



Arusha, 17 November 2004

Acumen Fund's Investment in A to Z: Olyset Long-Lasting Insecticide-Treated Nets (LLITNs)

Bednets today are one of the best methods of prevention against malaria, but there are serious obstacles to the re-treatment needed to maintain the protective power of traditional nets after 4-6 months. Despite intensive education campaigns, less than 5% of users re-treat their nets, largely due to cost. In addition, because nets are currently made from polyester, they are prone to tearing and typically do not last more than one year.

Acumen Fund's Investment Strategy

- **Acumen Fund has facilitated the transfer of technology for the manufacturing of the Olyset net from Sumitomo Chemical, Ltd. to A to Z Textile Mills, Ltd., Africa's largest manufacturer of bednets, located in Arusha, Tanzania.**
- **Acumen Fund has provided a loan to A to Z for the purchase of plant and machinery to start two production lines with the capacity to manufacture approximately 380,000 bednets per year.**
- A to Z employs approximately 1,600 workers and currently produces six million traditional bednets annually, for distribution in Tanzania and other African countries. A to Z is also one of the lowest cost manufacturers in Africa due to an intense focus on innovation and productivity.
- Since launching the Olyset net, A to Z has improved on its design in three ways:
 - By altering the weave, they are using 20% fewer raw materials, which will ultimately reduce the cost of production.
 - By using the Olyset material for window screens and door curtains, they seek to enable users to protect a whole house at a considerably lower price point than with bednets alone.
 - By blending the masterbatch and the resin in Africa, they are able to produce the net in several colors that are more attractive to African consumers.

Acumen Fund's Role

- Through a loan from Acumen Fund, Olyset nets are now manufactured and sold at the factory for approximately US \$6.30. As the production volumes rise, this price will drop closer to US \$5.00.
- Acumen Fund provides project management expertise in a complex public-private partnership that includes Sumitomo, ExxonMobil, WHO, UNICEF and A to Z. Sales to UNICEF will guarantee revenues until volume production reduces the price of the nets and creates a larger market.
- Acumen Fund has worked closely with A to Z to innovate on a number of products such as door curtains and window screens. These are being currently tested in the Usa River village and Acumen is playing a key role in that trial.
- ExxonMobil and Acumen Fund have discussed the possibility of using gas stations as a distribution channel for these nets in the future.

- A to Z is geared to scale up production of Olyset nets from the current 300,000 per annum to 1.2 million per annum by the end of January 2005.
- Over 150,000 of these nets will have been sold through UNICEF by end 2004.
- A to Z has hired an additional 95 employees to keep up with growth; 95% of these new employees are women, creating a social and economic benefit to the community. In addition, due to the complex nature of this work, these employees are paid higher wages than those who produce the traditional nets.
- A new product line may emerge that is lower in cost and has the capability of protecting the entire house

About Acumen Fund

Acumen Fund is a non-profit global venture fund that uses entrepreneurial approaches to solve the problems of global poverty. Our aim is to create a blueprint for building financially sustainable and scalable organizations that deliver affordable, critical goods and services to the four billion people on earth living on less than \$4 a day. We adhere to a disciplined process in selecting and managing our philanthropic investments as well as in measuring the end results. We currently apply our model of identifying and supporting social innovators in the areas of health, housing and water in five countries across South Asia and Africa.

Our Philosophy

There has never been a better time to solve tough global problems. Dramatic improvements in technology and information access have introduced not only products never before imagined, but the capacity for communicating across national borders and developing creative solutions to complex problems.

We believe the best way to solve problems of poverty is to focus on delivering essential goods and services – like health, water and housing – through innovative, market-oriented approaches that treat the poor as active customers, not as passive recipients of aid or charity.

Core to our philosophy is a belief that all human beings want the same thing in the end – the freedom to make their own choices and solve their own problems. By developing a blueprint for change, Acumen Fund hopes to build systems that transfer knowledge, technologies and services that enable the poor to do just that.

Our Community

While our investments lie at the core of our operations, we understand that people are at the heart of all change. Acumen Fund's model depends on the highest quality people at all levels of operations.

Acumen Fund was incorporated on April 1, 2001, with seed capital from the Rockefeller Foundation, Cisco Systems Foundation and three individual philanthropists. Since then our network of investors and advisors has grown to include a wide range of individuals and organizations who share our belief in using entrepreneurial approaches to solve the problems of global poverty.



Our Work

Using the skills of business, the flexible capital of philanthropy and the rigor of the marketplace, Acumen Fund aims to deliver system-changing solutions to the problems of global poverty.

Much like a venture capital or private equity firm, we leverage our extensive networks, structure financial support, and provide intensive managerial, technical and business assistance. We raise charitable contributions and invest this capital in the form of loans, equity and occasional grants in social enterprises – both for-profit and nonprofit – that address the problems of poverty. We measure both social and financial returns and report regularly to our investors, communicating our challenges as well as our successes.

You can find out more about our work by visiting www.acumenfund.org.

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