

About Global Health Ventures:

Global Health Ventures (GHV) is raising US\$75 million to invest in venture-backed companies that are developed world focused but that have an innovative medical product that can be adapted to benefit the poor in low- and medium-income countries. PATH, an international non-profit with 30 years of experience in developing and introducing health products in the developing world, will assist the fund and its portfolio companies in adapting and delivering the products to the poor in the developing world.

GHV will be managed by Tom McConnell, a seasoned venture capitalist with 22 years of venture investing experience. Once the funding is committed, GHV will add a second Managing Director and a Principal. PATH has created a program, known as the Technology Accelerator Project (TAP). PATH, through TAP, will serve as a consultant to the Fund to analyze and evaluate the potential social impact of candidate investments, may assist the Fund's portfolio companies in their development and may offer guidance on how to deliver the resulting products in an appropriate manner to low-resource populations. *PATH will not be involved in evaluating the potential investment return of the candidate portfolio companies.*

The Fund will also endeavor to earn a modest internal rate of return of approximately 5 percent while making these socially beneficial investments. We believe that both of these goals should be accomplished to demonstrate that disciplined venture capital investing is a sustainable approach to addressing the needs of global health. It is our hope that a successful demonstration of this model will attract significantly larger amounts of venture capital to solving the health care needs of the world's poorest populations.

Fund Priorities:

The Fund will invest in medical technologies that can diagnose, treat, or prevent disease in low-resource populations in the developing world. The Fund's main objective is to invest in innovative medical products that can benefit a large number of the poor in low- and medium-income countries.

The Fund intends to invest US\$5 million to US\$7 million in each of 10 companies over a 3- to 4-year active investing period. It is anticipated that the majority of the Fund's investments will be in companies that are based, or have significant management operations, in the United States, although the Fund will consider candidate companies in Europe and India.

We expect that the Fund's portfolio companies will be active in one or more of the following sectors: therapeutic and diagnostic medical devices, drug delivery systems, biopharmaceutical reformulations, vaccine-related solutions, and medical information systems. Candidates for investment will range in maturity from early-stage to expansion-stage enterprises with an emphasis on expansion-stage companies. We expect the later stage focus to allow the Fund to deliver products to low-income populations in the shortest possible timeframe and to reduce the technology risk associated with the investment.

The Fund intends to invest primarily in venture-backed companies that have a developed-world focus but whose products or technologies have the potential for broad application in the developing world. We anticipate that these "dual-use" companies will not only provide a financial return on investment through their developed-world products but will also accomplish social good through the application of their products to the medical needs of the poor. Dual-use product lines have the best chance of truly helping the poor because they have the financial staying power provided by developed-world markets to endure the protracted adoption cycles characteristic of the developing world. In addition, GHV's capital in such venture-backed companies will be leveraged substantially by the capital invested by other venture firms supporting these dual-use companies. We expect this leverage to allow GHV to select the most important medical innovations for the poor that might otherwise be too capital intensive for GHV to finance alone.