

ACUMEN FUND, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION**

DECEMBER 31, 2010 AND 2009

ACUMEN FUND, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Acumen Fund, Inc. and Subsidiaries

We have audited the accompanying consolidated statements of financial position of Acumen Fund, Inc. (a not-for-profit corporation) and Subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of the subsidiaries, Acumen Fund Advisory Services India Private Limited, Acumen Fund (a Pakistan company) and Acumen Capital Markets I, LP. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Acumen Fund, Inc. and Subsidiaries as of December 31, 2010 and 2009, and the changes in their net assets and their cash flows for the years then ended are in conformity with accounting principles generally accepted in the United States of America.

Lutz + Carr, LLP

New York, New York
June 16, 2011

ACUMEN FUND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Assets						
Operating Assets						
Cash and cash equivalents (Notes 1c and 3)	\$30,392,398	\$ 7,718,594	\$38,110,992	\$23,263,002	\$ 8,091,167	\$31,354,169
Restricted cash (Note 11)	35,950	-	35,950	3,312,361	-	3,312,361
Certificates of deposit (Notes 3 and 14c)	9,345,008	-	9,345,008	7,028,938	-	7,028,938
Investments in marketable securities (Notes 1d, 1i and 4)	629,069	-	629,069	1,404,831	-	1,404,831
Pledges receivable, net (Notes 1e and 5)	396,529	16,550,935	16,947,464	448,680	21,183,366	21,632,046
Interest receivable	212,966	-	212,966	134,731	-	134,731
Accounts and other receivables	11,942	-	11,942	47,837	-	47,837
Prepaid expenses and other current assets	177,565	-	177,565	137,659	-	137,659
Interest in charitable remainder trust (Notes 1i and 8)	-	323,067	323,067	-	293,596	293,596
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 9)	142,168	-	142,168	219,234	-	219,234
Security deposits	78,963	-	78,963	22,256	-	22,256
Total Operating Assets	41,422,558	24,592,596	66,015,154	36,019,529	29,568,129	65,587,658
Portfolio Assets						
Cash and cash equivalents (Notes 1c and 3)	575,658	-	575,658	-	-	-
Certificates of deposit (Notes 3 and 14c)	294,000	-	294,000	1,663,000	-	1,663,000
Interest and dividend receivable	410,905	-	410,905	136,230	-	136,230
Program related portfolio equity investments (Notes 3, 7 and 14b)	18,995,103	-	18,995,103	16,743,854	-	16,743,854
Program related portfolio loans receivable (Notes 3 and 6)	9,049,394	-	9,049,394	6,506,372	-	6,506,372
Total Portfolio Assets	29,325,060	-	29,325,060	25,049,456	-	25,049,456
Total Assets	\$70,747,618	\$24,592,596	\$95,340,214	\$61,068,985	\$29,568,129	\$90,637,114
Liabilities and Net Assets						
Liabilities						
Accounts payable and accrued expenses	\$ 370,772	\$ -	\$ 370,772	\$ 496,741	\$ -	\$ 496,741
Salaries payable and accrued vacation	66,011	-	66,011	257,505	-	257,505
Deferred income	11,475	-	11,475	7,488	-	7,488
Capital contributions received in advance (Note 11)	-	-	-	3,312,361	-	3,312,361
Notes payable (Note 12)	5,170,250	-	5,170,250	2,585,125	-	2,585,125
Accrued interest on notes payable	123,253	-	123,253	17,848	-	17,848
Total Liabilities	5,741,761	-	5,741,761	6,677,068	-	6,677,068
Commitments and Contingencies (Notes 1a, 13 and 14)						
Minority interest in Acumen Capital Markets I, LP	578,721	-	578,721	36,008	-	36,008
Net Assets (Note 2)						
Unrestricted						
Operating	35,102,076	-	35,102,076	29,306,453	-	29,306,453
Portfolio funds	29,325,060	-	29,325,060	25,049,456	-	25,049,456
	64,427,136	-	64,427,136	54,355,909	-	54,355,909
Temporarily restricted	-	24,592,596	24,592,596	-	29,568,129	29,568,129
Total Net Assets	64,427,136	24,592,596	89,019,732	54,355,909	29,568,129	83,924,038
Total Liabilities and Net Assets	\$70,747,618	\$24,592,596	\$95,340,214	\$61,068,985	\$29,568,129	\$90,637,114

See notes to consolidated financial statements.

ACUMEN FUND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues						
Operating Revenue, Gains and Other Support						
Contributions	\$ 7,705,866	\$ 5,775,596	\$13,481,462	\$ 4,498,557	\$ 3,954,012	\$ 8,452,569
Provision for uncollectible pledges	-	(71,000)	(71,000)	-	(2,100,000)	(2,100,000)
Donated services	1,680,007	-	1,680,007	2,208,000	-	2,208,000
Program fees	18,877	-	18,877	26,223	-	26,223
Investment income (Note 4)	131,225	-	131,225	215,495	-	215,495
Change in value of charitable remainder trust (Note 8)	-	29,471	29,471	-	45,612	45,612
Other income	102,639	-	102,639	68,282	-	68,282
Net assets released from restrictions - programs and operations	8,873,896	(8,873,896)	-	7,323,917	(7,323,917)	-
Total Operating Revenue, Gains and Other Support	<u>18,512,510</u>	<u>(3,139,829)</u>	<u>15,372,681</u>	<u>14,340,474</u>	<u>(5,424,293)</u>	<u>8,916,181</u>
Portfolio Revenue and Losses						
Interest and dividend income - program related portfolio loans	729,250	45,584	774,834	410,568	129,147	539,715
Provision for portfolio losses	(1,499,987)	-	(1,499,987)	(1,994,688)	-	(1,994,688)
Net assets released from restrictions - portfolio	1,881,288	(1,881,288)	-	1,423,820	(1,423,820)	-
Total Portfolio Revenue and Losses	<u>1,110,551</u>	<u>(1,835,704)</u>	<u>(725,153)</u>	<u>(160,300)</u>	<u>(1,294,673)</u>	<u>(1,454,973)</u>
Total Revenues	<u>19,623,061</u>	<u>(4,975,533)</u>	<u>14,647,528</u>	<u>14,180,174</u>	<u>(6,718,966)</u>	<u>7,461,208</u>
Expenses						
Program Services						
Portfolio management	5,298,643	-	5,298,643	5,532,371	-	5,532,371
Outreach, Knowledge and Communications	1,770,667	-	1,770,667	3,607,248	-	3,607,248
Fellows	709,547	-	709,547	716,631	-	716,631
Total Program Services	<u>7,778,857</u>	<u>-</u>	<u>7,778,857</u>	<u>9,856,250</u>	<u>-</u>	<u>9,856,250</u>
Supporting Services						
Management and general	1,110,654	-	1,110,654	1,417,230	-	1,417,230
Fundraising	1,168,351	-	1,168,351	1,043,047	-	1,043,047
Total Supporting Services	<u>2,279,005</u>	<u>-</u>	<u>2,279,005</u>	<u>2,460,277</u>	<u>-</u>	<u>2,460,277</u>
Total Expenses	<u>10,057,862</u>	<u>-</u>	<u>10,057,862</u>	<u>12,316,527</u>	<u>-</u>	<u>12,316,527</u>
Increase (Decrease) in Net Assets Before Foreign Currency Exchange Loss	9,565,199	(4,975,533)	4,589,666	1,863,647	(6,718,966)	(4,855,319)
Foreign currency exchange loss	(99,688)	-	(99,688)	(151,910)	-	(151,910)
Increase (decrease) in net assets	9,465,511	(4,975,533)	4,489,978	1,711,737	(6,718,966)	(5,007,229)
Minority interest in loss of Acumen Capital Markets I, LP	605,716	-	605,716	538,207	-	538,207
Net assets, beginning of year	<u>54,355,909</u>	<u>29,568,129</u>	<u>83,924,038</u>	<u>52,105,965</u>	<u>36,287,095</u>	<u>88,393,060</u>
Net Assets, End of Year	<u><u>\$64,427,136</u></u>	<u><u>\$24,592,596</u></u>	<u><u>\$89,019,732</u></u>	<u><u>\$54,355,909</u></u>	<u><u>\$29,568,129</u></u>	<u><u>\$83,924,038</u></u>

See notes to consolidated financial statements.

ACUMEN FUND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 4,489,978	\$ (5,007,229)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	145,465	241,918
Provision for uncollectible pledges	71,000	2,100,000
Donated securities	(2,026,552)	(41,114)
Loss on sale of securities	24,936	17,948
Loss (gain) on disposal of fixed asset	17,361	(770)
Unrealized loss on investments	13,066	24,062
Amortization of bond premiums	27,786	18,470
Foreign currency exchange loss	7,746	48,740
Program related portfolio loans made	(4,180,875)	(1,597,428)
Program related portfolio equity investments made	(3,756,568)	(4,848,503)
Provision for portfolio losses	1,499,987	1,994,688
Investments returned	348,665	10,678
Repayment of program related portfolio loans	1,337,758	948,755
Program related collateral certificates of deposit redeemed	1,369,000	-
(Increase) decrease in:		
Pledges receivable	4,563,667	4,432,989
Accrued interest receivable	(403,851)	(151,649)
Accounts and other receivables	35,895	(16,283)
Prepaid expenses and other current assets	(39,906)	(42,199)
Interest in charitable remainder trust	(29,471)	(45,612)
Security deposits	(56,707)	(2,501)
Increase (decrease) in:		
Accounts payable and accrued expenses	(125,969)	100,010
Salaries payable and accrued vacation	(191,494)	64,289
Deferred income	3,987	5,398
Accrued interest on notes payable	105,405	17,848
Net Cash Provided (Used) By Operating Activities	<u>3,250,309</u>	<u>(1,727,495)</u>
Cash Flows From Investing Activities		
Acquisition of property and equipment	(85,760)	(88,563)
Purchase of investments in marketable securities and certificates of deposit	(3,538,656)	(4,561,151)
Sale of investments in marketable securities and certificates of deposit	4,008,984	1,291,052
Net Cash Provided (Used) By Investing Activities	<u>384,568</u>	<u>(3,358,662)</u>
Cash Flows From Financing Activities		
(Increase) decrease in restricted cash	3,276,411	(3,312,361)
Proceeds from issuance of notes	2,585,125	2,585,125
Repayment of capital contributions received in advance	(3,312,361)	-
Contributed capital received	1,148,429	3,940,369
Net Cash Provided By Financing Activities	<u>3,697,604</u>	<u>3,213,133</u>
Net increase (decrease) in cash and cash equivalents	7,332,481	(1,873,024)
Cash and cash equivalents, beginning of year	<u>31,354,169</u>	<u>33,227,193</u>
Cash and Cash Equivalents, End of Year	<u><u>\$38,686,650</u></u>	<u><u>\$31,354,169</u></u>

See notes to consolidated financial statements.

ACUMEN FUND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Acumen Fund, Inc. and Subsidiaries (collectively "Acumen Fund") aims to elevate the lives of the poor by building financially sustainable and scalable organizations (non-profit and for-profit) that deliver affordable, critical goods and services. A disciplined process is adhered to in selecting and managing its philanthropic investments as well as in measuring the end result. Acumen Fund manages five portfolio areas of expertise, focused on global social needs: (i) Health, (ii) Housing and Finance, (iii) Water & Sanitation, (iv) Energy, and (v) Agriculture.

In addition to managing its global operations from its New York office, Acumen Fund, Inc. formed Acumen Fund Advisory Services India Private Limited ("Acumen Fund India") and Acumen Fund (a Pakistan company) ("Acumen Fund Pakistan"); subsidiaries which manage regional operations.

In December 2008, Acumen Fund formed a limited partnership with two other parties, Acumen Capital Markets I, LP ("ACM"), in which it serves as general partner and manager. ACM is to have a total capitalization of \$15.8 million, towards which Acumen Fund has made a commitment of \$1.1 million. ACM makes portfolio investments consistent with and as an extension of Acumen Fund's charitable activities.

b - Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Acumen Fund, Inc. and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

c - Cash and Cash Equivalents

For purposes of the statement of cash flows, Acumen Fund considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

d - Investments in Marketable Securities

Acumen Fund reflects investments in marketable securities at fair value in the statement of financial position. Unrealized gains and losses on investments are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

ACUMEN FUND, INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****DECEMBER 31, 2010 AND 2009****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****e - Contributions and Pledges Receivable**

Contributions are recognized when the donor makes a promise to give, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Acumen Fund uses the allowance method to determine uncollectible pledges receivable. Such allowance is based on prior years' experience and management's analysis of specific pledges made.

f - Property and Equipment

Property and equipment acquired are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the asset.

g - Financial Statement Presentation

Acumen Fund reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

h - Grant Expense

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

i - Fair Value Measurements

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value standards provide for use of a fair value hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels. An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets or liabilities.

Investments in marketable securities are classified within Level 1 (prices in active markets for identical assets or liabilities) of the fair value hierarchy. Fair value is determined using quoted market values.

ACUMEN FUND, INC. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****DECEMBER 31, 2010 AND 2009****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****i - Fair Value Measurements (continued)**

The interest in the charitable remainder trust is classified within Level 3 of the fair value hierarchy because it trades infrequently (or not at all) and therefore has little or no readily available pricing. Unobservable inputs are not available.

The values assigned to investments and any unrealized gains or losses reported are based on available information and do not necessarily represent amounts that might be realized if a ready market existed and such differences could be material. Furthermore, the ultimate realization of such amounts depends on future events and circumstances and therefore valuation estimates may differ from the value realized upon disposition of individual positions.

j - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

k - Tax Status

Acumen Fund, Inc. is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. Management believes that it has appropriate support for any tax positions taken and does not have any uncertain tax positions that are material to the financial statements.

Acumen Fund India and Acumen Fund Pakistan are subject to the laws and reporting requirements of their respective countries of formation, and are responsible for all applicable income taxes.

ACM is a Delaware limited partnership. Accordingly, for tax purposes, the partners will report their respective portions of income and expense on their tax returns.

l - Prior Year Information

For comparability, certain 2009 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2010.

m - Subsequent Events

Acumen Fund has evaluated subsequent events through June 16, 2011, the date that the financial statements are considered available to be issued.

ACUMEN FUND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 2 - Restrictions on Assets

a - Net Assets

Net assets at December 31 are summarized as follows:

	2010			
	Unrestricted		Temporarily Restricted	Total
	Operating	Portfolio Funds		
Undesignated - Operating	\$35,102,076	\$ -	\$ -	\$35,102,076
Portfolio Activities				
Housing	-	-	1,200	1,200
Education	-	-	125,000	125,000
Water	-	-	216,589	216,589
Agriculture	-	-	4,753,802	4,753,802
Infant Nutrition	-	-	2,812,381	2,812,381
Energy	-	-	2,344,494	2,344,494
Portfolio Funds	-	29,325,060	-	29,325,060
	<u>-</u>	<u>29,325,060</u>	<u>10,253,466</u>	<u>39,578,526</u>
Program and Operating Activities	<u>-</u>	<u>-</u>	<u>14,339,130</u>	<u>14,339,130</u>
	<u>\$35,102,076</u>	<u>\$29,325,060</u>	<u>\$24,592,596</u>	<u>\$89,019,732</u>
	2009			
	Unrestricted		Temporarily Restricted	Total
	Operating	Portfolio Funds		
Undesignated - Operating	\$29,306,453	\$ -	\$ -	\$29,306,453
Portfolio Activities				
Water	-	-	1,298,936	1,298,936
Agriculture	-	-	5,769,246	5,769,246
Infant Nutrition	-	-	3,170,346	3,170,346
Energy	-	-	280,000	280,000
Portfolio Funds	-	25,049,456	-	25,049,456
	<u>-</u>	<u>25,049,456</u>	<u>10,518,528</u>	<u>35,567,984</u>
Program and Operating Activities	<u>-</u>	<u>-</u>	<u>19,049,601</u>	<u>19,049,601</u>
	<u>\$29,306,453</u>	<u>\$25,049,456</u>	<u>\$29,568,129</u>	<u>\$83,924,038</u>

Unrestricted operating net assets as of December 31, 2009 were increased and unrestricted portfolio funds net assets were decreased by \$303,307 to be consistent with the 2010 financial statement presentation of assets and net assets in the statement of financial position.

ACUMEN FUND, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

Note 2 - Restrictions on Assets (continued)

b - Portfolio Funds

Portfolio funds consist of outstanding portfolio loans and equity investments, cash balances representing earnings and repayments of such loans and investments, and other receivables arising from portfolio activities. It is Acumen Fund's intention to maintain these funds for recurring use consistent with the intent of the original donors, in order to fund future portfolio activities with these funds when temporarily restricted funds are not available.

c - Temporarily Restricted Net Assets

Temporarily restricted net assets consist of grants and contributions restricted for future portfolio activities, future programs and future periods, in accordance with donor designations.

Note 3 - Concentration and Credit Risk

Acumen Fund, Inc. maintains its cash and cash equivalents at several U.S. financial institutions. The cash balances at each institution are insured by the Federal Deposit Insurance Corporation. Acumen Fund, Inc. and its subsidiaries also maintain bank accounts in India and Pakistan. There is no loss insurance on these accounts. The balance of these accounts at December 31, 2010 and 2009 was \$671,576 and \$809,440, respectively.

Program related portfolio loans receivable and equity investments are associated with projects based in developing countries (see Notes 6 and 7). As such, the projects and related investments are subject to various uncertainties including, but not limited to, political, commercial and currency risk.

Note 4 - Investments in Marketable Securities

Investments consist of Government bonds and U.S Treasury Notes with a cost basis of \$626,931 and \$1,389,684 at December 31, 2010 and 2009, respectively.

Investment income on money market funds, certificates of deposit and marketable securities for the years ended December 31, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
Interest income	\$169,227	\$221,609
Realized gains (losses)	(24,936)	17,948
Unrealized losses	<u>(13,066)</u>	<u>(24,062)</u>
	<u>\$131,225</u>	<u>\$215,495</u>

ACUMEN FUND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 5 - Pledges Receivable

Pledges receivable are due as follows:

	2010			Total
	Unrestricted	Restricted for Portfolio Activity	Restricted for Future Programs and Operations	
Due in less than one year	\$396,529	\$1,469,520	\$10,000,831	\$11,866,880
Due in one to five years	-	1,402,853	7,447,046	8,849,899
	<u>396,529</u>	<u>2,872,373</u>	<u>17,447,877</u>	<u>20,716,779</u>
Less: Discount to present value	-	-	(1,598,315)	(1,598,315)
Less: Provision for uncollectible amounts	-	-	(2,171,000)	(2,171,000)
	<u>\$396,529</u>	<u>\$2,872,373</u>	<u>\$13,678,562</u>	<u>\$16,947,464</u>
	2009			
	Unrestricted	Restricted for Portfolio Activity	Restricted for Future Programs and Operations	Total
Due in less than one year	\$448,680	\$ 50,000	\$ 8,771,479	\$ 9,270,159
Due in one to five years	-	2,442,373	14,339,999	16,782,372
	<u>448,680</u>	<u>2,492,373</u>	<u>23,111,478</u>	<u>26,052,531</u>
Less: Discount to present value	-	-	(2,320,485)	(2,320,485)
Less: Provision for uncollectible amounts	-	-	(2,100,000)	(2,100,000)
	<u>\$448,680</u>	<u>\$2,492,373</u>	<u>\$18,690,993</u>	<u>\$21,632,046</u>

Pledges due in one to five years are discounted to present value.

Note 6 - Program Related Portfolio Loans Receivable

Program related portfolio loans receivable consist of loans advanced to projects located throughout the developing world related to Acumen Fund's portfolio activities. Each loan is analyzed for significant risk factors and appropriate interest rates (currently ranging from 2.5% to 19%) are charged. Repayment terms differ for each loan.

Loans receivable are carried at a cost of \$9,878,520 (2010) and \$7,043,106 (2009), less an allowance for uncollectible amounts of \$829,126 (2010) and \$536,734 (2009).

ACUMEN FUND, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

Note 6 - Program Related Portfolio Loans Receivable (continued)

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

<u>Year Ending December 31,</u>	
2011	\$3,267,354
2012	2,124,669
2013	1,016,048
2014	917,972
2015	1,262,146
2016 and thereafter	<u>461,205</u>
	<u>\$9,049,394</u>

Note 7 - Program Related Portfolio Equity Investments

Program related portfolio equity investments consist of funds invested for equity positions in business enterprises in connection with Acumen Fund's portfolio activities.

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

Equity investments are carried at cost of \$21,552,556 (2010) and \$18,201,808 (2009) less a valuation allowance of \$2,557,453 (2010) and \$1,457,954 (2009).

Acumen Fund holds a significant ownership percentage in certain of its program related portfolio equity investments, however does not have controlling financial or voting majority interest in those enterprises' operations. The shareholder agreements provide for the original project developer to maintain a controlling majority of the voting rights on the board of directors and for Acumen Fund to maintain only a minority of such rights. Acumen Fund does not participate in the management or direction of ongoing operations or operating decisions. In addition, Acumen Fund's significant ownership percentage in some cases is only temporary and will be diluted at such time the enterprise receives further capitalization from other local investors.

Accordingly, in consideration of these circumstances, Acumen Fund does not present the accounts and transactions of these enterprises as part of its consolidated financial statements.

ACUMEN FUND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 8 - Charitable Remainder Trust

A donor established a charitable remainder unitrust at a financial institution, naming Acumen Fund as the remainder beneficiary. Under the terms of the trust, the donor and another beneficiary are to receive lifetime annual distributions of 4% of the value of the trust. Upon the death of the donor and the named beneficiary, Acumen Fund will receive the remaining trust assets for its unrestricted use. Based on donor and beneficiary life expectancy and the use of a 7% long-term discount rate, the present value of future benefits expected to be received by Acumen Fund were recognized in 2006 as a temporarily restricted contribution and a contribution receivable from the trust. The change in fair value of the beneficial interest for 2010 and 2009 was \$29,471 and \$45,612, respectively, and is reflected as an increase in temporarily restricted net assets in the statement of activities. At December 31, 2010 and 2009, the present value of the interest in the charitable remainder trust was \$323,067 and \$293,596, respectively.

Note 9 - Property and Equipment

Property and equipment at December 31 consist of the following:

	<u>Life</u>	<u>2010</u>	<u>2009</u>
Computer equipment and website development	3 years	\$486,994	\$ 732,574
Leasehold improvements and equipment	5 years	318,996	401,466
Furniture	5 years	<u>33,786</u>	<u>99,525</u>
		839,776	1,233,565
Less: Accumulated depreciation		<u>(697,608)</u>	<u>(1,014,331)</u>
		<u>\$142,168</u>	<u>\$ 219,234</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$145,465 and \$241,918, respectively.

ACUMEN FUND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 10 - Fair Value Measurements

Fair value of assets measured on a recurring basis at December 31 are as follows:

	<u>2010</u>		
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 3</u>
Assets			
Investments in marketable securities	\$629,069	\$629,069	\$ -
Interest in charitable remainder trust	<u>323,067</u>	<u>-</u>	<u>323,067</u>
	<u>\$952,136</u>	<u>\$629,069</u>	<u>\$323,067</u>
	<u>2009</u>		
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 3</u>
Assets			
Investments in marketable securities	\$1,404,831	\$1,404,831	\$ -
Interest in charitable remainder trust	<u>293,596</u>	<u>-</u>	<u>293,596</u>
	<u>\$1,698,427</u>	<u>\$1,404,831</u>	<u>\$293,596</u>

Fair value of investments in marketable securities is determined by reference to quoted market prices. Fair value of the interest in charitable remainder trust is determined by calculating the present value of the future distributions expected to be received, using published life expectancy tables and a 7% discount rate.

The following summarizes changes in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

	<u>2010</u>	<u>2009</u>
Interest in Charitable Remainder Trust:		
Value, beginning of year	\$293,596	\$247,984
Change in value in split-interest agreement	<u>29,471</u>	<u>45,612</u>
Value, End of Year	<u>\$323,067</u>	<u>\$293,596</u>

The change in value of the split-interest agreement is included in the change in temporarily restricted net assets on the statement of activities.

ACUMEN FUND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

Note 11 - Restricted Cash

A limited partner of ACM paid its capital commitment in advance. In accordance with the Partnership Agreement, these funds and interest earned thereon are maintained in a segregated interest-bearing account. The majority of these funds were repaid to the limited partner in 2010.

Note 12 - Notes Payable

In 2009, ACM entered into a \$5,270,250 promissory note and security agreement (the "Notes") with certain of its partners and with unrelated parties for the purpose of providing investment capital to social entrepreneurs that seek to build viable businesses that serve the poor.

The Notes are unsecured, unguaranteed, and uninsured with a fixed rate of interest of 3% per annum. The interest is payable quarterly if, in the reasonable discretion of the Investment Manager, cash is available for payment at such time. The principal on the Notes and any unpaid interest shall be payable at the end of the term solely out of the assets of ACM. ACM shall have no obligation to pay interest and principal unless it has unencumbered assets sufficient to pay such amounts. The Investment Manager shall have no obligation to liquidate assets of ACM or make capital calls to its partners in order to make payments of interest at any time prior to maturity of the Notes. At December 31, 2010, the Partnership had drawn \$5,270,250 of the Note commitment, representing 100% of the Note commitment, \$100,000 of which was from Acumen Fund, Inc. and has accordingly been eliminated on a consolidated basis.

Note 13 - 401(k) Plan

Acumen Fund maintains a 401(k) plan through its professional employer service organization covering eligible employees. The employees make voluntary contributions to the plan and Acumen Fund makes a mandatory contribution of 3% of the employees' compensation. Acumen Fund may also make additional discretionary contributions to the plan. Acumen Fund made contributions to the plan totaling \$99,176 and \$86,869 for the years ended December 31, 2010 and 2009, respectively.

ACUMEN FUND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 14 - Commitments and Contingencies

a - Leases

Acumen Fund occupies its primary office location at no charge under an agreement for donated occupancy which expires in October 2012. The agreement also provides for two one-year options to extend the term. Donated occupancy recognized in the accompanying financial statements for the years ended December 31, 2010 and 2009 totaled \$276,000 and \$270,000, respectively.

Acumen Fund also occupies office space in connection with its global operations under operating leases which provide for minimum annual rental payments as follows:

<u>Year Ending December 31,</u>	
2011	\$78,605
2012	18,679
2013	21,481
2014	21,481

Rent expense (including donated occupancy) for the years ended December 31, 2010 and 2009 was \$346,767 and \$353,093, respectively.

b - Program Grants, Portfolio Loans and Investments

Since 2001, Acumen Fund has made portfolio loan and equity disbursements in excess of \$38.2 million. Together with committed disbursements approved but not yet made of approximately \$12.9 million, Acumen Fund's cumulative investments under management total over \$51.1 million.

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

	<u>2010</u>	<u>2009</u>
Portfolio loans	\$4,180,875	\$1,597,428
Portfolio equity investments	3,813,722	4,848,503
Technical assistance	<u>5,275</u>	<u>24,303</u>
	<u>\$7,999,872</u>	<u>\$6,470,234</u>

At December 31, 2010, approximately \$12.9 million in program disbursements has been committed and remains contingent upon the approval of interim progress reports and statements. Approximately \$1 million of additional program disbursements were committed in 2011. Subsequent disbursements are to be made upon Acumen Fund's satisfaction that recipients have demonstrated progress towards the stated objectives of the disbursements.

ACUMEN FUND, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 14 - Commitments and Contingencies (continued)

c - Standby Letters of Credit

At December 31, 2010 and 2009, Acumen Fund had outstanding standby letters of credit in the total amount of \$294,000 and \$1,663,000, respectively, as guarantees for program related lending activities. The letters of credit were issued in lieu of direct portfolio loan disbursements, and certificates of deposit were purchased as collateral for the letters of credit.

d - Committed Capital

Under the terms of the Partnership Agreement, Acumen Fund admitted partners to ACM in 2008 and 2009. In aggregate, a total of \$10,570,250 in partner capital subscriptions and \$5,270,250 in promissory notes were accepted. Acumen Fund may take down partner commitments to enable ACM to make investments, to pay fees and expenses or to provide reserves. No partner is required to fund an amount in excess of its uncalled commitment. At December 31, 2010, the uncalled partner commitments of ACM amounted to \$8,667,605. The ratio of total contributed capital to total committed capital is 18%.

Note 15 - Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ADDITIONAL INFORMATION



LUZ AND CARR

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**INDEPENDENT AUDITORS' REPORT ON
ADDITIONAL INFORMATION**

To the Board of Directors of
Acumen Fund, Inc. and Subsidiaries

Our report on our audits of the basic consolidated financial statements of Acumen Fund, Inc. and Subsidiaries for 2010 and 2009 appears on page 1. We conducted our audits in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Consolidated Schedule of Functional Expenses for the year ended December 31, 2010 with comparative totals for 2009, the Consolidating Statement of Financial Position for the year ended December 31, 2010 with comparative totals for 2009, and the Consolidating Statement of Activities for the year ended December 31, 2010 with comparative totals for 2009 are presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Lutz + Carr, LLP

New York, New York
June 16, 2011

ACUMEN FUND, INC. AND SUBSIDIARIES

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2010 WITH COMPARATIVE TOTALS FOR 2009

	2010							2009	
	Program Services				Supporting Services			Total Expenses	Total Expenses
	Portfolio Management	Outreach, Knowledge and Communications	Fellows	Total	Management and General	Fundraising	Total		
Salaries	\$ 2,136,977	\$ 738,650	\$216,036	\$3,091,663	\$ 538,236	\$ 586,325	\$1,124,561	\$ 4,216,224	\$ 4,011,160
Payroll taxes and employee benefits	329,232	164,389	61,997	555,618	123,927	132,027	255,954	811,572	774,651
Professional fees	197,486	4,831	4,403	206,720	54,005	42,454	96,459	303,179	364,310
Consulting fees	143,302	466,759	208,196	818,257	81,951	91,614	173,565	991,822	2,853,871
Program grants	-	79,900	-	79,900	9,000	-	9,000	88,900	297,364
Portfolio technical assistance	5,275	-	-	5,275	-	-	-	5,275	24,303
Donated legal services	1,294,080	-	-	1,294,080	109,927	-	109,927	1,404,007	1,938,000
Technology expenses	87,299	30,254	9,774	127,327	10,536	30,569	41,105	168,432	148,481
Marketing materials	4,355	36,952	-	41,307	1,344	20,225	21,569	62,876	44,659
Office supplies, printing and postage	43,697	24,094	7,755	75,546	9,585	11,251	20,836	96,382	99,302
Telephone	50,219	21,609	6,501	78,329	22,137	15,867	38,004	116,333	141,122
Occupancy	251,297	73,492	31,693	356,482	79,624	51,873	131,497	487,979	427,531
Travel	379,777	70,628	143,860	594,265	33,175	65,434	98,609	692,874	685,547
Meetings	45,440	6,126	3,104	54,670	1,691	71,397	73,088	127,758	115,136
Insurance	20,750	24,453	3,142	48,345	1,993	6,643	8,636	56,981	61,341
Investment fees and bank charges	9,802	-	-	9,802	14,050	14,170	28,220	38,022	51,249
Allowance for investment losses	105,405	-	-	105,405	-	-	-	105,405	-
Corporate tax expense	68,974	-	-	68,974	140	-	140	69,114	16,234
Miscellaneous	53,773	1,715	1,523	57,011	2,676	9,575	12,251	69,262	20,348
Total expenses before depreciation	5,227,140	1,743,852	697,984	7,668,976	1,093,997	1,149,424	2,243,421	9,912,397	12,074,609
Depreciation	71,503	26,815	11,563	109,881	16,657	18,927	35,584	145,465	241,918
Total Expenses, 2010	<u>\$ 5,298,643</u>	<u>\$ 1,770,667</u>	<u>\$709,547</u>	<u>\$7,778,857</u>	<u>\$ 1,110,654</u>	<u>\$1,168,351</u>	<u>\$2,279,005</u>	<u>\$10,057,862</u>	
Total Expenses, 2009	<u>\$ 5,532,371</u>	<u>\$ 3,607,248</u>	<u>\$716,631</u>	<u>\$9,856,250</u>	<u>\$ 1,417,230</u>	<u>\$1,043,047</u>	<u>\$2,460,277</u>		<u>\$12,316,527</u>

See independent auditors' report on additional information.

ACUMEN FUND, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2010 WITH COMPARATIVE TOTALS FOR 2009

	2010						2009		
	Acumen Fund, Inc.			Acumen Fund India	Acumen Fund Pakistan	Acumen Capital Markets I, LP	Consolidating and Eliminating Entries	Total	Total
	Unrestricted	Temporarily Restricted	Total						
Assets									
Operating Assets									
Cash and cash equivalents	\$23,602,904	\$ 7,718,594	\$31,321,498	\$ 671,576	\$ 809,440	\$ 5,308,478	\$ -	\$38,110,992	\$31,354,169
Restricted cash	-	-	-	-	-	35,950	-	35,950	3,312,361
Certificates of deposit	9,345,008	-	9,345,008	-	-	-	-	9,345,008	7,028,938
Investments in marketable securities	629,069	-	629,069	-	-	-	-	629,069	1,404,831
Pledges receivable, net	396,529	16,550,935	16,947,464	-	-	-	-	16,947,464	21,632,046
Interest receivable	52,797	-	52,797	2,310	157,859	-	-	212,966	134,731
Investment in subsidiaries	500,959	-	500,959	-	-	-	(500,959)	-	-
Loans to subsidiaries	1,200,000	-	1,200,000	-	-	-	(1,200,000)	-	-
Accounts and other receivables	224,136	-	224,136	206,350	27,736	-	(446,280)	11,942	47,837
Prepaid expenses and other current assets	62,841	-	62,841	58,072	32,652	24,000	-	177,565	137,659
Interest in charitable remainder trust	-	323,067	323,067	-	-	-	-	323,067	293,596
Property and equipment, at cost, net of accumulated depreciation	116,280	-	116,280	9,285	16,603	-	-	142,168	219,234
Security deposits	2,282	-	2,282	75,888	793	-	-	78,963	22,256
Total Operating Assets	<u>36,132,805</u>	<u>24,592,596</u>	<u>60,725,401</u>	<u>1,023,481</u>	<u>1,045,083</u>	<u>5,368,428</u>	<u>(2,147,239)</u>	<u>66,015,154</u>	<u>65,587,658</u>
Portfolio Assets									
Cash and cash equivalents	575,658	-	575,658	-	-	-	-	575,658	-
Certificates of deposit	294,000	-	294,000	-	-	-	-	294,000	1,663,000
Interest and dividend receivable	410,905	-	410,905	-	-	-	-	410,905	136,230
Program related portfolio equity investments	18,121,329	-	18,121,329	-	-	1,053,774	(180,000)	18,995,103	16,743,854
Program related portfolio loans receivable	8,201,541	-	8,201,541	-	947,853	-	(100,000)	9,049,394	6,506,372
Total Portfolio Assets	<u>27,603,433</u>	<u>-</u>	<u>27,603,433</u>	<u>-</u>	<u>947,853</u>	<u>1,053,774</u>	<u>(280,000)</u>	<u>29,325,060</u>	<u>25,049,456</u>
Total Assets	<u>\$63,736,238</u>	<u>\$24,592,596</u>	<u>\$88,328,834</u>	<u>\$1,023,481</u>	<u>\$1,992,936</u>	<u>\$ 6,422,202</u>	<u>\$ (2,427,239)</u>	<u>\$95,340,214</u>	<u>\$90,637,114</u>
Liabilities and Net Assets									
Liabilities									
Accounts payable and accrued expenses	\$ 457,192	\$ -	\$ 457,192	\$ 83,339	\$ 42,012	\$ 296,586	\$ (508,357)	\$ 370,772	\$ 496,741
Salaries payable and accrued vacation	58,342	-	58,342	7,669	-	-	-	66,011	257,505
Deferred income	-	-	-	-	11,475	-	-	11,475	7,488
Intercompany loan	-	-	-	-	1,202,535	-	(1,202,535)	-	-
Capital contributions received in advance	-	-	-	-	-	-	-	-	3,312,361
Notes payable	-	-	-	-	-	5,270,250	(100,000)	5,170,250	2,585,125
Accrued interest on notes payable	-	-	-	-	-	123,253	-	123,253	17,848
Total Liabilities	<u>515,534</u>	<u>-</u>	<u>515,534</u>	<u>91,008</u>	<u>1,256,022</u>	<u>5,690,089</u>	<u>(1,810,892)</u>	<u>5,741,761</u>	<u>6,677,068</u>
Commitments and Contingencies									
Minority interest in Acumen Capital Markets I, LP	-	-	-	-	-	-	578,721	578,721	36,008
Net Assets									
Unrestricted									
Operating	35,617,271	-	35,617,271	-	(210,939)	-	(304,256)	35,102,076	29,306,453
Portfolio funds	27,603,433	-	27,603,433	-	947,853	-	773,774	29,325,060	25,049,456
	<u>63,220,704</u>	<u>-</u>	<u>63,220,704</u>	<u>-</u>	<u>736,914</u>	<u>-</u>	<u>469,518</u>	<u>64,427,136</u>	<u>54,355,909</u>
Temporarily restricted									
Contributed capital	-	24,592,596	24,592,596	-	-	-	-	24,592,596	29,568,129
Stockholder's equity	-	-	-	554,506	-	-	(554,506)	-	-
Partners' capital	-	-	-	377,967	-	-	(377,967)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>732,113</u>	<u>(732,113)</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>63,220,704</u>	<u>24,592,596</u>	<u>87,813,300</u>	<u>932,473</u>	<u>736,914</u>	<u>732,113</u>	<u>(1,195,068)</u>	<u>89,019,732</u>	<u>83,924,038</u>
Total Liabilities and Net Assets	<u>\$63,736,238</u>	<u>\$24,592,596</u>	<u>\$88,328,834</u>	<u>\$1,023,481</u>	<u>\$1,992,936</u>	<u>\$ 6,422,202</u>	<u>\$ (2,427,239)</u>	<u>\$95,340,214</u>	<u>\$90,637,114</u>

See independent auditors' report on additional information.

ACUMEN FUND, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2010 WITH COMPARATIVE TOTALS FOR 2009

	2010						2009		
	Acumen Fund, Inc.			Acumen Fund India	Acumen Fund Pakistan	Acumen Capital Markets I, LP	Consolidating and Eliminating Entries	Total	Total
	Unrestricted	Temporarily Restricted	Total						
Revenues									
Operating Revenue, Gains and Other Support									
Contributions	\$ 7,244,161	\$ 5,775,596	\$13,019,757	\$ -	\$ 960,691	\$ -	\$ (498,986)	\$13,481,462	\$ 8,452,569
Provision for uncollectible amounts	-	(71,000)	(71,000)	-	-	-	-	(71,000)	(2,100,000)
Donated services	1,680,007	-	1,680,007	-	-	-	-	1,680,007	2,208,000
Program fees	461,092	-	461,092	943,626	-	-	(1,385,841)	18,877	26,223
Investment income	118,719	-	118,719	-	-	12,506	-	131,225	215,495
Change in value of charitable remainder trust	-	29,471	29,471	-	-	-	-	29,471	45,612
Other income	38,230	-	38,230	26,277	38,132	-	-	102,639	68,282
Net assets released from restrictions - programs and operations	8,873,897	(8,873,897)	-	-	-	-	-	-	-
Total Operating Revenue, Gains and Other Support	18,416,106	(3,139,830)	15,276,276	969,903	998,823	12,506	(1,884,827)	15,372,681	8,916,181
Portfolio Revenue and Losses									
Interest and dividend income - program related portfolio loans	627,689	45,584	673,273	-	101,561	-	-	774,834	539,715
Provision for portfolio losses	(1,499,987)	-	(1,499,987)	-	-	-	-	(1,499,987)	(1,994,688)
Net assets released from restriction - portfolio	1,881,288	(1,881,288)	-	-	-	-	-	-	-
Total Portfolio Revenue and Losses	1,008,990	(1,835,704)	(826,714)	-	101,561	-	-	(725,153)	(1,454,973)
Total Revenues	19,425,096	(4,975,534)	14,449,562	969,903	1,100,384	12,506	(1,884,827)	14,647,528	7,461,208
Expenses									
Program Services									
Portfolio management	5,192,699	-	5,192,699	833,162	522,303	635,306	(1,884,827)	5,298,643	5,532,371
Outreach, Knowledge and Communications	1,770,667	-	1,770,667	-	-	-	-	1,770,667	3,607,248
Fellows	709,547	-	709,547	-	-	-	-	709,547	716,631
Total Program Services	7,672,913	-	7,672,913	833,162	522,303	635,306	(1,884,827)	7,778,857	9,856,250
Supporting Services									
Management and general	1,110,654	-	1,110,654	-	-	-	-	1,110,654	1,417,230
Fundraising	1,168,351	-	1,168,351	-	-	-	-	1,168,351	1,043,047
Total Supporting Services	2,279,005	-	2,279,005	-	-	-	-	2,279,005	2,460,277
Total Expenses	9,951,918	-	9,951,918	833,162	522,303	635,306	(1,884,827)	10,057,862	12,316,527
Increase (Decrease) in Net Assets Before Foreign Currency Exchange Gain (Loss)	9,473,178	(4,975,534)	4,497,644	136,741	578,081	(622,800)	-	4,589,666	(4,855,319)
Foreign currency exchange gain (loss)	(108,698)	-	(108,698)	21,337	(31,126)	-	18,799	(99,688)	(151,910)
Increase (decrease) in net assets	9,364,480	(4,975,534)	4,388,946	158,078	546,955	(622,800)	18,799	4,489,978	(5,007,229)
Minority interest in loss of Acumen Capital Markets I, LP	-	-	-	-	-	-	605,716	605,716	538,207
Net assets, beginning of year	53,856,224	29,568,130	83,424,354	774,395	189,959	86,484	(551,154)	83,924,038	88,393,060
Contributed capital	-	-	-	-	-	1,268,429	(1,268,429)	-	-
Net Assets, End of Year	\$63,220,704	\$24,592,596	\$87,813,300	\$ 932,473	\$ 736,914	\$ 732,113	\$ (1,195,068)	\$89,019,732	\$83,924,038

See independent auditors' report on additional information.