



Dutch Good Growth Fund

Notice proposed transaction: Foxmont Philippine Ventures Fund III

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Taking into account the provisions for governing bodies that apply under the 'Freedom of Information Act' ('Wet openbaarheid van bestuur') and the 'Data Protection Act' ('Wet bescherming persoonsgegevens'), the Fund Manager of the DGGF part 'Financing local SMEs' will publish its anticipated transactions.

Views

Parties can express their views on the proposed transaction to the Fund Manager by contacting **dggf@pwc.com** within 30 days after the publication date of the notice. After the transaction has been closed, or after it has become clear that the transaction will not take place, the Fund Manager will respond as soon as possible to these Parties concluding on the expressed views by these Parties.

Description (English)

Part of DGGF

Financing Local SMEs

Name Intermediary Fund (IF)

Foxmont Philippine Ventures Fund III (Foxmont III)

Domicile IF

Foxmont III will be domiciled in Singapore. The Fund is tax transparent.

Name of manager of the IF

Foxmont Capital Partners

Nature of the activities of the IF

Foxmont III is a Venture Capital firm operating in the Philippines that invests in SMEs through equity and quasi equity instruments. The fund is sector agnostic focusing on tech opportunities that can be selected from sectors such as e-commerce, fintech, logistics, media, food & agricultural technology, health technology, education technology, insurance technology.

Size of proposed investment

DGGF is expected to commit up to USD 8 million. The proposed investment is reasonable in light of the team's experience.



Intended transaction date

The fund manager aims to close the agreement with Foxmont III in the second quarter of 2024.

Expected financial results

A positive net financial return on the investment is expected.

Expected impact

Foxmont III is expected to perform well on their economic impact in the Philippines, particularly in jobs creation, revenue growth and knowledge transfer to the portfolio companies.

ESG compliance

Foxmont Capital Partners is not experienced with ESG risk management, nor are their ESG policies and procedures for Foxmont III aligned with DGGF ESG requirements. It has been agreed with Foxmont that they will adopt DGGF's exclusion list, revise its ESG Policy, ESMS, and external and internal grievance mechanisms. Foxmont will share the relevant documents with DGGF to ensure integration of the aforementioned requirements within 9 months of first closing, including documentation of their first 2 ESG due diligences to ensure practical integration.

Given Foxmont's lack of ESG experience and knowledge, we do not consider them capable of meeting these conditions independently. As such, DGGF will provide ESG capacity building through a Technical Assistance programme. Specifically, the DGGF ESG team will provide a bespoke 2-day training on ESG for the Foxmont team, as well as aid them in setting up policies and procedures that will allow them to structurally identify, assess, and mitigate ESG risks in their context.

Tax compliance

Foxmont III is an investment fund established as a limited partnership under the laws of Singapore, which meets the OECD transparency requirements. Foxmont III invests in companies domiciled in the Philippines which are in principle subject to the domestic statutory tax rates in the Philippines. Foxmont III is not making use of artificial constructions to lower the taxation of the SMEs which it funds and DGGF's investment conditions focus on ascertaining this. Foxmont III requires SMEs that it finances to comply with local laws and regulations, amongst others, those regarding tax and Foxmont III will monitor if the SMEs meet their tax obligations. DGGF will monitor whether Foxmont III meets its ongoing tax obligations and acts in accordance with the DGGF Tax Criteria.