

ENDPOINTS NEWS

The 'new, old kids' on the biotech block unveil a \$350M stealth science fund. And they're going very, very early

by John Carroll on April 4th, 2023





Bioregnum Opinion Column by John Carroll

Richard Lim and his two co-founders at Cure Ventures have some biotech stories to tell.

Lim recalls the time some 17 years ago he and Lou Tartaglia were going to start something — but then Tartaglia jumped to Third Rock as Kevin Starr and Bob Tepper were ramping things up, with roles at Editas and Agios. He later moved to 5AM. Then there are tales of Dave Fallace's biotech-naming role at Juno and Denali when Alaska's most iconic locations provided names for two of his more notable startups at the Alaska Permanent Fund.

There are other biotechs Lim had a hand in starting at Omega Funds. Developers like Nuvation, Gossamer and Replimune — after a stint in the top circle of MVM.

Now the three have come together at a crossroads in their lives that have intersected at a new venture

group they have dubbed Cure Ventures. And 18 months after getting started in the go-go days of 2021, they've reached their hard cap of \$350 million to officially launch their first fund.

Things have changed dramatically from the early days, as Lim concedes. But there are a lot of reasons not to second-guess their strategy now. They're sticking with an initial focus on small seed rounds, leading up to more substantial A and B syndicates, so they can give their startups time and enough money to see if the bright, revolutionary ideas they're funding have legs.

With the IPO window pretty much closed or barely cracked open, the partners have no problem sticking with the notion that they and their investors will have to be patient. Overnight riches are not part of the post-pandemic formula.

Says Lim:

We spent a lot of time curating our LP base for investors who are really looking for long-term returns. We spent a lot of time ensuring that it's not a group of investors who one day like biotech and the other day not like biotech. And so their patience and track records working with biotech venture was critical. So that allows us to have the sticking to our strategy through thick and thin on that seed approach.

They've learned a lot about the industry, and each other, following their respective biotech paths, says Lim. That led them to a reliance on genetics, something the Third Rock crowd and many others have boasted about for decades, though the science has only more recently delivered a cluster of new insights — as well as the expertise in the group on biostatistics.

But Lim and Fallace and Tartaglia — the trio Lim calls the “new, old kids on the block” — also believe they can rely on each other.

“I got to tell you,” says Lim. “The definition of diligence is Dave Fallace. He's got a hundred KOLs out there; he'll call every single goddamn one of them. An incredible partner to have with that kind of disposition.”

That gives them enough cash to follow a fairly traditional set of metrics for any biotech fund.

So we expect to be making about 20 seeded investments out of the \$350 million fund. Of that size investments, a couple of hundred thousand to a few million bucks. And attrition down to between let's say 12 to 15 portfolio companies that become what we hope to be value drivers for the portfolio.

They're not all going to make it, but Lim believes it's a workable formula. And they don't have to stick entirely with early preclinical assets. In this topsy-turvy market, even clinical-stage drugs may be

available to build companies around.

Whatever the markets and generalists are thinking, says Lim, the science they've been seeing in drug development is "nothing short of spectacular."

So far, they've seeded six projects. More are on the way.

Not surprisingly, at this stage, details are not on the table. But Lim promises it won't be long before they start turning their cards.

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