kind contributions:** Donated professional services consist of professional services and are stated in the consolidated financial statements at estimated fair value at the date of receipt. Donated professional services that create or enhance 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 estimates the fair value of its in-kind contributions in accordance with FASB ASC Topic 820, Fair Value Measurement. If donated goods are received, it is Acumen's policy to utilize donated goods for mission related activities rather than monetize or sell the goods.

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

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

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 2. Significant Accounting Policies (Continued)

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

**Advertising:** Acumen expenses advertising costs as incurred.

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

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

**Recently adopted accounting pronouncements:** In January 2020, the FASB issued Accounting Standards Update (ASU) 2020-01, *Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323) and Derivatives and Hedging (Topic 815)*, which clarifies that the observable price changes in orderly transactions that should be considered when applying the measurement alternative in accordance with ASC 321 include transactions that require it to either apply or discontinue the equity method of accounting under ASC 323. ASU 2020-01 also addresses questions about how to apply the guidance in Topic 815, *Derivatives and Hedging*, for certain forward contracts and purchased options to purchase securities that, upon settlement or exercise, would be accounted for under the equity method of accounting. Acumen retrospectively adopted this standard. The adoption of this standard did not result in a material impact to the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not for Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities*, which requires not for profit entities to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. Contributed nonfinancial assets are to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Disclosure requirements have also been added on disaggregated contributed nonfinancial assets by type. Acumen retrospectively adopted this standard, resulting in expanded disclosure.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 2. Significant Accounting Policies (Continued)

**Recently issued accounting pronouncements:** In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of activities as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years.

**Subsequent events:** Management has evaluated subsequent events through August 25, 2023, the date that the consolidated financial statements were available for issuance.

#### Note 3. Concentration of Credit Risk

Financial instruments that potentially subject Acumen to concentrations of credit risk consist principally of cash and cash equivalents, contributions 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.

As of December 31, 2022 and 2021, approximately 67% and 38%, respectively, of gross contributions and pledges receivable were due from two donors.

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.

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

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 4. Liquidity and Availability of Financial Assets and Resources

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

|   | 2022          | 2021          |
|---|---------------|---------------|
| Financial assets:   |               |               |
| Cash and cash equivalents   | \$ 63,726,936 | \$ 52,745,887 |
| Contributions receivable, net   | 32,493,939    | 13,223,420    |
| Interest receivable   | 28,164        | 27,806        |
| Accounts and other receivables  | 1,194,305     | 511,397       |
| Investments   | 1,654,126     | -             |
| Cash restricted for long-term investment  | 3,617,084     | 5,172,660     |
| Total financial assets  | 102,714,554   | 71,681,170    |
| Less restricted or committed assets:  |               |               |
| Restricted by donor with time or purpose restrictions   | (68,265,693)  | (35,293,028)  |
| Restricted to fund managers   | (4,932,954)   | (5,082,183)   |
| Returnable grants for investing   | (2,212,443)   | (3,487,267)   |
| Board designated cash threshold for year-end  | (10,100,000)  | (8,900,000)   |
| Committed capital for strategic investments   | (476,787)     | (866,240)     |
| Add back interest in remainder charitable trust   | 496,226       | 611,085       |
| Add estimated net assets with purpose or time restrictions<br>to be met in less than one year | 21,469,728    | 17,519,350    |
| Financial assets available to meet general<br>expenditures over the next 12 months            | 38,692,631    | 36,182,887    |
| Budget for next fiscal year   | 34,283,805    | 27,806,150    |
| Surplus   | \$ 4,408,826  | \$ 8,376,737  |

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

Acumen ended 2022 in a strong liquidity position, with available financial assets to meet operating expenses for the next 12 months of \$34.2 million. Acumen ended the year with \$41.6 million of restricted cash and \$68.2 million of total restricted funds.

Acumen's cash needs, excluding Acumen Capital Partner's activities, for 2022 amounted to \$25.0 million for operating expenses and \$10.1 million for Portfolio disbursements. 46.3% of its total cash needs (operating expenses and portfolio disbursements) was covered by restricted funds and 44.3% of its operating cash needs was covered by restricted funds in 2022. Acumen also recognized \$2.2M in conditional funding in 2022, which covered 9.0% of annual operating expenses and continues to be a growing source of funding.

Acumen has a board-designated minimum cash threshold where its year end non-restricted cash balance must equal or exceed 75% of its forward-looking non-restricted operating expenses. For the year ended 2022, Acumen's non-restricted cash was 112.9% of budgeted 2022 non-restricted operating expenses. Of the non-restricted cash balance available for general expenditures at year end, \$0.5 million of non-restricted cash is informally earmarked for remaining capital commitments and \$2.2 million is returnable grant funding earmarked for investing.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 5. Contributions Receivable, Net

Contributions receivables are due as follows at December 31:

|   | 2022                 | 2021                 |
|---|----------------------|----------------------|
| Due within:                               |                      |                      |
| Up to one year                            | \$ 27,320,560        | \$ 12,035,316        |
| One to five years                         | 6,995,000            | 1,830,509            |
|   | <u>34,315,560</u>    | <u>13,865,825</u>    |
| Present value discount                    | (1,821,621)          | (642,405)            |
| Contributions and pledges receivable, net | <u>\$ 32,493,939</u> | <u>\$ 13,223,420</u> |

Contributions receivable are shown net of a discount to present value using rates ranging from 3.8% to 4.7% on payments due in future years.

During 2018, Acumen established a relationship with Prism the Gift Fund (Prism), a not-for-profit organization that helps Acumen manage charitable donations and gift-matching in the United Kingdom. During 2022 and 2021, Acumen received a total of £36,232 or \$43,851 and £55,741 or \$75,450, respectively, of charitable donations (net of fees) into an account maintained with Prism.

#### Note 6. Investments

Investments consist of the following at December 31, 2022:

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

These investments were donated in fiscal year 2022 and liquidated in early 2022. There were no investments at December 31, 2021.

#### Note 7. Fair Value Measurements

The following table is a summary of assets that the Acumen measures at fair value on a recurring basis at December 31:

|  | 2022                 |                     |             |                   |
|--|----------------------|---------------------|-------------|-------------------|
|  | Total                | Level 1             | Level 2     | Level 3           |
| Equity securities                      | \$ 1,654,126         | \$ 1,654,126        | \$ -        | \$ -              |
| Interest in charitable remainder trust | 496,226              | -                   | -           | 496,226           |
| Total assets by fair value hierarchy   | 2,150,352            | <u>\$ 1,654,126</u> | <u>\$ -</u> | <u>\$ 496,226</u> |
| Assets measured using net asset value  | 19,462,619           |                     |             |                   |
| Total                                  | <u>\$ 21,612,971</u> |                     |             |                   |



## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 7. Fair Value Measurements (Continued)

|  | 2021                 |         |         |            |
|--|----------------------|---------|---------|------------|
|  | Total                | Level 1 | Level 2 | Level 3    |
| Interest in charitable remainder trust | \$ 611,085           | \$ -    | \$ -    | \$ 611,085 |
| Total assets by fair value hierarchy   | 611,085              | \$ -    | \$ -    | \$ 611,085 |
| Assets measured using net asset value  | 16,701,456           |         |         |            |
| Total                                  | <u>\$ 17,312,541</u> |         |         |            |

Level 1 investments are classified as such due to their closeness to cash or being valued based on quoted market prices. Acumen uses the NAV to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their consolidated financial statements consistent with the measurement principles of an investment company. The following tables list investments in investment companies by major category at December 31:

| Strategy  | 2022<br>NAV in Funds | 2021<br>NAV in Funds | Dollar Amount<br>of Unfunded<br>Commitments | Redemption<br>Frequency | Redemption<br>Notice Period |
|---|----------------------|----------------------|---|-------------------------|-----------------------------|
|   |                      |                      |   |                         |                             |
| Early growth funds investing in mission-aligned private company interest(s) | \$ 18,959,126        | \$ 16,197,963        | \$ 3,138,958                                | N/A                     | N/A                         |
| Funds investing in mission-aligned private company interest(s)              | 503,493              | 503,493              | -   | N/A                     | N/A                         |
|   | <u>\$ 19,462,619</u> | <u>\$ 16,701,456</u> | <u>\$ 3,138,958</u>                         |                         |                             |

Acumen's beneficial interest in charitable remainder trust totaling \$496,226 and \$611,085 at December 31, 2022 and 2021, respectively, is measured at fair value on a recurring basis. The beneficial interest in charitable remainder trust is reported using Level 3 inputs of the fair value hierarchy.

The following table presents quantitative information about Level 3 fair value measurements as of December 31:

|   | Fair Value<br>December 31,<br>2022 | Valuation<br>Technique   | Level 3               | Range of<br>Inputs |
|---|------------------------------------|--|-----------------------|--------------------|
|   |                                    |  | Unobservable<br>Input |                    |
| Charitable remainder<br>Trust—held by third-party trustee | <u>\$ 496,226</u>                  | Value of<br>underlying assets<br>and present<br>value techniques | Rate of Return        | 7%                 |
|   |                                    |  | Discount rate         | 5.80%              |
|   |                                    |  | Life Expectancy       | 15 years           |
|   | Fair Value<br>December 31,<br>2021 | Valuation<br>Technique   | Level 3               | Range of<br>Inputs |
|   |                                    |  | Unobservable<br>Input |                    |
| Charitable remainder<br>Trust—held by third-party trustee | <u>\$ 611,085</u>                  | Value of<br>underlying assets<br>and present<br>value techniques | Rate of Return        | 7%                 |
|   |                                    |  | Discount rate         | 5.80%              |
|   |                                    |  | Life Expectancy       | 16 years           |

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 7. Fair Value Measurements (Continued)

There were no purchases, disbursements or transfers related to Level 3 assets during the years ended December 31, 2022 and 2021.

#### Note 8. Property and Equipment

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

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| Computer equipment, systems integration<br>and website development | \$ 459,157        | \$ 321,963        |
| Leasehold improvements and equipment                               | 194,309           | 165,443           |
| Furniture  | 82,175            | 116,317           |
|  | <u>735,641</u>    | <u>603,723</u>    |
| Accumulated depreciation   | (482,352)         | (445,518)         |
|  | <u>\$ 253,289</u> | <u>\$ 158,205</u> |

#### Note 9. Leases

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

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended December 31, 2022:

|                          |                   |
|--------------------------|-------------------|
| Operating lease cost     | \$ 747,304        |
| Variable lease expense   | -                 |
| Short-term lease expense | -                 |
| Total lease expense      | <u>\$ 747,304</u> |

Supplemental consolidated statement of financial position information related to leases is as follows as of December 31, 2022:

|  |              |
|--|--------------|
| Operating lease right-of-use assets, net | \$ 1,919,393 |
| Operating lease liabilities              | 2,106,898    |
| Weighted average remaining lease term    | 3.9 years    |
| Weighted average discount rate           | 2.0%         |

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 9. Leases (Continued)

The table below summarizes Acumen's scheduled future minimum lease payments for the years ending after December 31, 2022:

|  | Operating<br>Leases |
|--|---------------------|
| Years ending December 31:                        |                     |
| 2023   | \$ 753,182          |
| 2024   | 634,820             |
| 2025   | 643,307             |
| 2026   | 144,803             |
| 2027   | 378                 |
| Thereafter                                       | 284                 |
| Total lease payments                             | 2,176,774           |
| Less imputed interest                            | (69,876)            |
| Total present value of operating lease liability | <u>\$ 2,106,898</u> |

Occupancy expenses (including donated occupancy) totaled \$870,661 for the year ended December 31, 2021.

Future minimum lease commitments, as determined under Topic 840, for all non-cancelable operating leases are as follows as of December 31, 2022:

|      |                     |
|------|---------------------|
| 2023 | \$ 619,673          |
| 2024 | 608,533             |
| 2025 | 625,561             |
| 2026 | 135,939             |
|      | <u>\$ 1,989,706</u> |

#### Note 10. Program Related Loans Receivable

Program related portfolio loans receivable consist of loans advanced to projects located throughout the developing world related to Acumen's portfolio activities. Acumen held 59 and 52 loans at December 31, 2022 and 2021, respectively. Loans receivables are carried at a cost of approximately \$16.5 million and \$15.3 million, less an allowance for uncollectible amounts of approximately \$3.8 million and \$2.9 million, and a foreign currency translation adjustment of \$41,666 and \$56,297 at December 31, 2022 and 2021, respectively.

Contractual interest rates on program related loans at December 31, 2022 and 2021, 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.

**Acumen Fund, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements**

**Note 10. Program Related Loans Receivable (Continued)**

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

|   | 2022                 |                     |                      |
|---|----------------------|---------------------|----------------------|
|   | Performing           | Monitoring          | Total                |
| Agriculture                             | \$ 2,728,724         | \$ 1,532,694        | \$ 4,261,418         |
| Education                               | 1,007,219            | 652,137             | 1,659,356            |
| Energy                                  | 5,079,749            | 1,000,000           | 6,079,749            |
| Health                                  | 2,181,500            | 1,378,257           | 3,559,757            |
| Water and sanitation                    | 150,000              | -                   | 150,000              |
| Financial inclusion                     | 780,000              | 15,600              | 795,600              |
|   | <u>\$ 11,927,192</u> | <u>\$ 4,578,688</u> | 16,505,880           |
| Valuation allowance                     |                      |                     | (3,790,716)          |
| Foreign currency translation adjustment |                      |                     | (41,666)             |
|   |                      |                     | <u>\$ 12,673,498</u> |

|   | 2021                 |                     |                      |
|---|----------------------|---------------------|----------------------|
|   | Performing           | Monitoring          | Total                |
| Agriculture                             | \$ 2,326,099         | \$ 1,532,694        | \$ 3,858,793         |
| Education                               | 757,219              | 666,387             | 1,423,606            |
| Energy                                  | 5,395,000            | 1,000,000           | 6,395,000            |
| Health                                  | 1,685,463            | 517,688             | 2,203,151            |
| Water and sanitation                    | 250,000              | -                   | 250,000              |
| Financial inclusion                     | 1,130,000            | 15,600              | 1,145,600            |
|   | <u>\$ 11,543,781</u> | <u>\$ 3,732,369</u> | \$ 15,276,150        |
| Valuation allowance                     |                      |                     | (2,889,772)          |
| Foreign currency translation adjustment |                      |                     | (56,297)             |
|   |                      |                     | <u>\$ 12,330,081</u> |

The following reflects the activity in the valuation allowance account for 2022 and 2021 by class of financing receivables and the monitored financing receivables related to each balance in the valuation allowance account at December 31:

|                              | 2022                |                     |                   |                     |                     | Total               |
|------------------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
|                              | Health              | Agriculture         | Education         | Energy              | Financial Inclusion |                     |
| Allowance for credit losses: |                     |                     |                   |                     |                     |                     |
| Beginning balance:           | \$ 460,188          | \$ 1,382,176        | \$ 531,808        | \$ 500,000          | \$ 15,600           | \$ 2,889,772        |
| Charge-offs                  | (195,893)           | -                   | (7,126)           | -                   | -                   | (203,019)           |
| Provision                    | 1,103,963           | -                   | -                 | -                   | -                   | 1,103,963           |
| Ending balance               | <u>\$ 1,368,258</u> | <u>\$ 1,382,176</u> | <u>\$ 524,682</u> | <u>\$ 500,000</u>   | <u>\$ 15,600</u>    | <u>\$ 3,790,716</u> |
| Financing receivables:       |                     |                     |                   |                     |                     |                     |
| Ending balance               | <u>\$ 1,378,257</u> | <u>\$ 1,532,694</u> | <u>\$ 652,137</u> | <u>\$ 1,000,000</u> | <u>\$ 15,600</u>    | <u>\$ 4,578,688</u> |

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 10. Program Related Loans Receivable (Continued)

|                              | 2021              |                     |                   |                     |                     |                     |
|------------------------------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
|                              | Health            | Agriculture         | Education         | Energy              | Financial Inclusion | Total               |
| Allowance for credit losses: |                   |                     |                   |                     |                     |                     |
| Beginning balance:           | \$ 267,165        | \$ 2,369,153        | \$ 397,058        | \$ -                | \$ -                | \$ 3,033,376        |
| Charge-offs                  | -                 | (1,316,977)         | (100,000)         | -                   | -                   | (1,416,977)         |
| Provision                    | 193,023           | 330,000             | 234,750           | 500,000             | 15,600              | 1,273,373           |
| Ending balance               | <u>\$ 460,188</u> | <u>\$ 1,382,176</u> | <u>\$ 531,808</u> | <u>\$ 500,000</u>   | <u>\$ 15,600</u>    | <u>\$ 2,889,772</u> |
| Financing receivables:       |                   |                     |                   |                     |                     |                     |
| Ending balance               | <u>\$ 517,688</u> | <u>\$ 1,532,694</u> | <u>\$ 666,387</u> | <u>\$ 1,000,000</u> | <u>\$ 15,600</u>    | <u>\$ 3,732,369</u> |

All impaired loans at December 31, 2022 and 2021, are included in the ending balance of financing receivables.

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

|                     | 2022                |                     |                      |                     |                      |                            |
|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------------|
|                     | 30-59 Days Past Due | 60-89 Days Past Due | Greater Than 90 Days | Total Past Due      | Current              | Total Financing Receivable |
| Agriculture         | \$ -                | \$ -                | \$ 1,588,777         | \$ 1,588,777        | \$ 2,672,641         | \$ 4,261,418               |
| Education           | -                   | -                   | 726,951              | 726,951             | 932,405              | 1,659,356                  |
| Energy              | -                   | -                   | 1,339,749            | 1,339,749           | 4,740,000            | 6,079,749                  |
| Financial inclusion | -                   | -                   | 345,600              | 345,600             | 450,000              | 795,600                    |
| Health              | -                   | -                   | 1,274,805            | 1,274,805           | 2,284,952            | 3,559,757                  |
| Water               | -                   | -                   | -                    | -                   | 150,000              | 150,000                    |
| Total               | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 5,275,882</u>  | <u>\$ 5,275,882</u> | <u>\$ 11,229,998</u> | <u>\$ 16,505,880</u>       |

  

|                     | 2021                |                     |                      |                     |                      |                            |
|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------------|
|                     | 30-59 Days Past Due | 60-89 Days Past Due | Greater Than 90 Days | Total Past Due      | Current              | Total Financing Receivable |
| Agriculture         | \$ -                | \$ -                | \$ 1,206,051         | \$ 1,206,051        | \$ 2,652,742         | \$ 3,858,793               |
| Education           | -                   | -                   | 637,888              | 637,888             | 785,718              | 1,423,606                  |
| Energy              | -                   | -                   | 1,024,112            | 1,024,112           | 5,370,888            | 6,395,000                  |
| Financial inclusion | -                   | -                   | 15,600               | 15,600              | 1,130,000            | 1,145,600                  |
| Health              | -                   | -                   | 1,274,805            | 1,274,805           | 928,346              | 2,203,151                  |
| Other               | -                   | -                   | -                    | -                   | 250,000              | 250,000                    |
| Total               | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 4,158,456</u>  | <u>\$ 4,158,456</u> | <u>\$ 11,117,694</u> | <u>\$ 15,276,150</u>       |

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 10. Program Related Loans Receivable (Continued)

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

|   |                             |
|---|-----------------------------|
| 2023                                    | \$ 7,051,035                |
| 2024                                    | 3,621,318                   |
| 2025                                    | 2,659,679                   |
| 2026                                    | 993,724                     |
| 2027                                    | 355,613                     |
| 2028 and thereafter                     | <u>1,824,511</u>            |
|   | 16,505,880                  |
| Valuation allowance                     | (3,790,716)                 |
| Foreign currency translation adjustment | <u>(41,666)</u>             |
|   | <u><u>\$ 12,673,498</u></u> |

#### Note 11. Program Related Equity and Partnership Investments

Program related equity and partnership investments consist of funds invested for equity positions in business enterprises or investment funds in connection with Acumen's portfolio activities. As of December 31, 2022 and 2021, there are 90 and 84 equity and partnership investments totaling \$91.7 million and \$87.7 million, less a valuation allowance of approximately \$16.8 million and approximately \$15.6 million, respectively.

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

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

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

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

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

|  |                      |
|--|----------------------|
| Program related equity investments, net      | \$ 55,147,374        |
| Program related partnership investments, net | 19,462,619           |
|  | <u>\$ 74,609,993</u> |

|                      | 2021                 |                      |                      | Valuation Allowance    | Net of Allowance     |
|----------------------|----------------------|----------------------|----------------------|------------------------|----------------------|
|                      | Performing           | Monitoring           | Total                |                        |                      |
| Agriculture          | \$ 9,143,384         | \$ 6,153,276         | \$ 15,296,660        | \$ (3,018,471)         | \$ 12,278,189        |
| Education            | 5,120,348            | 682,441              | 5,802,789            | (682,441)              | 5,120,348            |
| Energy               | 29,433,878           | 7,629,198            | 37,063,076           | (4,931,432)            | 32,131,644           |
| Financial inclusion  | 6,289,146            | -                    | 6,289,146            | -                      | 6,289,146            |
| Health               | 13,582,850           | 2,797,735            | 16,380,585           | (2,567,884)            | 13,812,701           |
| Housing              | 293,653              | 662,100              | 955,753              | (662,100)              | 293,653              |
| Water and sanitation | -                    | 3,697,641            | 3,697,641            | (3,697,641)            | -                    |
| Other                | 2,217,161            | -                    | 2,217,161            | -                      | 2,217,161            |
|                      | <u>\$ 66,080,420</u> | <u>\$ 21,622,391</u> | <u>\$ 87,702,811</u> | <u>\$ (15,559,969)</u> | <u>\$ 72,142,842</u> |

|  |                      |
|--|----------------------|
| Program related equity investments, net      | \$ 55,441,386        |
| Program related partnership investments, net | 16,701,456           |
|  | <u>\$ 72,142,842</u> |

Cumulative impairments and downward adjustments on program related equity investments as of December 31, 2022 and 2021, were approximately \$18,275,000 and \$15,560,000, respectively, with additional impairments and downward adjustments of approximately \$2,715,000 and \$2,324,000 during the years ended December 31, 2022 and 2021, respectively. Cumulative upward adjustments on program related equity investments as of December 31, 2022 and 2021, were approximately \$957,000 and \$957,000, respectively, with additional upward adjustments of approximately \$0 and \$957,000 during the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, there was one individual investment that accounted for more than 5% of net assets. Acumen Fund, Inc.'s investment in KawiSafi as of December 31, 2022, was \$17,063,577.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### Note 12. Paycheck Protection Program Loan

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES Act) was signed into law, and is meant to address the economic fallout from the COVID-19 pandemic. In connection with the CARES Act, Acumen received a Small Business Administration (SBA) Paycheck Protection Program (PPP) loan for \$1,171,555 on May 1, 2020. The loan is unsecured, bore interest at 1.00% and originally matured on May 1, 2022. Under provisions of the CARES Act, and related loan, this loan was forgiven as Acumen met all the conditions for loan forgiveness. The conditions on the loan proceeds included retaining workers and maintaining payroll. During the active term of the loan, Acumen elected to account for the loan as a financial liability in accordance with ASC Topic 470, Debt. On August 12, 2021, Acumen received notice from its lender that the SBA had authorized full forgiveness of the PPP loan. This forgiveness has been recorded as gain on short-term loan payable forgiveness within the consolidated statements of activities.

#### Note 13. Net Assets With Donor Restrictions

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

|   | 2022             | 2021             |
|---|------------------|------------------|
| Acumen America                          | \$ 1,459,301     | \$ 2,437,981     |
| Alnylam                                 | 31,401           | 222,023          |
| AM Robin Hood                           | 480,566          | -                |
| Barclays                                | 1,045,334        | 1,383,134        |
| Johnson & Johnson                       | 150,019          | 241,686          |
| Medicaid Innovation Collaborative       | 751,540          | 372,460          |
| Pfizer                                  | 123,005          | 123,005          |
| Robert Wood Johnson Foundation          | 963,057          | 1,963,057        |
| Takeda                                  | 937,500          | -                |
| <b>Acumen America</b>                   | <b>5,941,723</b> | <b>6,743,346</b> |
| Global Response Fund                    | -                | 80,950           |
| India Solidarity Facility               | -                | 1,813            |
| <b>COVID-19 Response Fund</b>           | <b>-</b>         | <b>82,763</b>    |
| ALIVE                                   | 29,190           | 47,786           |
| Acumen Resilient Agriculture Fund       | 1,856,767        | 2,107,769        |
| KawiSafi                                | 1,760,317        | 3,064,891        |
| <b>Fund Investments</b>                 | <b>3,646,274</b> | <b>5,220,446</b> |
| Africa                                  | -                | 200,803          |
| India                                   | 96,306           | 142,680          |
| Latin America                           | 513,426          | 1,400,112        |
| Pakistan                                | -                | 32,237           |
| West Africa                             | -                | 332,941          |
| <b>Geography Restricted</b>             | <b>609,732</b>   | <b>2,108,773</b> |
| Target Foundation Workforce Development | 749,930          | 977,610          |
| <b>India</b>                            | <b>749,930</b>   | <b>977,610</b>   |



Acumen Fund, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 13. Net Assets With Donor Restrictions (Continued)

|  | 2022                 | 2021                 |
|--|----------------------|----------------------|
| Portfolio                                      | \$ 89,531            | \$ 123,782           |
| <b>Latin America</b>                           | <u>89,531</u>        | <u>123,782</u>       |
| Acumen Angels                                  | 1,226,002            | 1,703,821            |
| IKEA—East Africa Social Enterprise Accelerator | -                    | 59,675               |
| Leadership                                     | 8,957,184            | 8,924,446            |
| Pakistan Accelerator                           | 80,255               | 170,215              |
| PwC—Civic Accelerator                          | -                    | 18,293               |
| Rabo Foundation—India Ag Acc                   | 8,811                | 50,000               |
| Regional Fellows                               | 388,059              | 692,438              |
| RF Food System Fellowship                      | -                    | 433,112              |
| Southeast Asian Expansion                      | 949,684              | 1,129,357            |
| <b>Leadership</b>                              | <u>11,609,995</u>    | <u>13,181,357</u>    |
| Gender Lens Support                            | 4,283                | 4,283                |
| <b>Post Investment Support</b>                 | <u>4,283</u>         | <u>4,283</u>         |
| Agriculture                                    | 2,303,706            | 2,745,382            |
| Energy   | 39,231,000           | -                    |
| Education                                      | 2,497,494            | 2,572,639            |
| <b>Sector Restricted</b>                       | <u>44,032,200</u>    | <u>5,318,021</u>     |
| Collaboration Summit                           | 67,662               | 67,662               |
| Corp-1: WEF Alliance Project                   | 44,960               | 44,960               |
| Skoll Forum Ecosystem Event                    | 27,971               | 27,971               |
| <b>Strategic Partnerships</b>                  | <u>140,593</u>       | <u>140,593</u>       |
| CRUT   | 496,226              | 611,085              |
| TIME RESTRICTED                                | 945,206              | 780,969              |
| <b>Total</b>                                   | <u>\$ 68,265,693</u> | <u>\$ 35,293,028</u> |

**Acumen Fund, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements**

**Note 13. Net Assets With Donor Restrictions (Continued)**

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

|  | 2022             | 2021             |
|--|------------------|------------------|
| Acumen America—General                   | \$ 1,296,452     | \$ 779,186       |
| Alnylam                                  | 190,622          | 777,977          |
| AM Robin Hood                            | 500,000          | -                |
| Barclays                                 | 1,237,801        | 1,158,333        |
| Johnson & Johnson                        | 91,667           | 258,314          |
| MetLife                                  | 563,282          | 581,498          |
| Robert Wood Johnson Foundation           | 1,000,000        | 1,325,000        |
| Takeda                                   | 62,500           | -                |
| <b>Acumen America</b>                    | <b>4,942,324</b> | <b>4,880,308</b> |
| EYGS Thought Leadership Report           | -                | 20,000           |
| <b>Communications</b>                    | <b>-</b>         | <b>20,000</b>    |
| Acumen America Response Fund             | -                | 140,000          |
| Global Response Fund                     | 80,950           | 548,374          |
| India Solidarity Facility                | 1,813            | 60,687           |
| <b>COVID-19 Response Fund</b>            | <b>82,763</b>    | <b>749,061</b>   |
| ALIVE                                    | 20,000           | -                |
| Acumen Resilient Agriculture Fund (ARAF) | 577,252          | 400,152          |
| KawiSafi                                 | 1,304,573        | 2,301,927        |
| <b>Fund Investments</b>                  | <b>1,901,825</b> | <b>2,702,079</b> |
| Africa                                   | 362,892          | 88,041           |
| India                                    | 50,000           | -                |
| Latin America                            | 1,198,262        | 615,395          |
| Pakistan                                 | 32,573           | -                |
| West Africa                              | 332,941          | 497,057          |
| <b>Geography Restricted</b>              | <b>1,976,668</b> | <b>1,200,493</b> |
| Target Foundation Workforce Development  | 227,680          | 22,390           |
| Regional Fellows                         | 83,848           | 141,485          |
| <b>India</b>                             | <b>311,528</b>   | <b>163,875</b>   |
| Regional Fellows                         | -                | 160,088          |
| <b>Latin America</b>                     | <b>-</b>         | <b>160,088</b>   |

**Acumen Fund, Inc. and Subsidiaries**

**Notes to Consolidated Financial Statements**

**Note 13. Net Assets With Donor Restrictions (Continued)**

|   | 2022                 | 2021                 |
|---|----------------------|----------------------|
| Acumen Angels   | \$ 523,998           | \$ 750,000           |
| Bill & Melinda Gates Foundation—Acumen Circles                      | -                    | 51,724               |
| IKEA—East Africa Social Enterprise Accelerator                      | 59,675               | 341,325              |
| Leadership  | 3,341,693            | 2,408,208            |
| MAVA  | -                    | 86,206               |
| Pakistan Accelerator  | 12,670               | 70,663               |
| PwC—Civic Accelerator   | 18,293               | 2,207                |
| Rabo Foundation—India Ag Acc  | 41,189               | -                    |
| Regional Fellows  | 467,768              | 295,763              |
| RF Food Systems Fellowship  | 298,236              | 61,784               |
| Rockefeller Foundation  | -                    | 415,173              |
| Unilever—Innovation Incubator                                       | -                    | 64,534               |
| Southeast Asia Expansion  | 202,433              | -                    |
| <b>Leadership</b>   | <u>4,965,955</u>     | <u>4,547,587</u>     |
| Pakistan  | 60,987               | 83,696               |
| <b>Pakistan</b>   | <u>60,987</u>        | <u>83,696</u>        |
| Technical Assistance  | -                    | 22,473               |
| <b>Post Investment Support</b>                                      | <u>-</u>             | <u>22,473</u>        |
| Agriculture   | 100,000              | 3,080                |
| Energy  | 3,152,950            | 5,170,109            |
| Education   | 1,534,631            | 1,625,292            |
| <b>Sector Restricted</b>  | <u>4,787,581</u>     | <u>6,798,481</u>     |
| Corp-1: WEF Alliance Project  | -                    | 178,923              |
| Skoll Forum Ecosystem Event   | -                    | 10,000               |
| <b>Strategic Partnerships</b>                                       | <u>-</u>             | <u>188,923</u>       |
| <b>TIME RESTRICTED</b>  | 998,900              | 948,583              |
| <b>Total</b>  | <u>\$ 20,028,531</u> | <u>\$ 22,465,647</u> |
| Net assets released from restrictions—operating support and revenue | \$ 14,858,240        | \$ 11,672,002        |
| Net assets released from restrictions—portfolio revenue             | 5,170,291            | 10,793,645           |
|   | <u>\$ 20,028,531</u> | <u>\$ 22,465,647</u> |

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 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 \$216,985 and \$197,715 for 2022 and 2021, respectively. During 2017, Acumen established a UK pension plan for eligible UK employees. Plan expenses for the UK pension were £60,493 or \$74,438 and £39,032 or \$53,646 for 2022 and 2021, respectively.

#### Note 15. Commitments, Contingencies and Uncertainties

**Program grants, loans and investments:** Since 2001, Acumen has made portfolio loan and equity disbursements of \$154.4 million. Together with allocated disbursements approved but not disbursed (an obligation of approximately \$2.1 million), Acumen's cumulative investments under management total over \$156.5 million.

At December 31, 2022 and 2021, approximately \$0.4 million and \$0.3 million in tranching program disbursements have been committed but disbursements remain contingent upon the approval of interim progress reports and statements. Approximately \$2.3 million and \$2.7 million of new program disbursements were committed in 2022 and 2021. 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:** As of December 31, 2022, KawiSafi Ventures Limited ("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, 2022, Acumen Fund, Inc. had funded \$17.2 million of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 89.4%. At December 31 2022, KawiSafi's total funded commitments amount to \$60.3 million. The ratio of total contributed capital to total committed capital for KawiSafi is 89.4%.

As of December 31, 2022, Acumen LatAm Impact Ventures LP ("ALIVE") has received shareholder commitments equal to \$27.7 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 ALIVE, may direct the draw-down of these commitments for uses outlined in its shareholders' agreement, including to enable ALIVE to make investments, to pay fees and expenses and/or provide reserves. As of December 31, 2022, Acumen Fund, Inc. had funded \$0.9 million of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 84.6%. As of December 31, 2022, ALIVE's total funded commitments amount to \$26.5 million. The ratio of total contributed capital to total committed capital for ALIVE is 84.5%.

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 15. Commitments, Contingencies and Uncertainties (Continued)

As of December 31, 2022, Acumen Resilient Agriculture Fund (“ARAF”) has received shareholder commitments equal to \$58.0 million to operate an investment fund focused on climate-aware agriculture solutions in East and West Africa. Of that amount, Acumen Fund, Inc. committed \$2.0 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, 2022, Acumen Fund, Inc. had funded \$1.1 of its commitment. The ratio of contributed capital to committed capital from Acumen Fund, Inc. is 51.7%. As of December 31, 2022, ARAF’s total funded commitments amount is \$32.0 million. The ratio of total contributed capital to total committed capital for ARAF is 51.7%.

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

|                         | 2022                 | 2021                 |
|-------------------------|----------------------|----------------------|
| Loans                   | \$ 2,760,000         | \$ 4,368,000         |
| SAFE investments        | 650,000              | 620,000              |
| Equity investments      | 4,606,163            | 4,600,469            |
| Partnership investments | 2,084,079            | 3,539,289            |
|                         | <u>\$ 10,100,242</u> | <u>\$ 13,127,758</u> |

SAFE (Simple Agreement for Future Equity) investments grant investors the right to receive equity at a future date, based on terms and conditions outlined in the SAFE. Presentation of the 2021 portfolio disbursements has been updated to reflect the corresponding breakout of SAFE investments.

#### Note 16. Related-Party Transactions

Acumen Fund, Inc. received payment from KawiSafi for professional services in the amount of \$15,752 and \$21,280 in 2022 and 2021, respectively. Acumen Fund, Inc. is a limited partner in KawiSafi, and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and KawiSafi. ACP received \$1,686,500 and \$1,686,500 in management fees from KawiSafi in 2022 and 2021, respectively.

Acumen Fund, Inc. received payment from ARAF for professional services in the amount of \$0 and \$39,932 in 2022 and 2021, respectively. Acumen Fund, Inc. is a limited partner in ARAF, and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and ARAF. ACP received \$1,693,600 and \$2,100,527 in management fees from ARAF in 2022 and 2021, respectively.

Acumen Fund, Inc. received payment from ALIVE for professional services in the amount of \$170,729 and \$147,390 in 2022 and 2021, respectively. Acumen Fund, Inc. is a limited partner in ALIVE. and all professional service fees are charged according to a service-level agreement between Acumen Fund, Inc. and ALIVE.

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

## Acumen Fund, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

---

#### Note 16. Related-Party Transactions (Continued)

Acumen Fund, Inc.'s Chief Executive Officer, Jacqueline Novogratz, currently serves on the Board of Directors for 60 Decibels, a for-profit impact measurement company that was launched by Acumen in 2019.

Acumen Fund, Inc. has outstanding contributions receivable from various employees and Trustees in both 2022 and 2021.

#### Note 17. In-Kind Contributions

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

|                       | 2022                | 2021                |
|-----------------------|---------------------|---------------------|
| Professional services | \$ 2,074,296        | \$ 4,458,152        |
| Facilities            | 25,109              | -                   |
|                       | <u>\$ 2,099,405</u> | <u>\$ 4,458,152</u> |

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

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

No in-kind contributions were restricted for use at December 31, 2022 and 2021.

## **Supplementary Information**

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Financial Position  
December 31, 2022  
(With Summarized Totals at December 31, 2021)  
See Independent Auditor's Report

|   | Acumen Fund, Inc.             |                            |                       | Acumen<br>India   | Acumen India Trust            |                            |                   | Acumen<br>Pakistan | Acumen<br>Capital<br>Holdings, LLC | Acumen<br>Canada  | Acumen<br>Capital<br>Partners LLC | Acumen<br>EA Advisory<br>Services | Acumen<br>Fund<br>Advisory | Acumen<br>Fund West<br>Africa | Eliminating<br>Entries | 2022<br>Total    | 2021<br>Total         |                               |                            |
|---|-------------------------------|----------------------------|-----------------------|-------------------|-------------------------------|----------------------------|-------------------|--------------------|------------------------------------|-------------------|-----------------------------------|-----------------------------------|----------------------------|-------------------------------|------------------------|------------------|-----------------------|-------------------------------|----------------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                 |                   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total             |                    |                                    |                   |                                   |                                   |                            |                               |                        |                  |                       | Without Donor<br>Restrictions | With Donor<br>Restrictions |
| <b>Assets</b>                                 |                               |                            |                       |                   |                               |                            |                   |                    |                                    |                   |                                   |                                   |                            |                               |                        |                  |                       |                               |                            |
| Operating assets:                             |                               |                            |                       |                   |                               |                            |                   |                    |                                    |                   |                                   |                                   |                            |                               |                        |                  |                       |                               |                            |
| Cash and cash equivalents                     | \$ 20,438,935                 | \$ 37,248,579              | \$ 57,687,514         | \$ 709,941        | \$ 117,033                    | \$ 106,540                 | \$ 223,573        | \$ 171,794         | \$ 609,946                         | \$ 781,740        | \$ 5,100                          | \$ 10,427                         | \$ 4,085,848               | \$ 87,759                     | \$ 119,767             | \$ 15,267        | \$ 63,726,936         | \$ 52,745,887                 |                            |
| Contributions receivable, net                 | 41,279                        | 32,452,660                 | 32,493,939            | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | -                | 32,493,939            | 13,223,420                    |                            |
| Interest receivable                           | -                             | -                          | -                     | 28,046            | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | 118                    | -                | 28,164                | 27,806                        |                            |
| Investment in subsidiaries                    | 398,740                       | -                          | 398,740               | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | -                | -                     | -                             |                            |
| Loans to subsidiaries                         | 1,062,429                     | -                          | 1,062,429             | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | -                | -                     | -                             |                            |
| Accounts and other receivables                | 1,266,597                     | -                          | 1,266,597             | -                 | -                             | -                          | -                 | 70,364             | -                                  | 70,364            | -                                 | -                                 | 847,106                    | 617,039                       | 12                     | 19,930           | 1,194,305             | 511,397                       |                            |
| Investments                                   | 1,654,126                     | -                          | 1,654,126             | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | (7,456)                           | -                                 | -                          | -                             | -                      | -                | 1,654,126             | -                             |                            |
| Prepaid expenses and other assets             | 314,044                       | -                          | 314,044               | 9,737             | 3,516                         | -                          | 3,516             | 39,471             | -                                  | 39,471            | -                                 | -                                 | 133,244                    | 80,997                        | 20,062                 | 5,479            | 606,550               | 530,994                       |                            |
| Interest in charitable remainder trust        | -                             | 496,226                    | 496,226               | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | -                | 496,226               | 611,085                       |                            |
| Cash restricted for long-term investment      | -                             | 3,617,084                  | 3,617,084             | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | -                | 3,617,084             | 5,172,660                     |                            |
| Property and equipment, net                   | 131,564                       | -                          | 131,564               | -                 | 8,946                         | -                          | 8,946             | 5,211              | -                                  | 5,211             | -                                 | -                                 | 1,826                      | 54,160                        | 51,582                 | -                | 253,289               | 158,205                       |                            |
| Right of use lease assets, net                | 1,748,672                     | -                          | 1,748,672             | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | 10,774           | 1,919,393             | -                             |                            |
| Security deposits                             | 211,596                       | -                          | 211,596               | -                 | 4,834                         | -                          | 4,834             | 7,260              | -                                  | 7,260             | -                                 | -                                 | 3,776                      | 9,074                         | 11,601                 | -                | 248,141               | 226,090                       |                            |
| <b>Total non-portfolio assets</b>             | <b>27,267,982</b>             | <b>73,814,549</b>          | <b>101,082,531</b>    | <b>747,724</b>    | <b>134,329</b>                | <b>106,540</b>             | <b>240,869</b>    | <b>294,100</b>     | <b>609,946</b>                     | <b>904,046</b>    | <b>5,100</b>                      | <b>2,971</b>                      | <b>5,071,800</b>           | <b>849,029</b>                | <b>203,142</b>         | <b>51,450</b>    | <b>(2,920,509)</b>    | <b>106,238,153</b>            | <b>73,207,544</b>          |
| Portfolio assets:                             |                               |                            |                       |                   |                               |                            |                   |                    |                                    |                   |                                   |                                   |                            |                               |                        |                  |                       |                               |                            |
| Interest and dividend receivable, net         | 979,416                       | -                          | 979,416               | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | -                | 979,726               | 1,420,732                     |                            |
| Program related equity investments, net       | 53,473,624                    | -                          | 53,473,624            | -                 | -                             | -                          | -                 | 59,569             | -                                  | 59,569            | 750,000                           | 864,181                           | -                          | -                             | -                      | -                | 55,147,374            | 55,441,386                    |                            |
| Program related loans receivable, net         | 12,206,846                    | -                          | 12,206,846            | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | 466,652                           | -                          | -                             | -                      | -                | 12,673,498            | 12,330,081                    |                            |
| Program related partnership investments       | 19,462,619                    | -                          | 19,462,619            | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | -                | 19,462,619            | 16,701,456                    |                            |
| <b>Total portfolio assets</b>                 | <b>86,122,505</b>             | <b>-</b>                   | <b>86,122,505</b>     | <b>-</b>          | <b>-</b>                      | <b>-</b>                   | <b>-</b>          | <b>59,569</b>      | <b>-</b>                           | <b>59,569</b>     | <b>750,000</b>                    | <b>1,331,143</b>                  | <b>-</b>                   | <b>-</b>                      | <b>-</b>               | <b>-</b>         | <b>88,263,217</b>     | <b>85,893,655</b>             |                            |
| <b>Total assets</b>                           | <b>\$ 113,390,487</b>         | <b>\$ 73,814,549</b>       | <b>\$ 187,205,036</b> | <b>\$ 747,724</b> | <b>\$ 134,329</b>             | <b>\$ 106,540</b>          | <b>\$ 240,869</b> | <b>\$ 353,669</b>  | <b>\$ 609,946</b>                  | <b>\$ 963,615</b> | <b>\$ 755,100</b>                 | <b>\$ 1,334,114</b>               | <b>\$ 5,071,800</b>        | <b>\$ 849,029</b>             | <b>\$ 203,142</b>      | <b>\$ 51,450</b> | <b>\$ (2,920,509)</b> | <b>\$ 194,501,370</b>         | <b>\$ 159,101,199</b>      |
| <b>Liabilities and Net Assets</b>             |                               |                            |                       |                   |                               |                            |                   |                    |                                    |                   |                                   |                                   |                            |                               |                        |                  |                       |                               |                            |
| Liabilities:                                  |                               |                            |                       |                   |                               |                            |                   |                    |                                    |                   |                                   |                                   |                            |                               |                        |                  |                       |                               |                            |
| Accounts payable and accrued expenses         | \$ 1,331,045                  | \$ -                       | \$ 1,331,045          | \$ 2,331          | \$ 745                        | \$ -                       | \$ 745            | \$ 72,876          | \$ -                               | \$ 72,876         | \$ 752,052                        | \$ -                              | \$ 147,868                 | \$ 13,186                     | \$ 53,543              | \$ 28,786        | \$ (1,843,154)        | \$ 559,278                    | \$ 1,378,808               |
| Accrued salaries and related expenses         | 1,341,147                     | -                          | 1,341,147             | -                 | -                             | -                          | -                 | 26,010             | -                                  | 26,010            | -                                 | -                                 | 135,824                    | 154,665                       | 78,011                 | 24,453           | -                     | 1,760,110                     | 1,505,497                  |
| Taxes payable on foreign loan interest income | -                             | -                          | -                     | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | 2,474                      | -                             | -                      | 2,487            | -                     | 4,961                         | 41,828                     |
| Conditional advances                          | 384,366                       | -                          | 384,366               | -                 | 151,656                       | 106,540                    | 258,196           | 70,642             | 339,403                            | 410,045           | -                                 | -                                 | 1,890,095                  | -                             | -                      | -                | (499,472)             | 2,443,230                     | 2,842,004                  |
| Intercompany loan                             | -                             | -                          | -                     | -                 | -                             | -                          | -                 | 1,051,268          | -                                  | 1,051,268         | -                                 | -                                 | -                          | -                             | -                      | -                | (1,051,268)           | -                             | -                          |
| Returnable grant capital                      | -                             | 5,819,399                  | 5,819,399             | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | -                | -                     | 5,819,399                     | 3,487,267                  |
| Lease liability                               | 1,930,714                     | -                          | 1,930,714             | -                 | -                             | -                          | -                 | -                  | -                                  | -                 | -                                 | -                                 | -                          | -                             | -                      | 10,774           | 165,410               | 2,106,898                     | -                          |
| <b>Total liabilities</b>                      | <b>4,987,272</b>              | <b>5,819,399</b>           | <b>10,806,671</b>     | <b>2,331</b>      | <b>152,401</b>                | <b>106,540</b>             | <b>258,941</b>    | <b>1,220,796</b>   | <b>339,403</b>                     | <b>1,560,199</b>  | <b>752,052</b>                    | <b>-</b>                          | <b>2,176,261</b>           | <b>167,851</b>                | <b>131,554</b>         | <b>66,500</b>    | <b>(3,228,484)</b>    | <b>12,693,876</b>             | <b>9,255,404</b>           |
| Net assets (deficit):                         |                               |                            |                       |                   |                               |                            |                   |                    |                                    |                   |                                   |                                   |                            |                               |                        |                  |                       |                               |                            |
| Without donor restrictions:                   |                               |                            |                       |                   |                               |                            |                   |                    |                                    |                   |                                   |                                   |                            |                               |                        |                  |                       |                               |                            |
| Operating                                     | 22,280,710                    | -                          | 22,280,710            | 745,393           | (18,072)                      | -                          | (18,072)          | (926,696)          | -                                  | (926,696)         | (746,952)                         | 2,971                             | 2,895,539                  | 681,178                       | 71,588                 | (15,050)         | 307,975               | 25,278,584                    | 28,659,112                 |
| Portfolio funds                               | 86,122,505                    | -                          | 86,122,505            | -                 | -                             | -                          | -                 | 59,569             | -                                  | 59,569            | 750,000                           | 1,331,143                         | -                          | -                             | -                      | -                | -                     | 88,263,217                    | 85,893,655                 |
| <b>Total without donor restrictions</b>       | <b>108,403,215</b>            | <b>-</b>                   | <b>108,403,215</b>    | <b>745,393</b>    | <b>(18,072)</b>               | <b>-</b>                   | <b>(18,072)</b>   | <b>(867,127)</b>   | <b>-</b>                           | <b>(867,127)</b>  | <b>3,048</b>                      | <b>1,334,114</b>                  | <b>2,895,539</b>           | <b>681,178</b>                | <b>71,588</b>          | <b>(15,050)</b>  | <b>307,975</b>        | <b>113,541,801</b>            | <b>114,552,767</b>         |
| With donor restrictions:                      |                               |                            |                       |                   |                               |                            |                   |                    |                                    |                   |                                   |                                   |                            |                               |                        |                  |                       |                               |                            |
| Contributed capital                           | -                             | 67,995,150                 | 67,995,150            | -                 | -                             | -                          | -                 | -                  | 270,543                            | 270,543           | -                                 | -                                 | -                          | -                             | -                      | -                | -                     | 68,265,693                    | 35,293,028                 |
| <b>Total net assets (deficit)</b>             | <b>108,403,215</b>            | <b>67,995,150</b>          | <b>176,398,365</b>    | <b>745,393</b>    | <b>(18,072)</b>               | <b>-</b>                   | <b>(18,072)</b>   | <b>(867,127)</b>   | <b>270,543</b>                     | <b>(596,584)</b>  | <b>3,048</b>                      | <b>1,334,114</b>                  | <b>2,895,539</b>           | <b>681,178</b>                | <b>71,588</b>          | <b>(15,050)</b>  | <b>307,975</b>        | <b>181,807,494</b>            | <b>149,845,795</b>         |
| <b>Total liabilities and net assets</b>       | <b>\$ 113,390,487</b>         | <b>\$ 73,814,549</b>       | <b>\$ 187,205,036</b> | <b>\$ 747,724</b> | <b>\$ 134,329</b>             | <b>\$ 106,540</b>          | <b>\$ 240,869</b> | <b>\$ 353,669</b>  | <b>\$ 609,946</b>                  | <b>\$ 963,615</b> | <b>\$ 755,100</b>                 | <b>\$ 1,334,114</b>               | <b>\$ 5,071,800</b>        | <b>\$ 849,029</b>             | <b>\$ 203,142</b>      | <b>\$ 51,450</b> | <b>\$ (2,920,509)</b> | <b>\$ 194,501,370</b>         | <b>\$ 159,101,199</b>      |



Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Activities

Year Ended December 31, 2022

(With Summarized Totals for the Year Ended December 31, 2021)

See Independent Auditor's Report

|  | Acumen Fund, Inc.          |                         |                    | Acumen India     | Acumen India Trust         |                         |                 | Acumen Pakistan | Acumen Capital Holdings, LLC | Acumen Canada  | Acumen Capital Partners LLC | Acumen EA Advisory Services | Acumen Fund Advisory | Acumen Fund West Africa | Eliminating Entries | 2022 Total         | 2021 Total         |                            |                         |
|--|----------------------------|-------------------------|--------------------|------------------|----------------------------|-------------------------|-----------------|-----------------|------------------------------|----------------|-----------------------------|-----------------------------|----------------------|-------------------------|---------------------|--------------------|--------------------|----------------------------|-------------------------|
|  | Without Donor Restrictions | With Donor Restrictions | Total              |                  | Without Donor Restrictions | With Donor Restrictions | Total           |                 |                              |                |                             |                             |                      |                         |                     |                    |                    | Without Donor Restrictions | With Donor Restrictions |
| Support and revenue:   |                            |                         |                    |                  |                            |                         |                 |                 |                              |                |                             |                             |                      |                         |                     |                    |                    |                            |                         |
| Operating support and revenue:   |                            |                         |                    |                  |                            |                         |                 |                 |                              |                |                             |                             |                      |                         |                     |                    |                    |                            |                         |
| Contributions  | \$ 6,187,073               | \$ 53,032,207           | \$ 59,219,280      | \$ -             | \$ 142,043                 | \$ 83,848               | \$ 225,891      | \$ 220,391      | \$ -                         | \$ 9,986       | \$ 1,434,556                | \$ 2,046,121                | \$ 809,952           | \$ 792,076              | \$ (3,861,034)      | \$ 60,897,219      | \$ 28,716,575      |                            |                         |
| In-kind contributions  | 2,099,405                  | -                       | 2,099,405          | -                | -                          | -                       | -               | -               | -                            | -              | -                           | -                           | -                    | -                       | -                   | 2,099,405          | 4,458,152          |                            |                         |
| Program fees   | 815,810                    | -                       | 815,810            | -                | -                          | -                       | -               | -               | -                            | -              | 3,380,100                   | -                           | 2,466                | -                       | -                   | 4,198,376          | 4,147,086          |                            |                         |
| Investment income  | 361,136                    | -                       | 361,136            | 24,301           | 24,027                     | -                       | 24,027          | 83,724          | -                            | 83,724         | -                           | -                           | 1,657                | -                       | -                   | 494,845            | 214,926            |                            |                         |
| Change in value of charitable remainder trust  | -                          | (114,859)               | (114,859)          | -                | -                          | -                       | -               | -               | -                            | -              | -                           | -                           | -                    | -                       | -                   | (114,859)          | (58,933)           |                            |                         |
| Loss on disposal of property and equipment   | -                          | -                       | -                  | -                | -                          | -                       | -               | (2,698)         | -                            | (2,698)        | -                           | -                           | -                    | -                       | -                   | (2,698)            | -                  |                            |                         |
| Other income   | 259,294                    | -                       | 259,294            | -                | -                          | -                       | -               | 64,075          | -                            | 64,075         | -                           | (5,296)                     | 50                   | 1,126                   | (231,213)           | 88,036             | 246,383            |                            |                         |
| Gain on short-term loan payable forgiveness  | -                          | -                       | -                  | -                | -                          | -                       | -               | -               | -                            | -              | -                           | -                           | -                    | -                       | -                   | -                  | 1,171,555          |                            |                         |
| Net assets released from restrictions  | 14,713,405                 | (14,713,405)            | -                  | -                | 83,848                     | (83,848)                | -               | 60,987          | (60,987)                     | -              | -                           | -                           | -                    | -                       | -                   | -                  | -                  |                            |                         |
| <b>Total operating support and revenue</b>   | <b>24,436,123</b>          | <b>38,203,943</b>       | <b>62,640,066</b>  | <b>24,301</b>    | <b>249,918</b>             | <b>-</b>                | <b>249,918</b>  | <b>426,479</b>  | <b>(60,987)</b>              | <b>365,492</b> | <b>-</b>                    | <b>2,040,825</b>            | <b>814,125</b>       | <b>793,202</b>          | <b>(4,092,247)</b>  | <b>67,660,324</b>  | <b>38,895,744</b>  |                            |                         |
| Portfolio revenue (losses):  |                            |                         |                    |                  |                            |                         |                 |                 |                              |                |                             |                             |                      |                         |                     |                    |                    |                            |                         |
| Interest and dividend income, program related investments                              | 138,974                    | -                       | 138,974            | -                | -                          | -                       | -               | -               | -                            | -              | -                           | -                           | -                    | -                       | -                   | 138,974            | 2,686,002          |                            |                         |
| Realized and unrealized gain (loss) on equity and partnership investments              | 1,093,738                  | -                       | 1,093,738          | -                | -                          | -                       | -               | -               | -                            | -              | 1,645                       | -                           | 147                  | -                       | -                   | 1,095,530          | (2,060,147)        |                            |                         |
| Realized debt portfolio losses   | (109,211)                  | -                       | (109,211)          | -                | -                          | -                       | -               | -               | -                            | -              | 6,332                       | -                           | -                    | -                       | -                   | (102,879)          | (664,871)          |                            |                         |
| Provision for losses   | (3,942,703)                | -                       | (3,942,703)        | -                | -                          | -                       | -               | -               | -                            | -              | -                           | -                           | -                    | -                       | -                   | (3,942,703)        | (1,044,637)        |                            |                         |
| Other portfolio investment income  | -                          | -                       | -                  | -                | -                          | -                       | -               | -               | -                            | -              | -                           | -                           | -                    | -                       | -                   | -                  | 55,500             |                            |                         |
| Net assets released from restrictions  | 5,170,291                  | (5,170,291)             | -                  | -                | -                          | -                       | -               | -               | -                            | -              | -                           | -                           | -                    | -                       | -                   | -                  | -                  |                            |                         |
| <b>Total portfolio revenue (losses)</b>  | <b>2,351,089</b>           | <b>(5,170,291)</b>      | <b>(2,819,202)</b> | <b>-</b>         | <b>-</b>                   | <b>-</b>                | <b>-</b>        | <b>-</b>        | <b>-</b>                     | <b>-</b>       | <b>6,332</b>                | <b>1,645</b>                | <b>147</b>           | <b>-</b>                | <b>-</b>            | <b>(2,811,078)</b> | <b>(1,028,153)</b> |                            |                         |
| <b>Total support and revenue</b>   | <b>26,787,212</b>          | <b>33,033,652</b>       | <b>59,820,864</b>  | <b>24,301</b>    | <b>249,918</b>             | <b>-</b>                | <b>249,918</b>  | <b>426,479</b>  | <b>(60,987)</b>              | <b>365,492</b> | <b>-</b>                    | <b>2,040,825</b>            | <b>814,272</b>       | <b>793,202</b>          | <b>(4,092,247)</b>  | <b>64,849,246</b>  | <b>37,867,591</b>  |                            |                         |
| Expenses:  |                            |                         |                    |                  |                            |                         |                 |                 |                              |                |                             |                             |                      |                         |                     |                    |                    |                            |                         |
| Program expenses:  |                            |                         |                    |                  |                            |                         |                 |                 |                              |                |                             |                             |                      |                         |                     |                    |                    |                            |                         |
| Portfolio management   | 11,085,385                 | -                       | 11,085,385         | -                | -                          | -                       | -               | 170,502         | -                            | 170,502        | 9,177                       | -                           | 4,682,930            | 747,031                 | 559,142             | 362,246            | (4,033,296)        | 13,583,117                 | 14,629,821              |
| Outreach, impact and communications  | 4,672,078                  | -                       | 4,672,078          | -                | -                          | -                       | -               | 13,327          | -                            | 13,327         | -                           | -                           | 65,275               | 40,240                  | 1,226               | 4,792,425          | 4,111,320          |                            |                         |
| Leadership   | 4,655,828                  | -                       | 4,655,828          | -                | 317,966                    | -                       | 317,966         | 79,660          | -                            | 79,660         | -                           | -                           | 358,850              | 84,545                  | 487,804             | 1,257              | 5,985,910          | 6,045,213                  |                         |
| <b>Total program expenses</b>  | <b>20,413,291</b>          | <b>-</b>                | <b>20,413,291</b>  | <b>-</b>         | <b>317,966</b>             | <b>-</b>                | <b>317,966</b>  | <b>263,489</b>  | <b>-</b>                     | <b>263,489</b> | <b>9,177</b>                | <b>-</b>                    | <b>4,682,930</b>     | <b>1,171,156</b>        | <b>683,927</b>      | <b>851,276</b>     | <b>(4,031,760)</b> | <b>24,361,452</b>          | <b>24,786,354</b>       |
| Supporting expenses:   |                            |                         |                    |                  |                            |                         |                 |                 |                              |                |                             |                             |                      |                         |                     |                    |                    |                            |                         |
| Management and general   | 3,368,488                  | -                       | 3,368,488          | 46,933           | 2,621                      | -                       | 2,621           | 89,961          | -                            | 89,961         | 375                         | 5,168                       | 698,204              | 60,097                  | (24,921)            | 2,276              | 4,249,202          | 2,629,824                  |                         |
| Fundraising  | 3,951,350                  | -                       | 3,951,350          | -                | -                          | -                       | -               | 13,254          | -                            | 13,254         | -                           | -                           | 159,681              | 7,315                   | 3,675               | 382                | 4,135,657          | 3,168,358                  |                         |
| <b>Total supporting expenses</b>   | <b>7,319,838</b>           | <b>-</b>                | <b>7,319,838</b>   | <b>46,933</b>    | <b>2,621</b>               | <b>-</b>                | <b>2,621</b>    | <b>103,215</b>  | <b>-</b>                     | <b>103,215</b> | <b>375</b>                  | <b>5,168</b>                | <b>857,885</b>       | <b>67,412</b>           | <b>(21,246)</b>     | <b>2,658</b>       | <b>8,384,859</b>   | <b>5,798,182</b>           |                         |
| <b>Total expenses</b>  | <b>27,733,129</b>          | <b>-</b>                | <b>27,733,129</b>  | <b>46,933</b>    | <b>320,587</b>             | <b>-</b>                | <b>320,587</b>  | <b>366,704</b>  | <b>-</b>                     | <b>366,704</b> | <b>9,552</b>                | <b>5,168</b>                | <b>4,682,930</b>     | <b>2,029,041</b>        | <b>751,339</b>      | <b>830,030</b>     | <b>(4,029,102)</b> | <b>32,746,311</b>          | <b>30,584,536</b>       |
| Change in net assets before foreign currency translation gain (loss) and distributions | (945,917)                  | 33,033,652              | 32,087,735         | (22,632)         | (70,669)                   | -                       | (70,669)        | 59,775          | (60,987)                     | (1,212)        | (9,552)                     | 11,150                      | 133,371              | 11,784                  | 62,933              | (36,828)           | (63,145)           | 32,102,935                 | 7,283,055               |
| Foreign currency translation gain (loss)   | (60,977)                   | -                       | (60,977)           | (85,518)         | 10,603                     | -                       | 10,603          | 2,357           | -                            | 2,357          | 5,100                       | (88,531)                    | (13,515)             | (33,095)                | (15,169)            | 69,630             | 67,879             | (141,236)                  | (193,642)               |
| Capital distributions and transfers  | -                          | -                       | -                  | -                | -                          | -                       | -               | -               | -                            | -              | -                           | -                           | -                    | -                       | -                   | -                  | -                  | (2,401,157)                |                         |
| <b>Change in net assets</b>  | <b>(1,006,894)</b>         | <b>33,033,652</b>       | <b>32,026,758</b>  | <b>(108,150)</b> | <b>(60,066)</b>            | <b>-</b>                | <b>(60,066)</b> | <b>62,132</b>   | <b>(60,987)</b>              | <b>1,145</b>   | <b>(4,452)</b>              | <b>(77,381)</b>             | <b>119,856</b>       | <b>(21,311)</b>         | <b>47,764</b>       | <b>32,802</b>      | <b>4,734</b>       | <b>31,961,699</b>          | <b>4,688,256</b>        |
| Net assets (deficit):  |                            |                         |                    |                  |                            |                         |                 |                 |                              |                |                             |                             |                      |                         |                     |                    |                    |                            |                         |
| Beginning of the year  | 109,410,109                | 34,961,498              | 144,371,607        | 853,543          | 41,994                     | -                       | 41,994          | (929,259)       | 331,530                      | (597,729)      | 7,500                       | 1,411,495                   | 2,775,683            | 702,489                 | 23,824              | (47,852)           | 303,241            | 149,845,795                | 145,157,539             |
| End of the year  | \$ 108,403,215             | \$ 67,995,150           | \$ 176,398,365     | \$ 745,393       | \$ (18,072)                | \$ -                    | \$ (18,072)     | \$ (867,127)    | \$ 270,543                   | \$ (596,584)   | \$ 3,048                    | \$ 1,334,114                | \$ 2,895,539         | \$ 681,178              | \$ 71,588           | \$ (15,050)        | \$ 307,975         | \$ 181,807,494             | \$ 149,845,795          |

Acumen Fund, Inc. and Subsidiaries

Consolidating Schedule of Functional Expenses by Region

Year Ended December 31, 2022

(With Summarized Totals for the Year Ended December 31, 2021)

See Independent Auditor's Report

|   | Philanthropy         |                 |                     |                      |                     |                   |                   | Fund Management       |                       | 2022<br>Total       | 2021<br>Total        |                      |
|---|----------------------|-----------------|---------------------|----------------------|---------------------|-------------------|-------------------|-----------------------|-----------------------|---------------------|----------------------|----------------------|
|   | Acumen<br>HQ (1) (2) | Canada          | East<br>Africa      | Latin<br>America (2) | India (3)           | Pakistan          | West<br>Africa    | Elimination           | Total<br>Philanthropy |                     |                      | ACP                  |
| Compensation                                  | \$ 12,042,674        | \$ -            | \$ 1,492,182        | \$ 1,026,362         | \$ 651,612          | \$ 222,941        | \$ 432,493        | \$ -                  | \$ 15,868,264         | \$ 2,232,650        | \$ 18,100,914        | \$ 15,541,580        |
| Professional and consultant fees              | 4,227,323            | 4,880           | 109,013             | 70,799               | 35,811              | 26,521            | 51,137            | -                     | 4,525,484             | 324,603             | 4,850,087            | 3,720,273            |
| Program grants                                | 4,945,644            | -               | -                   | -                    | 115,593             | -                 | -                 | (4,029,102)           | 1,032,135             | 1,427,275           | 2,459,410            | 3,201,629            |
| In-kind contributions                         | 2,099,405            | -               | -                   | -                    | -                   | -                 | -                 | -                     | 2,099,405             | -                   | 2,099,405            | 4,458,152            |
| Travel  | 301,747              | -               | 130,786             | 48,007               | 57,761              | 44,317            | 107,329           | -                     | 689,947               | 153,541             | 843,488              | 210,679              |
| Meetings                                      | 579,954              | -               | 10,924              | 23,014               | 18,368              | 5,039             | 132,834           | -                     | 770,133               | 22,938              | 793,071              | 57,708               |
| Marketing material                            | 126,564              | -               | -                   | 1,622                | 423                 | -                 | 700               | -                     | 129,309               | 135                 | 129,444              | 245,555              |
| Technology expenses                           | 763,250              | -               | 25,963              | 8,697                | 8,527               | 1,310             | 1,944             | -                     | 809,691               | 70,100              | 879,791              | 784,761              |
| Telephone                                     | 9,569                | -               | 10,673              | 3,826                | 761                 | 859               | 1,950             | -                     | 27,638                | 1,192               | 28,830               | 66,935               |
| Office supplies                               | 111,687              | -               | 29,461              | 5,086                | 3,624               | 3,413             | 2,141             | -                     | 155,412               | 1,354               | 156,766              | 114,857              |
| Occupancy                                     | 668,926              | -               | 77,248              | 48,178               | 65,228              | 33,468            | 52,945            | -                     | 945,993               | 52,071              | 998,064              | 870,661              |
| Insurance                                     | 93,083               | -               | 4,206               | -                    | 721                 | -                 | -                 | -                     | 98,010                | 16,775              | 114,785              | 125,811              |
| Investment fees and bank charges              | 251,425              | 230             | 16,382              | 5,133                | 88,644              | 8,306             | 46,265            | -                     | 416,385               | 129,598             | 545,983              | 536,904              |
| Vat and real estate taxes                     | 65,970               | 58              | 284                 | 4,965                | 15,504              | -                 | 334               | -                     | 87,115                | 164,655             | 251,770              | 261,464              |
| Interest                                      | -                    | -               | -                   | -                    | -                   | 18,437            | -                 | -                     | 18,437                | -                   | 18,437               | 3,285                |
| Income tax                                    | 114,783              | -               | 81,985              | -                    | 50,077              | -                 | -                 | -                     | 246,845               | 75,926              | 322,771              | 231,332              |
| Miscellaneous                                 | 48,613               | -               | 605                 | 1,294                | 181                 | 15                | (42)              | -                     | 50,666                | (925)               | 49,741               | (3,926)              |
| <b>Total expenses<br/>before depreciation</b> | <b>26,450,617</b>    | <b>5,168</b>    | <b>1,989,712</b>    | <b>1,246,983</b>     | <b>1,112,835</b>    | <b>364,626</b>    | <b>830,030</b>    | <b>(4,029,102)</b>    | <b>27,970,869</b>     | <b>4,671,888</b>    | <b>32,642,757</b>    | <b>30,427,660</b>    |
| Depreciation                                  | 41,094               | -               | 39,329              | 3,987                | 6,024               | 2,078             | -                 | -                     | 92,512                | 11,042              | 103,554              | 156,876              |
| <b>Total expenses</b>                         | <b>\$ 26,491,711</b> | <b>\$ 5,168</b> | <b>\$ 2,029,041</b> | <b>\$ 1,250,970</b>  | <b>\$ 1,118,859</b> | <b>\$ 366,704</b> | <b>\$ 830,030</b> | <b>\$ (4,029,102)</b> | <b>\$ 28,063,381</b>  | <b>\$ 4,682,930</b> | <b>\$ 32,746,311</b> | <b>\$ 30,584,536</b> |

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

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

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