

Commons Capital
Venture Capital for a Sustainable Future

Partnering for Global Health Forum

Spurring Innovation to Conquer Diseases of the Developing World

Funder Presentation

Washington, DC

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What is Commons Capital?

- Socially-responsible venture capital fund
 - For-profit Limited Partnership
 - Equity financing only
- Fund objective: to achieve market rate VC returns by making investments in companies that promise a strong social or environmental impact
- Established in 2001 with committed capital from 53 limited partners – institutions (including foundation endowments) and individual investors
- Diversified investment strategy (health care, education, clean energy and environment); 18 portfolio investments

Why Global Health?

- Healthcare investment strategy: opportunities for greatest social impact?
 - Women's Health
 - Global Health
- Traditional VC completely uninterested in pure-play global health deals
 - Too risky (political, market, financial, etc.)
 - Few to no success stories
- Dilemma: How do we leverage the benefits of venture capital for global health?
 - Engine of innovation
 - VC-backed companies get new products to market 3X faster

Bridging the Gap: Global Health & VC

- Delineate investment opportunities
 - “Dual-use” technologies (platform)
 - Medical devices, diagnostics, delivery technologies, IT
 - Low-cost and ease-of-use are key
- Find promising investments
 - Entrepreneurs, companies, technologies
 - Syndicate partners
- Make equity investments...
 - 3 portfolio companies: diagnostic, device and IT/services

Commons Capital's Portfolio:



Point-of-care diagnostic platform using microfluidic technology and proprietary chemistry amplification

- Competitive advantages: low-cost, ease-of-use, multiplexing capability

- Technology out of George Whiteside's lab at Harvard University; license carries a mandate to develop products for neglected diseases and diseases of the poor
- Commons Capital joined Oxford Bioscience Partners and BioVentures Investors in a Series A Preferred financing in 2006
- Company Strategy:
 1. Develop urology diagnostic product for industrialized markets (PSA Dx)
 2. Develop global health products (STI panel and blood transfusion screening)

Commons Capital's Portfolio:



Polymer drug delivery platform; transvaginal ring

– Competitive advantages: ability to deliver large molecules and combination therapies through single ring device

- Technology out of Bob Langer's lab at MIT
- Commons Capital joined VIMAC Ventures and Cytoc Corporation in a Series A Preferred financing in 2007
- Company Strategy:
 1. Develop endometriosis and PCOD therapeutic products; entering the clinic in April 2008
 2. Develop global health products - microbicide/contraceptive delivery ring (and longer-term possibly combination ARV therapy ring)

Commons Capital's Portfolio:



Medical consultation services company with proprietary platform to provide non-urgent primary care

- Model expands access to health care in the US by offering telephonic medical consultations by board-certified physicians across 50 states
- Commons Capital joined New Capital Partners in a Series A Preferred financing in 2006
- Company Strategy:
 1. Expand in the US market (over 100% revenue growth in 2007)
 2. Adapt model to serve developing world markets (ministries of health)

Beyond the Funding

Equity investment must be accompanied by specialized global health technical assistance; involvement from NGOs with global health expertise is critical and helps to mitigate the added investment risk.



- 2nd largest non-profit in the US
- Projects in more than 40 countries and a staff of >2,600
- Expertise:
 - Global health and infectious disease research
 - Managing drug/device development
 - Technology assessment and commercialization (e.g., NASA)
 - Regulatory affairs (both FDA and developing world)

Looking Ahead...

2007 Grant from The Bill & Melinda Gates Foundation:

1. Develop technical assistance arm within RTI (Venture Investment Technical Assistance) to provide global health business expertise to the fund's portfolio companies
2. Provide global health technical and market assistance to Commons Capital's existing portfolio companies
3. Launch a new \$100 million venture capital fund dedicated to global health
 - Platform companies with 'dual-use' possibilities
 - Medical devices, diagnostics, delivery systems and IT
 - Early-stage companies (Series A or B)