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## CATALYST FUND BRIEF



### Investment Opportunity

angelMD, Inc., owns one of the largest online healthcare investment marketplaces. Catalyst I LP, a direct investment fund, is being launched to complement angelMD's successful syndicate investing. The Fund is managed for direct investment in early stage life science companies drawing heavily on the unique features and achievements of the angelMD marketplace for successful investing.

**Fund Size:** \$10MM

**Investment Minimums:** \$100k - Individuals, \$250k - Institutions

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## THE OPPORTUNITY

Overall healthcare spending is at **17% of US GDP**, or **\$3.1 trillion** (\$9,695 per person), which reflects disruptions occurring in healthcare, including: (1) science and computing advances that foster massive innovations and (2) pressure to improve delivery of services, lower costs, and improve patient care. These disruptive forces are driving opportunities for new innovative ventures that require capital investment and expertise to succeed. At **\$10.1B** in 2015, life sciences investing ranks second among all industry segments in total venture funding. Adding healthcare services and digital health, total invested capital exceeds **\$16B**.

angelMD is one of the largest online marketplaces dedicated to investments in healthcare – comprised of life science companies, physicians, researchers, investors, and industry personnel. angelMD facilitates member collaboration, networking, information exchange, and investment opportunities. Currently there are over 800 companies and 4,200 members registered, with a strong growth trajectory.

angelMD believes it is uniquely positioned at the intersection of providers and innovation to take advantage of these market opportunities and affect positive change through a selective, focused, quality approach for successful investing.

### INVESTMENT THESIS

Our approach couples the Catalyst Fund with the unique and powerful capabilities of angelMD's marketplace to make significant direct investments. Linking strong physician expertise to help target, select, and provide operational support to portfolio companies, with the investing experience gained through angelMD's growing syndications, the Fund looks to become the investor of choice for early stage healthcare companies.

The objective of the Fund is to provide a risk-adjusted investing approach to produce above average returns for Limited Partners in early-stage healthcare companies. Target investments will be selected from the extensive pool of vetted healthcare companies (a mix of biotechnology, medical device, and digital health) registered on the angelMD platform.

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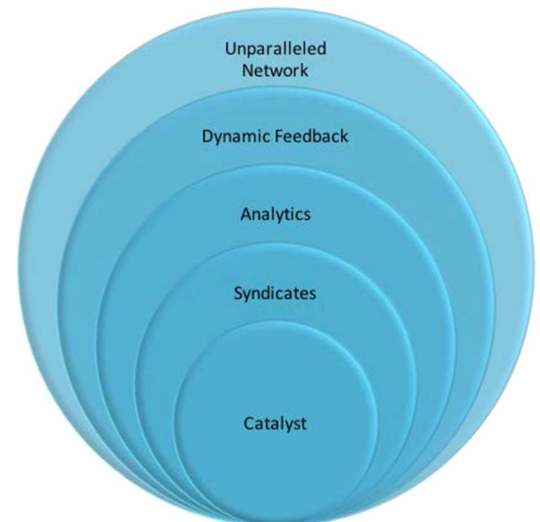
## CATALYST ADVANTAGES

The Catalyst Fund's ability to leverage the angelMD network has many advantages over conventional early-stage investment funds. The Fund's multi-stage assessment process starts with access to an expansive network of early stage healthcare companies. Each stage becomes progressively more selective to identify best-in-class opportunities. Fund management reviews and incorporates feedback and analyses generated by members of the angelMD network. The Fund also has the option to choose investment targets from syndicates led by top healthcare investors.

The angelMD relationship affords companies in the Fund portfolio the benefit of ongoing support from physicians and leading industry experts, many of whom may be syndicate investors, helping reduce Fund investment risk and increase returns. Key features include:

- **Expansive Network of Investable Companies** – Unparalleled in the investment industry
- **Dynamic Feedback** – Algorithmic assessment of milestones and metrics
- **Analytics** – Programmatic validation by Physicians, Industry and Investors
- **Syndicates** – Led by top healthcare investors and vetted through angelMD analytics
- **Catalyst** - Targets top syndicates as well as initial vetted companies for the fund

Throughout the investment process, particularly during the due diligence phase, the Fund will constantly assess the potential for a successful exit by each portfolio company through working closely with company management, our life science experts, as well as industry and other angelMD members. Seeking earlier exits may be preferable for many early stage companies versus the risks inherent in raising multiple rounds of capital to scale and offering potentially higher returns for Fund investors.



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## angeIMD PORTFOLIO



Kineta is an emerging and sustainable biotech company that fills a void in the biopharmaceutical industry by efficiently advancing therapies from discovery to clinical proof of concept.



VICIS has reimaged the form and function of the football helmet which has shown a significant reduction in the impact of force versus leading helmets.



Artoss, Inc. is the exclusive North American distributor of NanoBone®, an advanced synthetic bone graft technology.



Green Sun Medical is developing a dynamic spinal alignment brace to help correct spinal deformities like scoliosis and kyphosis.



Curtana is a pre-clinical stage drug development company focusing on the treatment of glioblastoma, a malignant brain tumor.



Qool Therapeutics' saves hearts and minds with our non-invasive, field deployable, rapid therapeutic hypothermia system.



Windpact is an impact technology that has developed a dynamic padding system called Crash Cloud for better helmets and protective gear.



Niveus has developed a series of novel technologies to prevent debilitation and thereby accelerate patient recovery, shorten hospital stays, and reduce hospital costs.



Sensulin is developing a glucose-responsive insulin for type I & type II diabetes, which may eliminate the need for multiple injections/day.

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## FUND TERMS AND OPERATION

- \$10 million in aggregate committed capital
- Minimum LP investment size: \$100,000 for individuals and \$250,000 for institutions
- 50% of committed capital upon closing, remainder called over six months following close
- Full return of LP's invested capital before distribution of portfolio net proceeds
- 80/20% split of net proceeds between the LPs and General Partner respectively
- Opportunity to share in the General Partner's carry for investments over \$250,000
- 2.5% management fee on committed capital
- Investments generally in the range of \$250,000 - \$500,000 each
- Put LP funds to work quickly by investing within 30-60 days of close
- Seven-year term

## FUND MANAGEMENT

Catalyst Capital Management LLC will serve as General Partner to the Fund, and Catalyst Adviser LLC will provide investment management services to the Fund. The principals of the Fund will include Charles Emley, angelMD Senior Advisor & Managing Director – Funds, Tobin Arthur, Founder & CEO of angelMD, and Jens Francis, angelMD co-Founder & CTO, (together, the **“Principals”**). Mr. Emley will serve as the Managing Partner of the Fund.

Mr. Emley has over 30 years of experience building and operating technology companies as a senior manager, partner and board member. He has led investments of over \$30 million in more than 100 companies. He has provided management, operational, and strategic services to a number of leading health care organizations, including Mayo, Cleveland and Ochsner Clinics, Kaiser Permanente and Toshiba Medical Systems. He holds a BS from Lehigh University and an MBA from the University of Pennsylvania's Wharton School, has served in government as a Deputy Assistant Secretary, was a US Army Captain, and has known Mr. Arthur for over 20 years.

Mr. Arthur is a 25-year startup, investment, technology, and operations veteran and is a leading expert in physician online businesses. Over the last 10 years he has raised capital for several life sciences companies, built strong interactive technology for physician communication and interaction, and deployed innovative platform technologies.

Mr. Francis has spent over 20 years in Silicon Valley and nearly 10 years in private equity as an operating partner, executive, and investor in fast growth companies in the fields of healthcare, cleantech, and education. In addition to his passion for data and analytics, he brings a valuable blend of deep technology understanding, finance and early stage / startup development.

