



Physic Ventures Closes Health Fund

By Daniel Kiernan

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Physic Ventures announced on Tuesday the final close on its \$159 million Physic Ventures Fund. It had its first close in April 2007 and has been investing since then.

The fund, which will be managed by a six-person team based in San Francisco, will focus on early stage investments in science-based health and sustainable living companies.

Physic Ventures Managing Director William Rosenzweig said the firm's team comes from various backgrounds and works closely together.

"We have people with life science background, material science background, healthcare background and consumer marketing," Rosenzweig says. "And we all work on one team in a very integrated way, in contrast to some funds that have different practices – like a healthcare practice and an IT practice."

The fund has already made five investments. Pharmaca Integrative Pharmacy and Elixir Pharmaceuticals are alternative pharmaceutical companies. Espresso Fitness produces and markets cardio exercise bikes with computer screens that offer a personalized interactive experience. Novomer is a materials company that converts feedstock into fine chemicals. Dreamerz Foods makes snacks that are meant to help people get better sleep.

The offbeat nature of these health-related companies will be reflected in the other nine to 11 companies that Physic intends to invest in through this fund. The firm plans to commit approximately \$7 million to \$12 million to each investment. Physic Ventures is focused on a prevention-oriented healthcare climate.

"As the aging population becomes interested in maintaining their vitality, there are a lot of opportunities to provide products and services and technologies that will help people lead healthier lives," Rosenzweig says.