



Stichting Pymwymic Donor Fund

A PYMWYMIC Venture Philanthropy Organization

Policy Plan 2018

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1. GENERAL

COMPANY OVERVIEW

Pymwymic is the 'Put Your Money Where Your Meaning Is Community' of impact investors who believe in the flow of capital for good. Pymwymic is a membership of families, philanthropists and individual investors who support for-profit companies creating global solutions.

Pymwymic is Europe's most active and longest-standing community of impact investors. Created originally in 1994 by Europe's (then) 'next-gen' influencers, Pymwymic has for over 20 years, advocated, catalysed and invested into social enterprises. Over the years Pymwymic together invested many millions, helped over 50 companies with significant seed or growth funding, and supported many more hundreds of social entrepreneurs through a network of belief, support and connection.

Established in 2014, in order to set up a broader impact platform, the Pymwymic Donor Fund ("DIF") was launched. A venture philanthropy organisation with the mission to fund the 'non-fundable' seed stage social enterprises that turn global problems into sustainable businesses. The DIF aims solve the funding gap for seed stage companies which relate to the Sustainable Development Goals ("SDG". This is something which is missing in the market and also in the other offerings of Pymwymic – the Cooperative focusses on SDG companies which are in a later phase of their development. Ultimately, the aim for the non-for-profit foundation DIF is to be able to maintain its offering from the returns of investments that it does, eventually resulting that it won't be dependent anymore from donations or venture philanthropy. All available cashflows, after costs, will be reinvested into new SDG seed stage initiatives.

Unique features of the DIF are:

- The DIF is a "Public Benefit Organisation" (Dutch: Algemeen Nut Beogende Instelling, ANBI). That entails, amongst others that the Foundation adheres to strict conditions in regards to the provision of information and the transparency of the objectives, policies and financial responsibilities on the spending of received donations;
- The ANBI itself is exempted from inheritance tax and gift tax on inheritances and gifts it receives, except on those made under a condition such that it is not for public benefit;
- The DIF supports seed stage social ventures that turn the Social Development Goals ("SDG"), into sustainable businesses;
- 85% of donor capital will go to high impact investments, and all subsequent gains are recycled for future impact, making the DIF an extremely efficient philanthropic opportunity;
- The DIF is embedded in the overall Pymwymic ecosystem. It works closely with the Pymwymic Field Building Center ("FBC") which builds investor awareness in the impact field as well as with the Pymwymic Coop ("COOP") for growth funding. All are managed by Pymwymic Investment Management B.V. ("PIM").

- The investment team of PIM is responsible for the execution of the DIF’s Investment Strategy and its Portfolio Management.

PYMWYMIC MISSION STATEMENT

To support, expand and maintain a community of families, philanthropists and individual investors who seek to solve critical global social and environmental problems by making strategic and profitable investments; to learn, share, and invest together.

PymwymiC’s reputation for leadership in European impact investing has been built on decades of dedication to ethics, honesty, investor confidentiality, transactional transparency, and trust. These values inform every action, every day, of every manager, employee, communication, transaction, and product of the PymwymiC ecosystem. It is a very high standard, and one for which PymwymiC proudly stands.

2. PYMWYMIC DONOR FUND

SDG STARTUP FUND

The world is in desperate need for new and innovative solutions to its most pressing problems. On September 25th 2015, countries from all over the world adopted a set of 17 Sustainable Development Goals to end poverty, protect the planet and ensure prosperity for all. This 2030 Agenda for Sustainable Development is a plan of action and of transformation.



PymwymiC believes that social entrepreneurs are at the heart of this change. The world is full of passionate, creative social entrepreneurs designing and building innovative ways of addressing challenges and turning global problems, including the Sustainable Development Goals, into sustainable businesses.

But social entrepreneurs need sustained support, coupled with patience and flexibility. Currently few investors have the risk appetite or resources to help nurture young social enterprises. Venture philanthropy provides the answer to this funding gap.

Driven by a mission to accelerate systemic transformation, DIF supports seed stage social enterprises with both equity and debt instruments.

POLICY PLAN

This Policy Plan consists of a view on the Articles of Association as far as ANBI rules and regulations are concerned, a summary of the Activities of the DIF, its financials and its governance structure. The Policy Plan will be adjusted annually if necessary.

3. STRATEGY

CORE PRINCIPLES OF THE FOUNDATION

Our Theory of Change

“To support, expand and maintain a community of families, philanthropists and foundations who seek to solve critical global social and environmental problems by making strategic and profitable contributions to seed and early stage social ventures; to learn, share, and donate together.”

Impact 1 billion lives positively*

* The DIF will contribute 250 million positively impacted lives to the total PYMWYMIC 1 billion impacted lives. Based on historic data and averaged between base and best case.

STATUTORY OBJECTIVES

The objectives of the institution are contained in Article 3 of the Articles of Association and is as follows:

- Reducing social inequalities as well as solving social and environmental issues by supporting business solutions.

ABSENCE OF PROFIT

The Foundation is a non-profit institution, as shown in Article 3, paragraph 5 of the Articles of Association. The institution does not seek profit for the sake of profit itself. This is according to the fact that the institution's activities achieved revenues are benefited to its objectives.

DESTINATION LIQUIDATION BALANCE

As stated in Article 12, paragraph 3 of the Articles of Association, any liquidation proceeds will be spent for the benefit of one or more charities with the status ANBI (in the Netherlands) with a similar objective or a foreign institution with a general interest or a similar objective.

4. ORGANISATION**GENERAL**

- Name: Stichting PymwymiC Donor Involve Fund
- Public Name: Donor Fund (DIF)
- RSIN / Fiscal number: 853997044
- Chamber of Commerce: 60655214
- Contact details: Mauritskade 64, 1092 AD Amsterdam
- Phone: +31 (0) 20 - 226 1000
- Mail: donorfund@pymwymiC.com

BOARD

DIF has a Supervisory Board which works closely with the DIF Director and provides advice and support (e.g. on strategic plans).

On average, the Board meets 4 times a year. The Supervisory Board currently consists of the following five members.

- Ann Korijn - Chair;
- Frank van Beuningen;
- Ansgar John Brenninkmeijer;
- Ad van der Sluijs; and
- Robert Boogaard.

The Board further outsources the day-to-day management to the Executive Board, which is initially formed by the MD of the PymwymiC Investment Management BV. Currently that is:

- Rogier Pieterse (MD PymwymiC).

REMUNATION POLICY

Board members receive no remuneration or compensation.

The Executive Board, represented by the MD PymwymiC Investment Management BV receives a fixed fee, to be approved by the Board.

The Board will review every year the performance of the Executive Board based on the scores per target category and will also include in this assessment the overall performance of the company. Scores rank from 1 to 5, where 5 represent the best score and 1 the worst.

INVESTMENT COMMITTEE

The Investment Committee will consist of the two Board members. The Investment Committee monitors compliance with the Foundation's objectives and strategy, recommend investments and provide advice on other matters relevant to investments. The Investment Committee receives no remuneration or compensation.

5. POLICY & GOVERNANCE

GENERAL

In accordance with guidelines set by the Tax Authorities, the DIF has certain publication obligations. These are all listed on the website <https://pymwymiC.com/donor-fund/>. All policy documentation is revised by the Board and pre-approved annually. An independent accountant draws up the annual report annually. The annual accounts being published on the website within 6 months of the calendar year.

6. ACTIVITIES OF THE FOUNDATION

GENERAL

The DIF is founded on the principal belief that by providing patient risk capital to seed stage social ventures contributes to deep, sustainable development; contributing positively on the earth and her people. The DIF's focus is on the world's most pressing issues as articulated in the United Nations' SDG's and thus on social ventures that provide innovative solutions for those issues.

By providing patient risk capital as well as hands-on support to seed stage social ventures that are innovative and scalable, DIF aims to ensure a positive socio-economic and environmental impact as well as preserving the donation capital for future impact.

DIF's strategy for financial and impact success is to bridge the financial, knowledge management and network gaps in order to help social ventures cross the Valley of Death and to enable them to reach scale. DIF will add value to seed stage social enterprises by combining a long-term vision with an active engagement role; patient capital and by leveraging the expertise of its extensive larger community.

DIF will provide equity and debt capital to finance Portfolio Companies' growth and to provide an adequate capital base for potential financial leveraging. The DIF shall target minority stakes ranging between 0-49,9% in the Portfolio Companies.

DIF believes in flexible holding periods to further optimize the total (impact + financial) return objectives of an investment.

ROBUST PIPELINE OF INVESTMENT OPPORTUNITIES

The PymwymiC platform has always played a pioneering role in the global impact investing industry. DIF builds on this foundation laid over the last 24 years, not only via access to a robust deal pipeline but also in terms of access to attractive (co-)investment opportunities.

DIF investment portfolio will be well diversified in terms of countries, sub-sectors (SDG's) and financing instruments (equity and debt capital). The investment and allocation decisions will be based on proper risk management and diversification principles.

INVESTMENT TEAM: TRACK RECORD AND EXPERIENCE

DIF makes use of a highly experienced investment team with a strong balance of skills, experience and network, across the investment and impact space. The team combines (i) hands-on commitment; (ii) extensive investment and business management track records; (iii) entrepreneurial skillset with seed-, early- and growth stage personal investment experience; and (iv) management and strategy know-how at global scale, allowing the DIF Director to successfully execute the DIF's strategy.

The Investment Team will work closely together with the PymwymiC community, comprising of some of the most experienced impact investors in Europe, and having access to experience and knowledge networks, all supporting the further success of the Portfolio Companies.

This unique combination of capabilities enables the identification of investment opportunities and the support required for value creation ensuring investment and impact returns.

RECRUITMENT AND MANAGEMENT OF FINANCIAL RESOURCES

The Foundation's financial resources may consist of subsidies, donations, bequests, assets acquired by testamentary disposition and any further revenues.

The implementation of accounting and preparation of financial statements has been outsourced to Finance Matters B.V. The financial statements and explanatory notes are approved each year by the Board.

CAPITAL OF THE FOUNDATION

The Foundation does not hold more capital than is reasonably necessary for the continuity of the anticipated projects of the institution its objectives.

SPENDING POLICY

The Foundation spends the income received in accordance with the objectives as evidenced in the Articles of Association.

ACCESS TO THE ASSETS OF THE FOUNDATION

On the basis of Article 4 paragraph 3 of the Articles of Association, no (legal) person has decisive say within the foundation. Thus no (legal) person has the ability to access and manage the foundation's assets as if they were their personal assets.

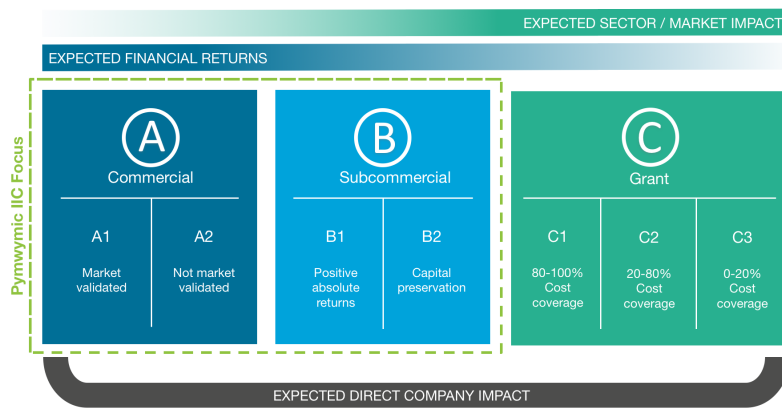
7. PORTFOLIO COMPANIES / DONOR INITIATIVES

RETURNS CONTINUUM

Investments should be able to make risk-adjusted financial returns while having a strong impact at the same time. With its investments, DIF aims to deliver high impact, not just at company- level, but also at sector / market-level. A combined strong direct company and sector / market impact could justify a decision for an investment with a low financial return.

This philosophy has been illustrated in the “Returns Continuum Framework” by Omidyar Network (see Figure 4). DIF has applied this framework in its processes. It allows the Investment Team to analyse and compare Portfolio Companies based on (i) financial returns; (ii) impact on company level; and (iii) market / sector impact.

Figure 4: The Returns Continuum Framework (Source: Omidyar Network, November 2016)



In this “Returns Continuum Framework”, DIF’s investment focus is on Category B (B1+B2). It is expected that Category B may generate sub-commercial returns but will be able to preserve capital. Investments in Category B will require strong evidence of the potential to create market impact. We define market impact as (i) pioneering a new model; (ii) creating industry infrastructure; and/or (iii) influencing policy.

8. BUDGET

	2017		2018		
P&L DIIF (€ incl. VAT)	2017A	2017B	P&L DIIF (€ incl. VAT)	2017A	2018B
Totale income	168.242	289.000	Totale income	168.242	800.000
Staff costs (from Coop)	-36.526	-80.000	Staff costs (from Coop)	-36.526	-92.461
Overhead costs (from Coop)	-50.596	-30.000	Overhead costs (from Coop)	-50.596	-11.020
Other costs	-3.194	-1.650	Other costs	-3.194	-4.840
Total expenses	-90.316	-111.650	Due diligence costs		-24.200
Net Profit	77.927	186.350	Total expenses	-90.316	-132.521
			Net Profit	77.927	667.479
BS DIIF (€)	2017A		BS DIIF (€)	2017A	2018B
Financial fixed assets	85.000		Financial fixed assets	85.000	385.000
Receivables (Coop)	81.043		Receivables (Coop)	81.043	0
Cash	11.883		Cash	11.883	359.410
Total Assets	177.925		Total Assets	177.925	744.410
Short term liabilities			Short term liabilities		
Invoices to be received (Coop)	87.122		Invoices to be received (Coop)	87.122	0
Income received in advance	13.873		Income received in advance	13.873	0
Equity			Equity		
General reserve	-996		General reserve	-996	76.931
Result current year	77.927		Result current year	77.927	667.479
Total Liabilities	177.925		Total Liabilities	177.925	744.410