

2018  
ANNUAL  
REPORT



ACUMEN  
CHANGING  
THE WAY  
THE WORLD  
TACKLES  
POVERTY

# ABOUT ACUMEN

**Acumen exists because poverty remains the most urgent problem of our time. Our goal is to change the way the world tackles it.**

To do this takes entrepreneurs and leaders with character, competence and moral leadership—so we seek them out and invest in them. Today, our global community of changemakers is driving solutions with the capacity to enable millions of low-income people to change their lives. Founded in 2001, Acumen has been named one of Fast Company's Top 10 Most Innovative Not-for-Profit Companies and Acumen Founder and CEO Jacqueline Novogratz was named one of the Forbes 100 Greatest Living Business Minds.



EVERYTABLE

# LETTER FROM ACUMEN'S FOUNDER & CEO AND PRESIDENT



Dear Friends,

The year 2018 was marked by division and growing cynicism, yet there were also many reasons for hope. A new generation is calling for a reimagined capitalism that better includes the poor and vulnerable. We're seeing more local leaders and entrepreneurs taking risks and building solutions to major problems. And some of the world's largest corporations have embarked on a conversation about impact and not just profitability.

Acumen has served as a laboratory for innovation in each of these areas for 18 years, investing patient capital as a means to create change and not as an end in itself. Our patient capital approach allows us to take risks and accompany entrepreneurs as they use market forces to solve some of the toughest problems of poverty. To date, our companies have impacted 263 million lives, and a number have reached scale: three companies are generating roughly \$50 million in revenue and another six

between \$10 and \$50 million. Many of these investments are disrupting the sectors of energy, health and beyond, bringing forth new models for serving low-income communities.

Our intention has always been to see outsized impact on the philanthropic dollars we invest while recycling any returns back into our portfolio. It was exciting to see this approach come to fruition this year when we exited three of our investments. One of them, d.light design, started with only a prototype for a solar lantern, yet over the past 10 years has grown to impact more than 90 million people, paving the way for an entire sector. Imagine what it would have cost to provide energy to that many people with a traditional approach to philanthropy.

Throughout these last 18 years, we've concluded that the success or failure of a venture focused on solving poverty comes down to character.



Energy is a sector we believe holds incredible promise, and we have spent the last 12 years teaming up with other investors to create an off-grid revolution. We raised \$20 million of pioneering patient capital to support innovations and, in 2018, closed a nearly \$70 million impact fund, KawiSafi Ventures, with a mission to bring electricity to 10 million people in East Africa and divert more than a million tons of carbon. The growth of off-grid energy would not have been possible without philanthropic support, and we believe the sector is a model for how a spectrum of capital, from philanthropic to commercial, can work together.

Throughout these last 18 years, we've concluded that the success or failure of a venture focused on solving poverty comes down to character. Our most successful companies are led by entrepreneurs with a moral framework who are skilled at listening and transcending lines of difference. They demonstrate the resilience and grit to fight obstacles like corruption and bureaucracy.

Given the importance of character in all we do, we have doubled down in our efforts to develop moral leaders. In 2018, we grew our community of Acumen Fellows to a cumulative 442 and added two more programs in Colombia and West Africa. These Fellows have impacted roughly 8 million lives and are beginning to create communities of practice in their countries. And this growth has continued with our online school for social change, which has attracted more than 450,000 course-takers and developed new offerings from bootcamps to accelerators.

Finally, we experienced a surge in demand for Lean Data<sup>SM</sup>, our customer-centric approach to measuring impact, which prompted us to make the decision to spin out the Lean Data<sup>SM</sup> team as a separate entity to serve the sector more effectively. This change will enable Acumen to continue to use Lean Data<sup>SM</sup> as the foundation of our measurement work as we focus on understanding the impact and insights from our investments.

As we look ahead, we have four overarching goals. First, Acumen will leverage its capabilities in East Africa's off-grid energy space to prove that an entire system can change. Second, we will back new models of participatory capitalism that are

turning supply chains on their heads and creating opportunities to share wealth with shareholders and stakeholders. Third, we will build our leadership work into a reimaged university for the world focused not just on skills but on character, moving from hundreds of leaders to thousands upon thousands. And finally, we will help more organizations to measure impact, not only through Lean Data<sup>SM</sup>, but other means of measuring and communicating what matters.

Of course, none of this would be possible without the support and encouragement of our incredible community of Partners who serve as sounding boards, mentors, board members, advisors and ambassadors. Our community is diverse, yet bound to one another by a common mission to solve the problems of poverty and shared values that start by standing with the poor. We could not be more grateful for you and your support.

Here's to the future,

Jacqueline Novogratz,  
Founder & CEO

Carlyle Singer,  
President

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# ACUMEN AT A GLANCE

## Our Investing Work

\$117 M

CUMULATIVE INVESTED

116

CUMULATIVE COMPANIES

\$65 M

INVESTMENTS UNDER MANAGEMENT

83

ACTIVE COMPANIES

14

COUNTRIES

\$28 M

CAPITAL RETURNED & REINVESTED

263 M

LIVES IMPACTED



### ACUMEN AMERICA

OFFICE: SAN FRANCISCO, USA  
INVESTMENTS: 15



### ACUMEN GLOBAL

OFFICE: NEW YORK, USA  
INVESTMENTS: 10  
FELLOWS: 109



### ACUMEN LATIN AMERICA

OFFICE: BOGOTÁ, COLOMBIA  
INVESTMENTS: 8



### ACUMEN WEST AFRICA

OFFICE: ACCRA, GHANA  
INVESTMENTS: 8

### ACUMEN PAKISTAN

OFFICE: KARACHI, PAKISTAN  
INVESTMENTS: 15  
FELLOWS: 109



### ACUMEN INDIA

OFFICE: MUMBAI, INDIA  
INVESTMENTS: 32  
FELLOWS: 90



### ACUMEN EAST AFRICA

OFFICE: NAIROBI, KENYA  
INVESTMENTS: 28  
FELLOWS: 134

## Our Leadership Work

442

FELLOWS

5

FELLOWSHIP REGIONS

39

ONLINE COURSES

450 K

COURSE-TAKERS

98%

COUNTRIES REPRESENTED

## POVERTY DOESN'T STAND A CHANCE.

With more than 100 social enterprises impacting 263 million low-income people around the world and a leadership academy empowering thousands of changemakers from almost every country on earth, Acumen is proving that when purpose-driven philanthropy and a global community of leaders and social entrepreneurs join together, poverty doesn't stand a chance.

# THE POWER OF PATIENT CAPITAL



KHEYTI

When Acumen was founded in 2001, we set out to create a new kind of institution, one that would bridge the gap between the social impact of pure philanthropy and the efficiency and scale of market-based approaches. We had witnessed unbridled markets overlook or exploit low-income communities and watched top-down philanthropy distort the dynamism and efficiency of markets, too often creating a cycle of dependency.

We believed there had to be a better way to tackle the pervasive problems of poverty. We called it patient capital: capital backed by philanthropy and invested in purpose-driven entrepreneurs and social enterprises across the globe. Our aim is to create long-term solutions that will put an end to the systems that keep people in poverty and enable every individual to live with dignity and opportunity.

Building sustainable companies in some of the toughest markets in the world, however, is difficult. Our companies' business models are often untested, and their customers can be difficult to access in new and unstable markets. Our entrepreneurs need patient, philanthropically backed capital because it has a high tolerance for risk, allows

for innovation and experimentation, and enables companies to prioritize stakeholders rather than shareholders. At the same time, patient capital demands accountability in terms of depth and breadth of impact, as well as a return: proof that enterprises will be financially viable in the long run.

Over the last 18 years, Acumen's patient capital investments have helped more than 100 companies test their business models, experiment with products and services, and understand low-income customers to create lasting solutions that serve their needs. Although it can take roughly 10 years for our companies to reach the point of scale, we see their potential to transform the lives of millions of people. That is why we accompany them every step of their journey, whether through strategic support or follow-on investments. And when the time comes to exit a company, we recycle our financial returns to make more investments and attract more traditional capital to the sector.

The power of patient capital is its ability to use investments as a means to learn, experiment and amplify what works to create change in the lives of low-income people.

# OUR IMPACT IN 2018

## MEASURING WHAT MATTERS

When we first started Acumen in 2001, we knew that financial returns would not be the ultimate measure of success. For us, the most important outcome of our investments is to improve the lives of low-income individuals.

We spent years working to find the most effective way to measure our impact, and, in 2014, we created the Lean Data<sup>SM</sup> methodology, a customer-driven approach to impact measurement. Lean Data<sup>SM</sup> leverages low-cost, readily available technology (cell phones, SMS, IVR) to speak directly to our investees' customers to understand how their lives have changed and how our companies can improve their products or services to better serve them.

Today, Lean Data<sup>SM</sup> has become a game-changing measurement methodology sought out by other investors, corporations and the impact investing sector at large. Our Lean Data<sup>SM</sup> team has gathered feedback from more than 75,000 low-income customers across 33 countries and completed more than 300 projects for Acumen and leading organizations.

If Acumen is to reimagine capitalism, we must remain true to measuring what matters across our work and leading the way for others to do the same. To work toward a new standard for impact measurement and serve the sector with objectivity, we began the process of spinning out Lean Data<sup>SM</sup> as a standalone social enterprise in 2018. Lean Data<sup>SM</sup> will become 60 Decibels and will be independently owned and operated by the end of Q1 2019. Acumen will continue to use Lean Data<sup>SM</sup> as a tool, among others that we are developing, and will be an advocate for the growth of 60 Decibels across the sector.

263 M  
LIVES IMPACTED  
SINCE 2001

42 M  
LIVES IMPACTED  
IN 2018



## NEW INSIGHT REPORTS



### Energy Impact Report

In 2018, Acumen published the Energy Impact Report revealing that our \$22.1 million invested in 20 clean energy companies has impacted 81 million lives over the last decade.

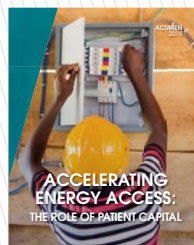
By using Lean Data<sup>SM</sup>, Acumen's customer-driven approach to impact measurement, Acumen spoke to more than 5,500 customers across 11 countries. This data is a first for impact investing and provides the energy sector with benchmarks for impact performance based on real customer data.

**"We were using a lot of money on lighting but now we use this money to improve on our housing and food."**

**SOLARNOW CUSTOMER DAVID OTIM, UGANDA**



[acumen.org/energy-impact-report](https://acumen.org/energy-impact-report)



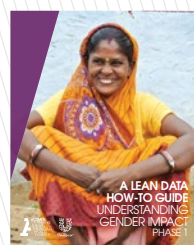
### Accelerating Energy Access Report

Of the more than 800 million people who have gained access to energy over the last decade, 45 percent have access because of path-breaking startups. However, despite

increased capital flows to the sector, the funding gap for early-stage businesses still exists. This year, Acumen launched a report to assess the different types of capital in the sector and the patient capital needed to close the funding gap.



[acumen.org/accelerating-energy-access](https://acumen.org/accelerating-energy-access)



### Understanding Gender Impact Toolkit

According to the World Economic Forum, the gender gap will not be closed at the current rate of change for another 217 years. In 2018, Acumen partnered with Unilever to create a toolkit

designed for entrepreneurs, impact investors, corporations and philanthropists to address this gap by measuring their impact on women and girls.



[acumen.org/investinwomen](https://acumen.org/investinwomen)



# 2018 PORTFOLIO UPDATE

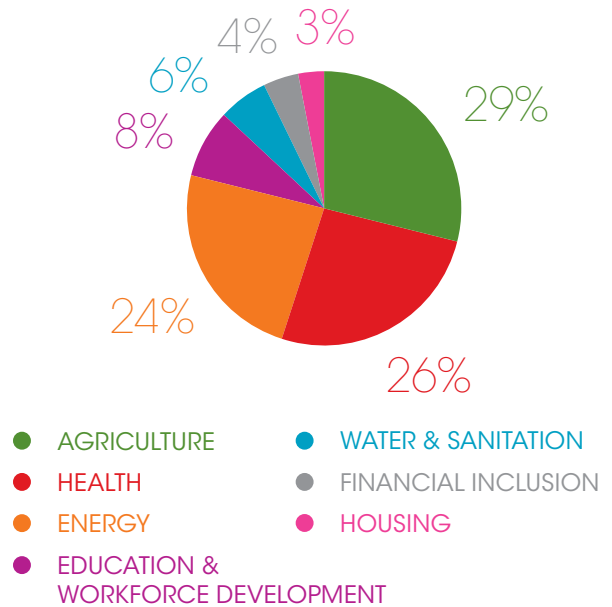
After nearly 20 years as a pioneer of impact investing, we have learned what it takes for social enterprises to survive in tough markets and deliver goods and services to low-income customers. To address a critical funding gap in the entrepreneurial landscape, we focus our investments on two stages: pioneer and early growth. Pioneer supports companies in their seed or Series A rounds while they test and refine their business models, and early growth supports mission-aligned companies ready for scale.

We focus our investments in sectors where we believe we can create the most impact: clean energy, agriculture, education, health, workforce development and financial inclusion. While our investments have enabled us to find and build promising companies, we are also testing innovative financing structures to attract more capital to the space and inclusive ownership models to empower the communities in which we work.

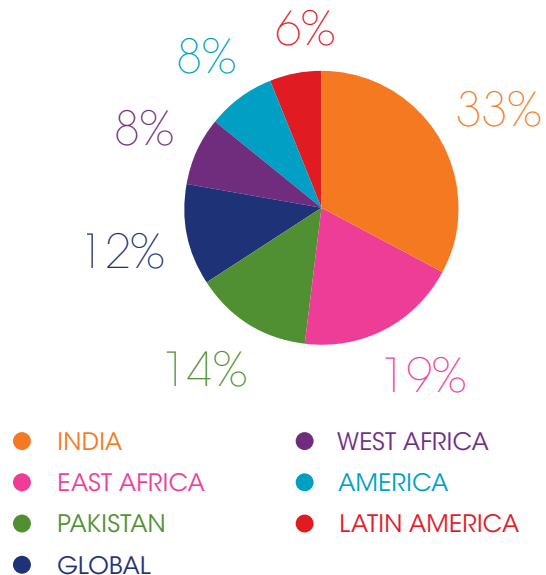
In 2018, Acumen ramped up its pioneer investments in agriculture, renewable energy and health. Beyond investing, we continued to provide hands-on support to our companies through our participation on 51 company boards, providing technical assistance grants to 12 companies, conducting 40 Lean Data<sup>SM</sup> surveys, and hosting two investee capacity-building seminars.

This year, our patient capital approach has led to exits across our pioneer portfolio. Long-time clean energy investee d.light design closed \$41 million in a Series E equity raise, allowing Acumen to exit its Series A shares; poultry farming investee EthioChicken repaid its loan to Acumen three years ahead of schedule with outsized social impact; and Acumen exited the flagship project of affordable housing

## PIONEER INVESTMENTS BY SECTOR



## PIONEER INVESTMENTS BY REGION



Figures represent Investments Under Management: \$65M, excluding unrealized gains and losses.

## INVESTMENTS & ACCOMPANIMENT IN 2018

13

NEW & FOLLOW-ON INVESTMENTS

51

BOARD OR OBSERVER ROLES

12

TECHNICAL ASSISTANCE GRANTS

40

LEAN DATA PROJECTS

investee Ansaar Management Company in Pakistan, realizing more than 1× on its equity investment.<sup>1</sup> These exits serve as proof of Acumen's ability to recycle returns from its investments and of the importance of philanthropically backed patient capital to grow our companies over time.

Our experience has taught us which business models have the potential to grow beyond the pioneer stage and drive real change for the poor. With this knowledge and expertise,

we have begun to sponsor for-profit early-growth funds managed by our subsidiary Acumen Capital Partners (ACP). These funds support established, high-potential companies to catalyze solutions that deliver social and financial returns. In 2018, ACP closed KawiSafi Ventures, raising nearly \$70 million in early-growth capital to scale companies providing clean, affordable energy to low-income communities in East Africa.

## GOING BEYOND INVESTING: EASY SOLAR



Only 13 percent of Sierra Leone's 7.4 million people have access to electricity.<sup>2</sup> This year, Acumen supported pay-as-you-go solar product investee Easy Solar through two roadblocks on their journey to bring clean energy to the poor in Sierra Leone. First, the company's product sales were suffering due to low productivity among its sales agents in the field, and second, its finance team was becoming stretched beyond its capacity.

In response, Acumen conducted a Lean Data<sup>SM</sup> study to get a clearer view on what was impacting the productivity of the sales agents. The findings revealed that poor communication between Easy Solar's sales managers and agents was creating a lack of clarity around commission structures

and agents' payment incentives. As a result, Easy Solar worked with a sales consultant to reassess its agents' approach to selling and to improve the management capacity of its sales managers and its communication with agents.

Acumen also provided a technical assistance grant to enable corporate partner EY to help reduce the strain on Easy Solar's financial team. This intervention revealed practical gaps and solutions such as integrating accounts receivable technology platforms and formalizing new inventory and accounts payable procedures. These changes have already resulted in easier, faster financial reporting. The analysis also clarified the need to hire a CFO to strategically support the company's growth.



### FOCUS ON WEST AFRICA

**OFFICE: ACCRA, GHANA • EST. 2012**  
**INVESTMENTS: 8**

Through its investments in West Africa, Acumen aims to build inclusive, replicable business models and create economic opportunity for low-income customers in urban and rural areas. Currently, we invest in early-stage renewable energy and agriculture businesses in Ghana, Nigeria and Sierra Leone.



## 2018 NEW INVESTMENT SPOTLIGHT

# Boulder Care

HEALTH • AMERICA • EQUITY

## Tackling Opioid Addiction in the U.S.

The opioid addiction crisis has devastated millions of families and hundreds of communities across the United States. In 2017, an estimated 1.7 million individuals suffered from substance use disorders related to prescription opioid pain relievers.<sup>3</sup> According to the U.S. Department of Health and Human Services, people on Medicaid are more likely to be prescribed opioids at higher doses and for longer durations—increasing their risk for addiction.<sup>4</sup> In poorer regions of the country, where patients are less likely to have access to treatment, the consequences of addiction are even more severe.

In 2018, Acumen America invested in Boulder Care, a digital health company that delivers quality, comprehensive opioid addiction treatment virtually. The company sells its services to integrated health providers and, through its platform, patients across the country can receive access to treatment support including a recovery coach, behavioral therapy, social support, medication management, drug testing, and more.

When Acumen invested, Boulder Care was pre-launch, and our investment was designed to help the company pilot and launch care services and the patient-facing mobile app in 2019. Although there are risks, Acumen believed in Boulder Care's innovative model and the experience, character and commitment of its team to establish a new standard of dignified addiction treatment care. This investment is proof of why philanthropy-backed patient capital is critical to proving out new models for tackling problems of poverty.



### FOCUS ON AMERICA

**OFFICE: SAN FRANCISCO, USA • EST. 2015**  
**INVESTMENTS: 15**

In the United States, Acumen invests in early-stage companies across three sectors addressing some of the biggest challenges that face low-income Americans: health, workforce development and financial inclusion. Because the investment landscape and infrastructure in the U.S. is unique, we invest where we have the greatest potential to catalyze new markets and ideas.



## 2018 EXIT SPOTLIGHT

# d.light design

ENERGY • GLOBAL • EXIT: SERIES A SHARES

## From Lighting Homes to Establishing a Sector

Around the world, 946 million people live without energy access.<sup>5</sup> Instead, many rely on kerosene lanterns that not only damage their health and the environment, but are expensive, representing up to 15 percent of their household income.<sup>6</sup>

Entrepreneurs Sam Goldman and Ned Tozun founded d.light design with the dream of bringing affordable, high-quality solar energy solutions to low-income households living off the grid. When Acumen first invested in 2007, d.light had only one solar lantern prototype. But, inspired by Sam and Ned's commitment to solving the problem of energy access, we decided to take a bet on them. We then accompanied d.light on its journey to scale for over a decade, including making multiple follow-on investments, providing strategic board and advisory support, adding team capacity by seconding 10 Acumen Fellows and giving technical assistance grants.

d.light has since grown to become one of the largest off-grid solar energy companies in the world, bringing light and power to more than 90 million individuals across 68 countries. Their 12 solar energy products are not only durable, safe and non-polluting, but also three times cheaper than kerosene.

In 2018, as a result of d.light's \$41 million Series E fundraise, Acumen successfully exited its Series A shares with a return of 2.4 times our investment.<sup>1</sup> This partial exit is one of Acumen's first significant realized gains from an equity investment and proves the transformative change that can be realized by investing with the patience and commitment to stand with the poor.

2.4x

RETURN ON INVESTMENT

90 M

LIVES IMPACTED UPON EXIT



### FOCUS ON INDIA

**OFFICE: MUMBAI, INDIA • EST. 2006**  
**INVESTMENTS: 32**  
**FELLOWS: 90 • PROGRAM EST. 2014**

In India, Acumen's investments focus on workforce development and rural smallholder farmer livelihoods, with an emphasis on gender inclusion. We know that investing alone is not enough to solve the challenges the poor face in India, so we will amplify our efforts by leveraging the work of our Fellows and building an ecosystem through thought leadership and partnerships with government and industry.

# NEW INVESTMENTS IN 2018

## ENERGY

### KopaGas

EQUITY • EAST AFRICA

An energy company making clean, efficient liquid petroleum gas for cooking accessible to low-income people in Tanzania.

### Simusolar

CONVERTIBLE NOTE • EAST AFRICA

A company providing affordable, energy-efficient equipment and financing to smallholder farmers to achieve greater and more predictable incomes.

## AGRICULTURE

### Selva Nevada

EQUITY • LATIN AMERICA

A high-end artisanal ice cream and frozen fruit company that sources fruits from smallholder farmers and indigenous communities in post-conflict regions in Colombia.

## FINANCIAL INCLUSION

### Resolve

CONVERTIBLE NOTE • AMERICA

A consumer-first debt resolution advice and settlement service for Americans in financial distress.

## HEALTH

### Boulder Care

EQUITY • AMERICA

A digital health company battling the opioid crisis in America by delivering quality, comprehensive addiction treatment virtually.

### Mahmee

CONVERTIBLE NOTE • AMERICA

A digital platform that delivers high-quality, individualized maternal care support to new and expectant mothers.

### Kaizen Health

EQUITY • AMERICA

A software-as-a-service platform that enables patients from low-income communities to access health care by connecting them with transportation to get to medical appointments.

### Ready Responders

CONVERTIBLE NOTE • AMERICA

An on-demand network of paramedics who provide fast, in-home urgent care and preventative services to improve health outcomes for underserved Americans.



GIGANTE CENTRAL  
WET MILL



ETHIOCHICKEN



PHARMAGEN  
HEALTHCARE LIMITED

# INSIGHTS FROM OUR INVESTMENTS



# GIGANTE CENTRAL WET MILL

## A New Model of Empowerment

In the 1990s, a collapse in commodity coffee prices cut the value of Colombia's coffee market in half. As a result, thousands of families in the country's coffee-growing regions fell into poverty<sup>7</sup> with some farmers' incomes falling by as much as 70 percent.<sup>8</sup>

Global coffee company Nespresso has also struggled with this decline. In 2012, to increase its Colombian coffee supply, Nespresso teamed up with the Asociación de Cafeteros El Desarrollo, a local farmers' association in the Gigante region of

**REGION: LATIN AMERICA**

**SECTOR: AGRICULTURE**

**BOARD SEATS: 2**

**DEAL TERMS: DEBT & EQUITY**

Colombia, to introduce the idea of building a central wet mill.

The company knew that this central wet mill model had increased production

and efficiency in other coffee-rich regions of the world, yet had never been introduced to Colombia.

The idea for Gigante Central Wet Mill (GCW) was to purchase farmers' raw coffee cherries at a premium price, process the cherries into high-quality AAA-standard coffee beans and sell them to Nespresso at a premium price. Run by and for the local coffee farmers of Gigante, the company would increase smallholder farmers' incomes by eliminating their need to process crops manually, which decreases the quality and selling price of their harvests.

Nespresso initially sought out Acumen to provide capital to build the physical infrastructure of the mill. But in GCW, Acumen Latin America saw a chance to go beyond investing to co-create an institution that would empower the coffee farmers of Gigante. First, we took a minority equity stake in the company to allow the association to maintain full control. Acumen and the association then set up financial

structures within the company so that, over time, GCW could gradually repurchase Acumen's stake. This structure gave GCW access to much-needed capital while empowering the association with the long-term ownership of the mill. If successful, Acumen knew that the mill would not only model a new example of inclusive capitalism, but it could also be replicated across Colombia to transform the coffee industry and impact hundreds of thousands of lives.

Since investing, Acumen has accompanied GCW through setting up its initial operations, offering strategic guidance at the board level and transferring knowledge regarding the financial analysis and planning skills required to run the business. Today, the mill is fully operational and, in one season, farmers who sold their coffee to GCW increased their incomes by 35 percent.

In partnering with GCW, Acumen has learned that building new inclusive models of capitalism requires higher levels of patience and hands-on support. It will be years before we know if our bet on GCW pays off. But if it does, GCW will set a new standard for impact—one defined not only by improving the lives of the coffee farmers but also by empowering those farmers through ownership of the business itself. This is patient capital in action.



### FOCUS ON LATIN AMERICA

**OFFICE: BOGOTÁ, COLOMBIA • EST. 2013**  
**INVESTMENTS: 8**

In Latin America, our focus is on rebuilding communities who have suffered political and economic exclusion, especially in rural and post-conflict areas. In Colombia, many of our agriculture investments empower local community organizations like farming associations and increase smallholder farmer livelihoods through connections to global markets. We also invest in Peru and Guatemala.



“I recommend [GCW] for three reasons: I save work and time, employees treat me good and I trust in them, and the quality factor of the coffee is good.”



## INSIGHTS

### 1 Unique Investment Structures Can Help Build New Models of Inclusive Capitalism.

With this investment, Acumen is both enabling a pioneering enterprise to grow and empowering smallholder farmers as businesspeople—rebalancing the asymmetries of power in rural Colombia. Investing equity alongside an association is unique in the sector and could transform association operations into scalable, inclusive businesses.

### 2 Partnerships are Key in De-Risking New Business Models.

Nespresso funded GCW in its initial stages through grants and technical assistance support. In addition, SKN Caribecafe, Nespresso’s Colombian exporter, agreed to purchase all the AAA-grade coffee the mill produces for 10 years, helping offset the risks inherent to building a new and intrepid venture and guaranteeing incomes for farmers in inconsistent markets.

### 3 Trust is Required to Build New Institutions in Oft-Exploited Areas.

Acumen’s philosophy for this investment is that trust is the foundation of peace. Our investment in GCW is not only addressing issues of individual farmers’ livelihoods, but also strengthening associations that are rebuilding institutional trust within communities affected by conflict.





# ETHIOCHICKEN

## Leveraging Poultry and Partnership for Scale

Ethiopia is the 22<sup>nd</sup> poorest country in the world.<sup>9</sup> Roughly 85 percent of Ethiopians earn a living as smallholder farmers<sup>10</sup> and 38 percent of children under the age of five suffer from stunted growth due to extreme and prolonged malnourishment.<sup>11</sup>

The Ethiopian government has long believed that poultry, given their low cost and high yields, have the potential to bridge the country's income and malnourishment gaps. But by 2010, government efforts to bring poultry to the poor had failed. Despite not having experience in chicken farming,

**REGION: EAST AFRICA**  
**SECTOR: AGRICULTURE**  
**BOARD SEATS: OBSERVER**  
**DEAL TERMS: DEBT**

a group of young American entrepreneurs convinced the government to let them take over one of its failing chicken hatcheries and pursue

their vision for EthioChicken: to use highly productive chicken breeds to improve smallholder farmers' incomes and increase food security in Ethiopia.

When Acumen invested in 2014, EthioChicken was facing a difficult market and recovering from multiple failures: its first chicks did not hatch, its first four chicken breeds were unpopular with customers and its first government contract fell apart. As a result, the company was struggling financially and on the brink of closing its doors. But Acumen took a bet on David Ellis and Joe Shields, two of the company's founders, who were willing to do the hard work necessary to navigate these challenges, and invested with a seven-year loan to improve the company's infrastructure. Following the investment, Acumen accompanied EthioChicken on its journey to scale, advising the company at the board level, seconding two Acumen Fellows to add team capacity and measuring the company's impact with Lean Data<sup>SM</sup>.

Acumen's patient capital and multifaceted support enabled EthioChicken to withstand its failures, get its product right and make it to the next phase of growth and impact. With time, EthioChicken found a breed that produces four times as many eggs as indigenous chickens and became one of Acumen's highest-impact companies. To date, the company has touched the lives of more than 6.3 million people, increased farmers' incomes by an average of 25 percent and, in the areas where it's operated the longest, egg consumption has increased from seven to 80 eggs per person per year.

In 2018, EthioChicken repaid its loan to Acumen three years ahead of schedule with a 1.9x return on the investment.<sup>1</sup> EthioChicken proved that by taking the time to listen to customers, partner with government and get its product right, the company could scale to improve the lives of millions of low-income farmers and their families across Ethiopia.

1.9x

RETURN ON INVESTMENT

6.3 M

LIVES IMPACTED UPON EXIT



### FOCUS ON EAST AFRICA

**OFFICE: NAIROBI, KENYA • EST. 2007**  
**INVESTMENTS: 28**  
**FELLOWS: 134 • PROGRAM EST. 2012**

Acumen was one of the first impact investors in East Africa. Our investments are targeted to improve the livelihoods of low-income people in the areas of clean energy, education and agriculture. Currently, we invest in Ethiopia, Kenya, Rwanda, Tanzania and Uganda. In terms of breadth, our investees include some of our highest-impact companies, such as d.light design and EthioChicken that are each reaching millions of customers.

“I can buy school items and clothes for children and save for emergencies. I would never make a living if I hadn’t started rearing [EthioChicken’s] chickens.”



## INSIGHTS

### 1 Poultry Have High Impact Potential.

Chickens lay eggs daily to be sold or consumed for protein, offering farmers a frequent source of income and nutrition that is more reliable than longer-term, weather-dependent crops. This makes chickens particularly important in Ethiopia, where frequent droughts affect crop yields and demand for protein is high. Chickens are also a valuable asset for farmers to sell in an emergency, reducing their vulnerability to economic shocks.

### 2 Government Partnerships Can Help a Company Grow Quickly.

EthioChicken built a strong relationship with the Ethiopian government based on transparency, trust and shared priorities. By partnering with the government’s agricultural extension workers as part of the distribution channel, EthioChicken quickly reached a large number of farmers with pre-established credibility—a great achievement in the agriculture sector where earning the trust of farmers and encouraging the adoption of new products is challenging.

### 3 The Character of the Entrepreneurs is Key to a Company’s Success.

Entrepreneurs David and Joe had not only the grit and resilience to recover from their many failures but also the humility to take a learning approach. They sought advice from poultry experts, investors, local businesspeople and regional governments, and lived full-time in Ethiopia, learning the culture and local languages. This approach allowed David and Joe to build the relationships required to develop the right product and grow their company.



# PHARMAGEN HEALTHCARE LIMITED

## Challenges in Bringing Clean Water to the Poor

Patient capital is designed for taking risks on solutions to some of the toughest problems of poverty.

While those risks enable the successes of companies like d.light and EthioChicken, they also include challenges and failures that bring forth important insights for honing our investment strategies.

In 2011, Acumen invested in Pharmagen Healthcare Limited in Lahore, Pakistan. Due to rampant water contamination, Lahore's low-income communities typically got drinking water from free government

sources, low-cost traveling tankers or by boiling their own tap water. However, the quality of these water sources was questionable, and

**REGION: PAKISTAN**  
**SECTOR: WATER & SANITATION**  
**BOARD SEATS: 2**  
**DEAL TERMS: EQUITY**

Pharmagen saw an opportunity to meet low-income customers' needs by delivering both affordable and safe water. Using reverse osmosis technology, the company purified groundwater in its water plants and sold it to low-income communities through 30 storefronts. After 11 years, Pharmagen had served more than 30,000 low-income customers. But by the end of 2018 the company had to close its doors.

We believe that three challenges common to the water sector contributed to the company's decline:

**Building water treatment plants and customer storefronts requires high upfront capital expenditure from small startups.**

While Pharmagen pursued corporate and government partnerships to help cover these costs, none materialized. As a result, the company covered both the costs of building and running its own plants and storefronts, which depleted its capital and limited its growth.

**Due to free alternative water sources, customers expect low price points—creating thin margins and a volume-dependent model.** Pharmagen brought its price down to two cents per liter but faced pressure to achieve high sales volumes to stay afloat. This is a difficult feat when facing an inconsistency of demand: in many places, seasonal changes in water consumption can decrease demand by 30 percent in colder months.

**Even when demand for water is high, sales can suffer due to a lack of awareness around the value of purified water.** Water quality is difficult to detect—for most customers, water is considered safe for drinking if it looks clear. People would therefore rather receive free water from government-run plants than purchase it from a company like Pharmagen for what they perceive to be no real value added. Due to the company's capital constraints, Pharmagen was not able to commit resources to marketing the hygienic value of its water to change this perception.

In addition to these sector-wide challenges, Pharmagen faced local obstacles. Lahore's government-run water initiative launched a new suite of filtration plants to offer



### FOCUS ON PAKISTAN

**OFFICE: KARACHI, PAKISTAN • EST. 2006**  
**INVESTMENTS: 15**  
**FELLOWS: 109 • PROGRAM EST. 2013**

Acumen is not only Pakistan's first impact investor, but also one of few institutional investors in the market. Due to a critical need for early- and seed-stage capital, our investments cover a broad spectrum of products and services for low-income people, including innovations in health, renewable energy, education, workforce development, housing, agriculture and financial inclusion. We are also exploring a new accelerator program to develop emerging ideas into social enterprises.



residents free purified water. Pharmagen attempted to partner with this initiative as a water provider but, given the company's small size, the government found Pharmagen to be too high-risk as a partner. More recently, in 2018, the government implemented a new tax on the use and sale of underground water—the source of Pharmagen's supply. These taxes further diminished Pharmagen's narrow margins and, combined with increased competition from the government's new plants, led the company to fold its operations.

By working with Pharmagen, Acumen has learned firsthand the importance of developing cost-reducing partnerships for capital-intensive business models and the challenges of competing with government as one of the biggest alternative providers of a product or service for low-income customers. While Acumen no longer invests in new water and sanitation companies, we have used these lessons in partnerships to inform our other areas of investment, particularly within Acumen's energy and agriculture sectors, where many business models face similar capital requirements.

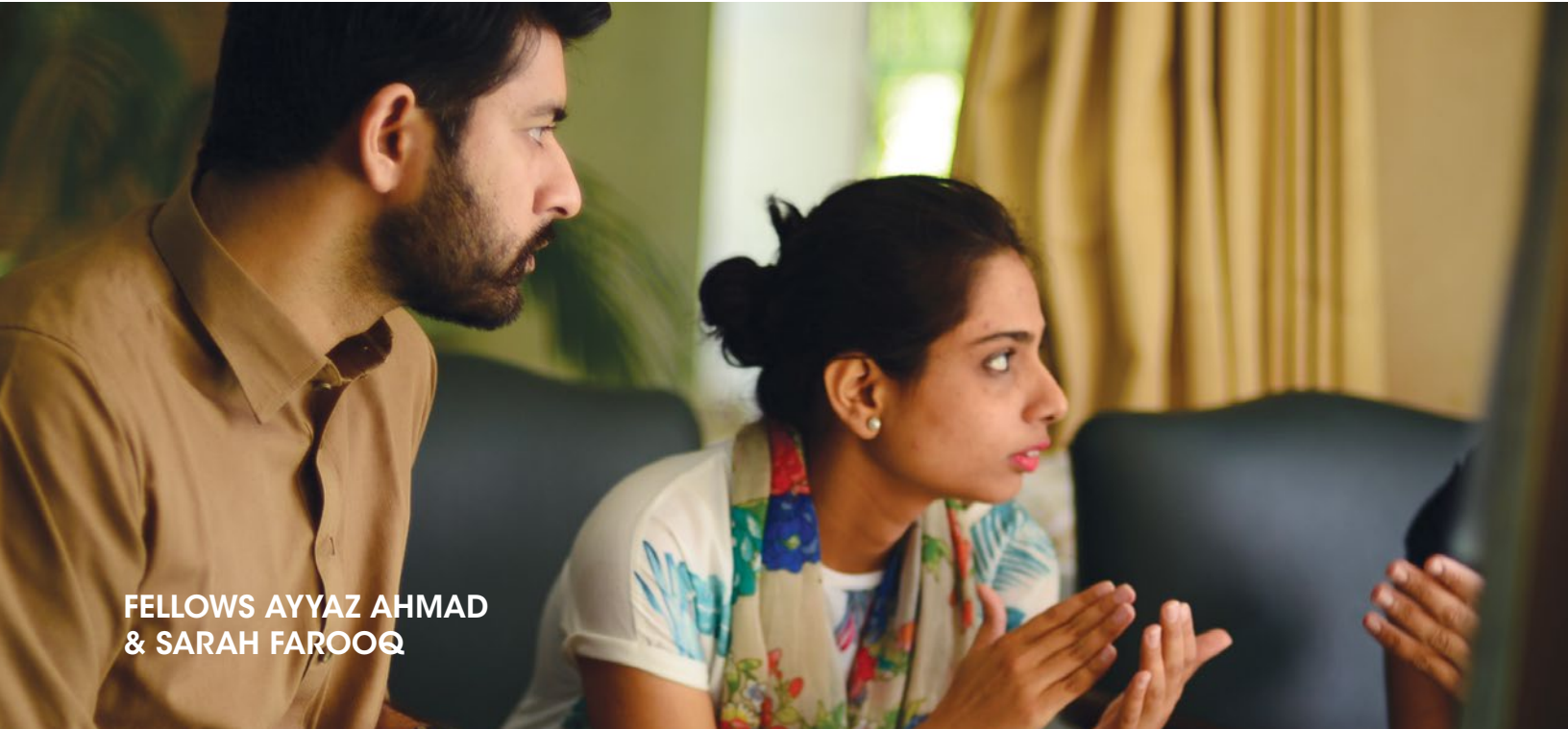
By working with Pharmagen, Acumen has learned firsthand the importance of developing cost-reducing partnerships for capital-intensive business models and the challenges of competing with government as one of the biggest alternative providers of a product or service for low-income customers.

#### AT THE END OF OPERATIONS

30 K  
LIVES IMPACTED

7  
YEARS OF ACUMEN  
ACCOMPANIMENT

# 2018 LEADERSHIP UPDATE



FELLOWS AYYAZ AHMAD  
& SARAH FAROOQ

At Acumen, we know that the challenges of the 21<sup>st</sup> century are not easy to solve—from poverty and global warming to terrorism and ethnic strife. Today’s problems require leaders with the long-term commitment and character to navigate the unknown and bridge divides between rich and poor, public and private, business and philanthropy, shareholders and stakeholders.

In 2006, after five years of investing in game-changing social entrepreneurs, Acumen began building a pipeline of leaders on their journey to create change. We started a Fellows program, first a global one and then programs in East Africa, Pakistan, India and, this year, in Colombia and West Africa. During their fellowship year, Fellows remain in their jobs while taking part in five week-long seminars ranging from holistic approaches to problem-solving to frameworks for thriving in challenging environments.

Year after year, thousands of people began applying to become Acumen Fellows and expressed interest in our approach to tackling poverty. We wanted to reach these people and harness their potential, so we developed

+Acumen, our online platform of courses and learning experiences for social leaders worldwide.

Today, Acumen has built a corps of 442 Fellows and more than 450,000 individuals

from nearly every country who have taken our online social-change courses.

What sets Acumen’s programs and courses apart is the diversity of participants and their emphasis on values. Some leaders

What binds our leaders together is their commitment to moral leadership—a leadership grounded in ethics and shared values of empathy, audacity, grit and humility.

have graduate degrees from the world's top universities, whereas others come from far-flung low-income communities. What binds our leaders together is their commitment to moral leadership—a leadership grounded in ethics and shared values of empathy, audacity, grit and humility. Leading

today also requires a sense of fellowship. That is why our programs are offered in cohorts, so leaders know that they are not alone in the long and difficult journey of making change.

In 2018, in addition to launching new Fellows programs in Colombia and West Africa, we increased the depth of our virtual content on +Acumen by launching accelerators: structured offerings for innovators to develop new business models and initiatives through curated curriculum, coaching and a network of peers. We also experimented with supporting our Fellows' needs for access to funding through Acumen Angels, an initiative whereby Acumen Partners, our donors, could

invest in Fellows' organizations. With \$100,000 from a Partner, Acumen funded three companies in India and Pakistan focused on issues ranging from menstrual

hygiene to digital education. We will assess how to scale our efforts ensuring more Fellows get access to funding to grow their enterprises.

This year, Acumen began to lay the groundwork for the future of our leadership work. As a result, we are excited to launch Acumen Academy in fall 2019: a global university reimagined, designed to integrate the transformational depth of our in-person Fellows program with the scale of +Acumen to equip thousands of Fellows with the tools, frameworks and ecosystem needed to create change in their communities. We plan to expand our Fellows program from five to 15 regions by 2021 and leverage +Acumen's virtual course material as part of the curriculum between in-person seminars.

At scale, we believe that by investing in the skills and capacity of high-potential change agents, we can catalyze a powerful global ecosystem to drive the change the world needs.

442

FELLOWS

5

FELLOWSHIP  
REGIONS

450 K

COURSE-  
TAKERS

39

ONLINE  
COURSES



## ACUMEN ACADEMY

Acumen Academy is a university reimagined, combining the transformational depth of our in-person Fellows program with the global scale of +Acumen, our online school for social change, to equip thousands of Fellows with the tools, frameworks and ecosystem they need to create change in their communities.



COURSE-TAKERS PIKILILY

# THE IMPACT OF INVESTING IN LEADERS

In 2018, Acumen conducted an in-depth survey of our Fellows to assess impact in three areas: Acumen's impact on Fellows, Fellows' impact on their communities and amplification of our content by Fellows. While measuring impact for leadership development programs is not easy, the results are clear.

**Acumen's Impact on Fellows:** Acumen's program has positively affected Fellows in two main ways: improving their ability to lead in complex environments and offering them a community to accelerate their initiatives. As a result of the program, 90 percent of Fellows reported having the tools to engage in courageous conversations, 95 percent had greater conviction to stand up for their values, 86 percent were able to publicly articulate their call to action and 93 percent were better able to adapt to new environments and challenges.

Fellows have raised over \$20 million through introductions facilitated by Acumen and leveraged Acumen's community to find advisors, mentors and board members for their organizations. By participating in the Fellows program, 93 percent of Fellows say they have built a wider and more diverse professional network.

**Fellows' Impact on Communities:** Acumen Fellows have impacted more than 8 million lives through their work across a range of sectors including education, technology and agriculture. Their commitment has enabled 21,000 people to find employment, more than 2 million children to achieve an education and millions of individuals to access financial services, electricity and health care.

**Amplification of Content:** Nearly 80 percent of Fellows have shared the program curriculum with their organizations and 60 percent have shared the content with their communities, amplifying the reach of our social-change content. The most highly shared content blocks are Adaptive Leadership, a framework that enables leaders to thrive in challenging environments, and Authentic Voice, a training that develops a leader's capacity to articulate their vision and move others to action.

The full findings were published in Acumen's Leadership Impact Report.

→ Learn more at: [leadership.plusacumen.org](http://leadership.plusacumen.org)

## FELLOWS' IMPACT & LEVERAGE

8 M

LIVES IMPACTED  
BY FELLOWS

\$20 M

RAISED BY FELLOWS THROUGH  
ACUMEN'S COMMUNITY

## AS A RESULT OF THE FELLOWSHIP

95%

FELLOWS HAVE THE  
CONVICTION TO STAND  
UP FOR THEIR VALUES

80%

FELLOWS HAVE SPREAD THE  
PROGRAM CURRICULUM

95%

FELLOWS COULD  
BETTER ADAPT TO  
CHALLENGES

93%

FELLOWS HAVE BUILT A WIDER  
PROFESSIONAL NETWORK



FELLOW  
TERESA NJOROGE

# FELLOWS' IMPACT



## 2017 INDIA FELLOW, GAYATRI JOLLY

Gayatri's company, MasterG, teaches low-income women in India the skills of pattern-making and fabric cutting in a field dominated by men. In two years, MasterG has trained 500 women and has increased their incomes seven-fold.



## 2016 EAST AFRICA FELLOW, AARON KIRUNDA

Aaron's enterprise, enjuba, has improved the literacy skills of more than one million children in Uganda through spelling bees, teacher training and childrens' book publishing.



## 2015 INDIA FELLOW, RAGHAV RAGHUNATHAN

Raghav's work with the National Commodity and Derivatives Exchange Limited in India has given more than 500,000 farmers access to online markets to sell their produce at fair prices.



## FELLOWS IN THE NEWS



National Geographic featured Fellows Sathya Raghu and Kaushik K and their social enterprise, Kheyti, for their greenhouse-in-a-box that is protecting the crops of India's smallholder farmers against climate change.



Pakistan Fellow Haroon Yasin received the Queen of England's Young Leaders Award for his work as founder of Orenda, an organization using a unique digital education model to teach low-income children in Pakistan.



East Africa Fellow and activist Boniface Mwangi, whose campaign for a parliamentary seat in Kenya went viral earlier this year, was featured as one of 12 global creatives driving innovation in Apple's new ad campaign, "Behind the Mac."



Pakistan Fellow Shad Begum and India Fellow Ashweetha Shetty shared their stories of transformation through education and how they are now empowering young people in their communities at the 2018 TEDWomen conference.





## FELLOW PROFILE **SUHANI MOHAN**

CO-FOUNDER AND CEO, SARAL DESIGNS


### Erasing Taboos Around Menstruation in India

In India, more than 80 million women lack access to sanitary napkins and 113 million girls between ages 12 to 14 are at risk of dropping out of school due to the stigma around menstruation. Instead, many rely on makeshift, unhygienic alternatives such as newspapers and old rags that increase risk of infection.

Frustrated by this problem, Acumen Fellow Suhani Mohan teamed up with fellow Indian Institute of Technology alumnus Kartik Mehta to design a prototype for the world's first small-scale machine to automate the production of low-cost, high-quality pads. In 2015, Suhani and Kartik founded Saral Designs, a social enterprise offering menstrual hygiene solutions from affordability to accessibility to awareness.

Suhani participated in her fellowship year in 2015—the same year that she opened the doors of Saral Designs—when she and Kartik were having trouble getting the company started. Through the Acumen fellowship, Suhani learned that she wasn't alone. As a Fellow, she found a community of like-minded individuals who helped her think through her business model and break down the complexity of the problems she wanted to solve. In just three years, the company has sold more than 2 million pads, reaching more than 200,000 women and 20,000 first-time users.

Suhani and Saral Designs are featured in Acumen's 2018 #OneGreatIdea campaign.

 See Suhani's video at [acumen.org/onegreatidea](https://acumen.org/onegreatidea)

“The Acumen Fellowship gave me another lens to look at problems, the adaptive lens. If I am part of the problem too, I will not be able to solve it.”



## COURSE-TAKER PROFILE **BORJA PALADINI ADELL**

COLOMBIAN REPRESENTATIVE, UNIVERSITY OF NOTRE DAME  
KROC INSTITUTE FOR INTERNATIONAL PEACE STUDIES

### Using Systems Change to Advance Colombia's Peace Agreement

In 2016, the government of Colombia and the Revolutionary Armed Forces of Colombia (FARC) signed a peace accord marking a major turning point in ending the country's 52-year conflict. As part of the agreement, the University of Notre Dame Kroc Institute for International Peace Studies is responsible for monitoring the accord's implementation.

Borja Paladini Adell, a 20-year peacebuilding veteran, leads Kroc's 15-person team in Bogota, tracking real-time compliance data on the 74 themes of the accord. Borja and his team provide status reports to the Colombian government and the FARC, enabling them to make decisions and adjustments to the accord's implementation. To better manage the constant influx of data, Borja turned to the Systems Practice Course offered by +Acumen and The Omidyar Group.

The Systems Practice Course guides participants through understanding and analyzing a system like the Colombian conflict to learn how to adapt in a complex environment and to find points of intervention. The course prompted Borja and his colleagues to focus on how the different players in the accord think and interact—and thereby influence the peace process. Through the course, the team identified the need to create new language to bridge the complex belief systems of these players and cross lines of difference.

“The course gives us an alternative to the ‘blame game.’ Such analysis helps support a collaborative space between key decision-makers [of the peace agreement].”



PARTNER TRIP,  
TANZANIA

## WHAT IT MEANS TO BE A **PARTNER**

**A**t Acumen, we take a different approach to philanthropic giving. We call our donors “Partners” because, in addition to a financial contribution, giving to Acumen is about the desire to create sustainable impact for millions of low-income individuals around the world and to learn together from successes and failures.

Becoming an Acumen Partner means joining a global community of more than 300 of the world’s most innovative individuals, corporations, foundations, governments and thought leaders, all committed to making solutions and systems work for the poorest.

Each year, we offer multiple touchpoints for Partners to learn and deepen their experience. This year, Acumen hosted 10 deep-dive learning calls, led Partners on two trips to the field, shared exclusive memos on new investments and exits, and curated in-person Partner events across our geographies, including our Collaboration Summit in Nairobi, European Partner

Meeting in London, Partner Gathering in New York and Social Capital Markets (SOCAP) events in San Francisco.

In November, Acumen led 14 Partners on a five-day trip to West Africa, immersing the group in Acumen’s investment work in Ghana and Sierra Leone. After visiting clean-energy investee Easy Solar, Partner Karen Paterson said, “I sat next to an Easy Solar employee as he showed us pictures of his visit to the camp for people affected by the civil war. He was so thrilled and proud to bring them light. In that moment I got who he was, what Easy Solar means to him, which is hope for the future, and the enormity of the obstacles still ahead.”

Partnership levels begin at \$10,000.

→ *Learn more at: [acumen.org/partners](https://acumen.org/partners)*



## ACUMEN IN THE NEWS

### FORTUNE

Acumen Founder and CEO Jacqueline Novogratz addressed the CEOs at **Fortune's CEO Initiative conference** with a powerful challenge: "Business had the technology revolution; now it needs a 'moral revolution.'"

### FAST COMPANY

Acumen's **#OneGreatIdea crowdfunding campaign**, featuring seven Acumen CEOs and Fellows whose bold ideas are creating change in their communities, was spotlighted by Fast Company in their Future of Philanthropy section.

### FT

Acumen was featured in the **Financial Times' special report** on investee EthioChicken's work improving the livelihoods and nutrition of rural Ethiopians.



## PARTNER PROFILE: WENDY ANDERSON

Ten years ago, Wendy Anderson and her husband made a renewed commitment to dedicate half of their earned income to their family foundation. In doing so, Wendy's goal was to increase her focus on improving the health, education and leadership of women and girls.

In 2014, when Wendy found out about Acumen, she became interested in our model of moral leadership—particularly in the development of female leaders—and made a five-year commitment through

her foundation. But that was only the beginning of her engagement. Upon becoming an Acumen Partner, Wendy took advantage of every learning and engagement opportunity by joining Partner events and deep-dive calls, providing input on the leadership strategy, and even enrolling in multiple online +Acumen courses to deepen her understanding of low-income female customers and their needs.

In 2016, Wendy traveled to India on an Acumen Partner trip to visit investees and Fellows. There, she met Suhani Mohan, an India Fellow and the co-founder of Saral Designs, a social enterprise providing menstrual hygiene solutions to low-income women. Given their shared interest in women's health, Wendy and Suhani kept in touch and met again at Acumen's Global Gathering of Fellows in Kenya in 2017. Now, Wendy is an advisor to Saral Designs supporting the company to develop its business model and expand its operations.

To Wendy, her partnership with Acumen goes well beyond financial support. "Acumen has given me a model for my own behavior and thought processes," she said. "The depth and accessibility of Acumen's information and staff, the interest in listening to comments and inputs—through all of this, Acumen has helped me learn how to be a strategic philanthropist."

"Acumen has helped me learn how to be a strategic philanthropist."

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White & Case LLP

#### **Legacy Partners**

Warren & Susan Jason

**Acumen honors its Partners based  
on the amount of pledges made or  
ongoing in 2018.**





# APPENDIX

## ENDNOTES

1. References herein are to gross returns (returns on invested capital, before fees and direct expenses), on a cash basis. See Important Information for further information.
2. [“Sierra Leone: A Regional Approach,”](#) LightingAfrica.org, (January 2018)
3. [“Opioid Overdose Crisis,”](#) DrugAbuse.gov, (January 2018)
4. [“Addressing the Opioid Crisis Means Confronting Socioeconomic Disparities,”](#) DrugAbuse.gov, (October 2017)
5. [“Energizing Finance 2018: Report,”](#) SEforALL.org, (November 2018)
6. [“Kerosene and Paraffin Lamps in Africa,”](#) Solar-Aid.org, (Assessed March 2019)
7. [“A Journey to Colombia’s Coffee Belt,”](#) NYTimes.com, (March 2017)
8. [“The Coffee Crisis,”](#) CoffeeHabitat.com, (December 2018)
9. [“RANKED: The 28 poorest countries in the world,”](#) BusinessInsider.com, (June 2018)
10. [“FAO in Ethiopia: Ethiopia at a Glance,”](#) FAO.org, (Assessed March 2019)
11. [“Ethiopia: Nutrition Profile,”](#) USAID.gov, (February 2018)

## IMPORTANT INFORMATION

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

The performance information contained herein is intended to demonstrate the overall scope and experience of Acumen, and the investments are not necessarily representative of the types of investments expected to be made by Acumen. The **financial and impact** performance information contained herein was selected to illustrate investments that Acumen deems successful in recycling capital for our mission-based work while achieving meaningful impact, and to present a sample of investments across our geographies and sectors. **The selected investments are not representative of the overall investment performance of Acumen and its affiliates and should not be construed as such.**

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

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



# ACUMEN MANIFESTO

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

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

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

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

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

 [ACUMEN.ORG](https://www.acumen.org)

 [ACUMENFUND](https://www.facebook.com/acumenfund)

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**EASY SOLAR**

# ACUMEN 2018

## FINANCIAL OVERVIEW

At Acumen, we apply our commitment to accountability and transparency to how we approach financial management and governance. We have established sound internal controls and structures to effectively manage, deploy and report on the generous commitments from our donors to ensure that we are delivering impact and outcomes in service of our mission. Since our inception in 2001, we have built and refined a unique business model that spans innovative programmatic work and managed an extensive investment portfolio of early-stage mission-aligned enterprises. These investments, conceptually equivalent to the grants made by other nonprofits, are booked as assets on our balance sheet and therefore not reflected as part of our program expenses on our financial statements.

In 2018, we saw a steady growth of our revenue as well as our programmatic footprint across our programs and geographies. Please review Acumen's Audited Financial Statements for a detailed overview of our financial performance:

→ [acumen.org/financial-overview](http://acumen.org/financial-overview)

### REVENUE

\$39.7 M 2018      \$32.0 M 2017

### EXPENSES

\$23.7 M 2018      \$21.4 M 2017

### INVESTMENTS UNDER MANAGEMENT

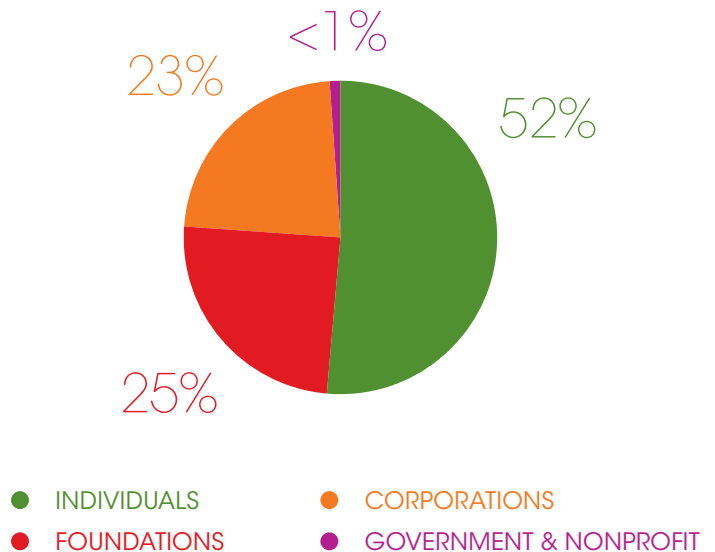
\$62.4 M\*

\*BOOK VALUE OF IUM NET OF IMPAIRMENTS

### NET ASSETS

\$124.6 M START OF YEAR      \$137.8 M END OF YEAR

### FUNDING SOURCES



### OPERATING EXPENSES

