

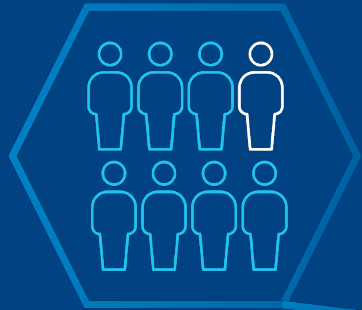
phyto  
psyche



Invest in the **mind**



# We are Experiencing a Global Mental Wellness Crisis



~1 Billion

People affected by mental health disorders worldwide<sup>1</sup>

\$2.5 Trillion

Annual global economic cost from mental disorders<sup>2</sup>



The WHO has prioritized mental health as a leading global issue.

- Growing concerns over how effectively we address mental health issues have given rise to an emerging **Neurowellness market**.
- As patients seek new alternatives to traditional “big pharma” solutions for their health and well being needs, initial research into psychedelic compounds has identified **remarkable potential** for new, more effective treatments.
- As psychedelic stigmas are debunked and new innovations are developed, a nascent industry is building itself – with a **clear path to commercialization**.

<sup>1</sup> Global Health Data Exchange <http://ghdx.healthdata.org/gbd-results-tool>

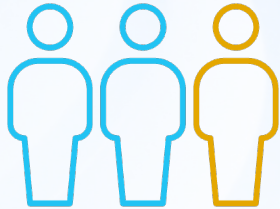
<sup>2</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5007565/>

# The Perception of Psychedelics is Changing

**Lack of effective treatments for mental health disorders represents a significant unmet need for patients worldwide.**

Traditional SSRI's (Lexapro, Wellbutrin, Prozac, Zoloft, etc.) are mainstays for the treatment of depression. Xanax and Valium continue to see wide use for the management of anxiety and stress.

**Although antidepressant sales are on the rise**



up to **1 in 3** patients see symptoms return  
according to research at Johns Hopkins.

Searching for more effective treatment methods, companies and research institutions have turned to **entheogens** – or psychedelic drugs – for their potential to transform how mental wellness is managed today.



**320  
MILLION**

People affected by depression globally



**280  
MILLION**

People affected by anxiety globally

# More than 20% of U.S. adults experienced mental illness in 2020<sup>1</sup>

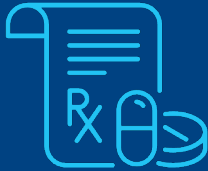


Mental health and substance abuse disorders account for **1 out of every 8** emergency room visits

**Less than half** of all U.S. adults with mental illness received treatment in 2020



Prescriptions for antidepressants, anti-anxiety and anti-insomnia medications **increased 21%** at the onset of the COVID-19 pandemic



**17 million people, or 32.1%** of U.S. adults with mental illness also experience substance use disorders



Suicide in the U.S. has **increased 35%** since 1999



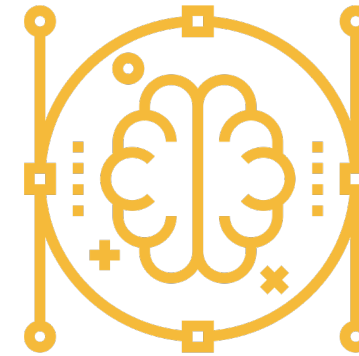
People with depression have a **40% higher risk of developing cardiovascular and metabolic diseases** than the general population



## POTENTIAL INDICATIONS FOR PSYCHEDELICS AS A MEDICINE (PaaM):

Addiction and substance abuse

Post Traumatic Stress Disorder



Anxiety and stress

Depression

Terminal illnesses

<sup>1</sup> National Alliance on Mental Illness: <https://www.nami.org/mhstats>

# The Tide Has Shifted at the FDA

100+

FDA clinical trials of psychedelic compounds are currently ongoing



24

Clinical trials in Phases II and III

6

Academic institutions have opened dedicated psychedelic research centers



- The FDA has granted **breakthrough therapy designations** for MDMA and psilocybin, expediting their development and review due to the potential for substantial improvements over currently available therapies.
- Regulatory pathways and lengthy FDA approval processes will require near-term investments in early clinical and preclinical programs to spur innovation.
- Additional preclinical trials are underway, and the first FDA approval for psychedelic therapies can be expected as early as 2023.



# Research and Investment are Underway

## RESEARCH INSTITUTIONS



## PHARMACEUTICAL RESEARCH



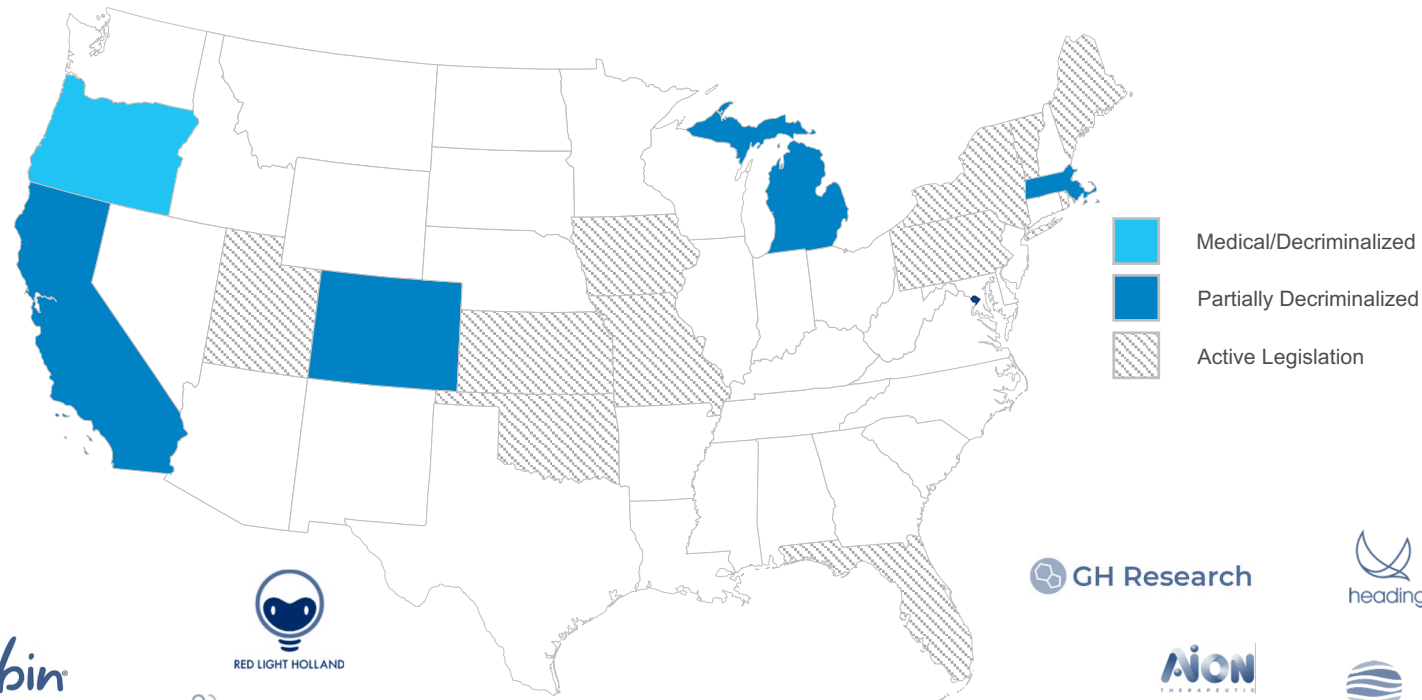
# A Nascent Industry Primed for Growth

5

States with full or partial decriminalization (incl. Washington, D.C.)

48

Publicly traded psychedelic companies



PHARMATHER

CORE ONE LABS

MYND™

Numinus

ENVERIC BIOSCIENCES

Cybin

RED LIGHT HOLLAND

GH Research

heading

SILO WELLNESS

COMPASSION Navigating Mental Health Pathways

C Clearmind

MindMed

PSYBIO THERAPEUTICS

UNIVERSAL™ IBOGAINE

AION THERAPEUTICS

field trip

HARMADRUG™

Mindset Pharma

DELIC CORP

SiloPharma

SEELOS ST THERAPEUTICS

BRAXIA SCIENTIFIC

optimi health

EHAVE

TRYP THERAPEUTICS

LOBE SCIENCES

BRIGHT MINDS

MINDCURE

PSYK ETF

BetterLife Pharma

LEVITEE LABS

M2Bio SCIENCES

ALGERNON PHARMACEUTICALS

Novamind

Awakn™

wesana™

atai LIFE SCIENCES

Incannex

Revive Therapeutics

neon mind BIOSCIENCES INC.

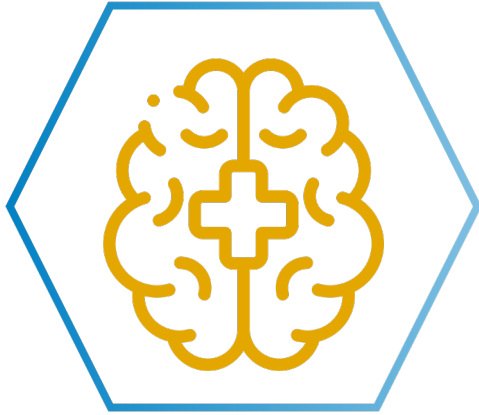
Filament Health

Small Pharma

psyched wellness

MYDECINE INNOVATIONS GROUP

# Three drivers of growth in the U.S. psychedelics industry



## Heal

Development of clinical treatments for mental health disorders and other related illnesses



## Research

Investigation of new chemical entities (NCEs) and other psychedelic technologies



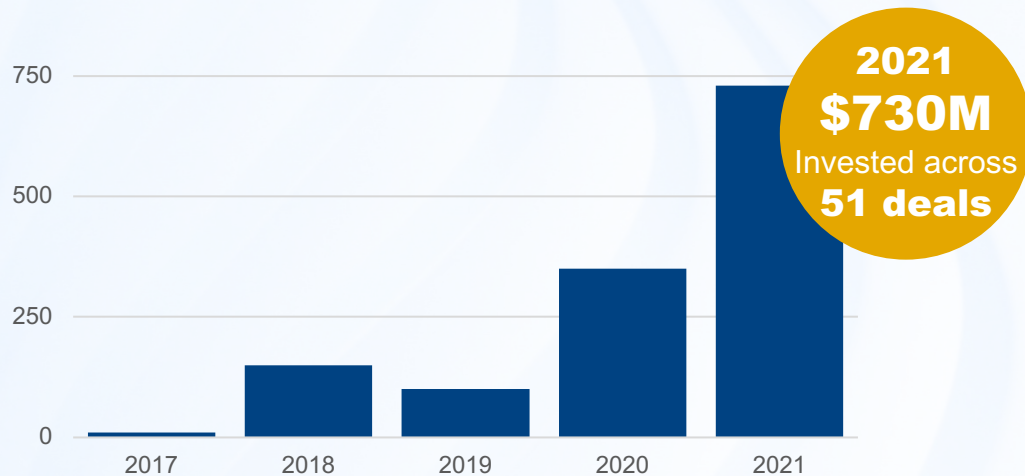
## Tech

New tools improving patient access, education, data, marketing, and other services supporting the growth of the industry

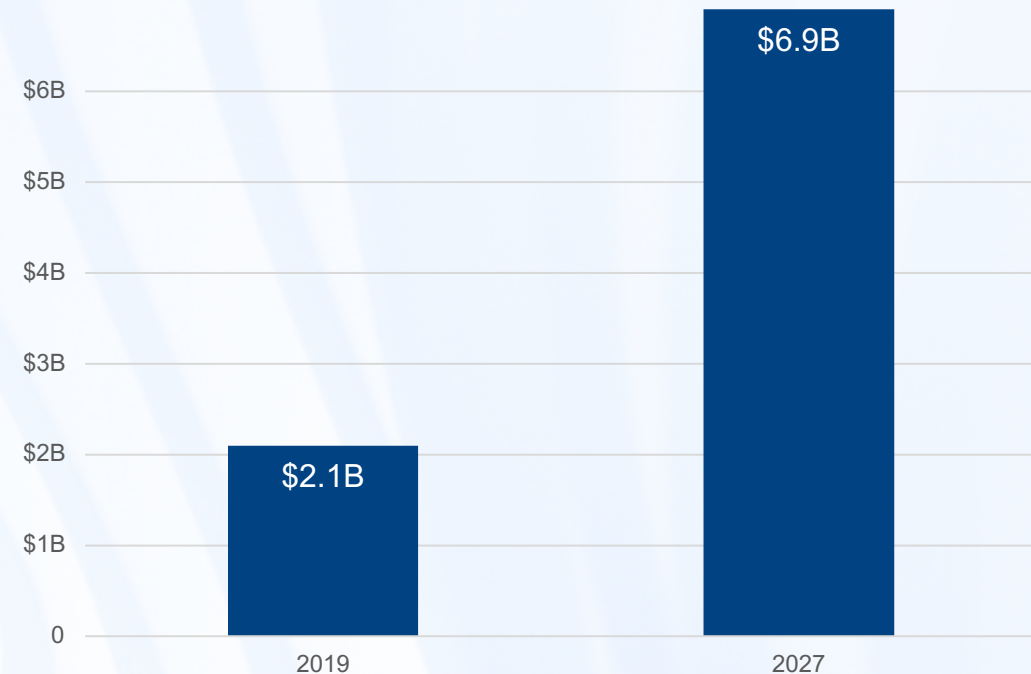


# Market Outlook

The nascent psychedelics industry presents a unique investment opportunity as the market rapidly scales.



U.S. Psychedelic Drugs Market Growth Projection<sup>1</sup>



<sup>1</sup>Data Bridge Market Research, U.S. Psychedelic Drugs Market – Industry Trends and Forecast to 2027

# Mind Health is the New Wealth

Phyto Partners has opened the Phyto IV fund to provide a managed investment vehicle for accredited investors to take advantage of this opportunity.



Phyto IV is designed with a focus on investments in the Neurowellness space – companies operating with and around the use of psychedelic compounds for the improvement of mental well-being.



After 18 months of diligence, we have vetted a small number of select investment targets that we plan to fund by the end of Q1 2022.



# The Investment Opportunity is Now

We believe there exists an **attractive investment opportunity** yet to be recognized by the financial community at large – just as was seen in the early years of legal cannabis.



We believe we are at the start of a **neurowellness and brain health megatrend**. The time has come for people to take care of their mind in the same way they take care of their bodies.

By connecting with the right people and providing venture capital to early industry operators, **Phyto helped grow the Cannabis industry from \$4 billion in 2015 to nearly \$25 billion in 2021.**

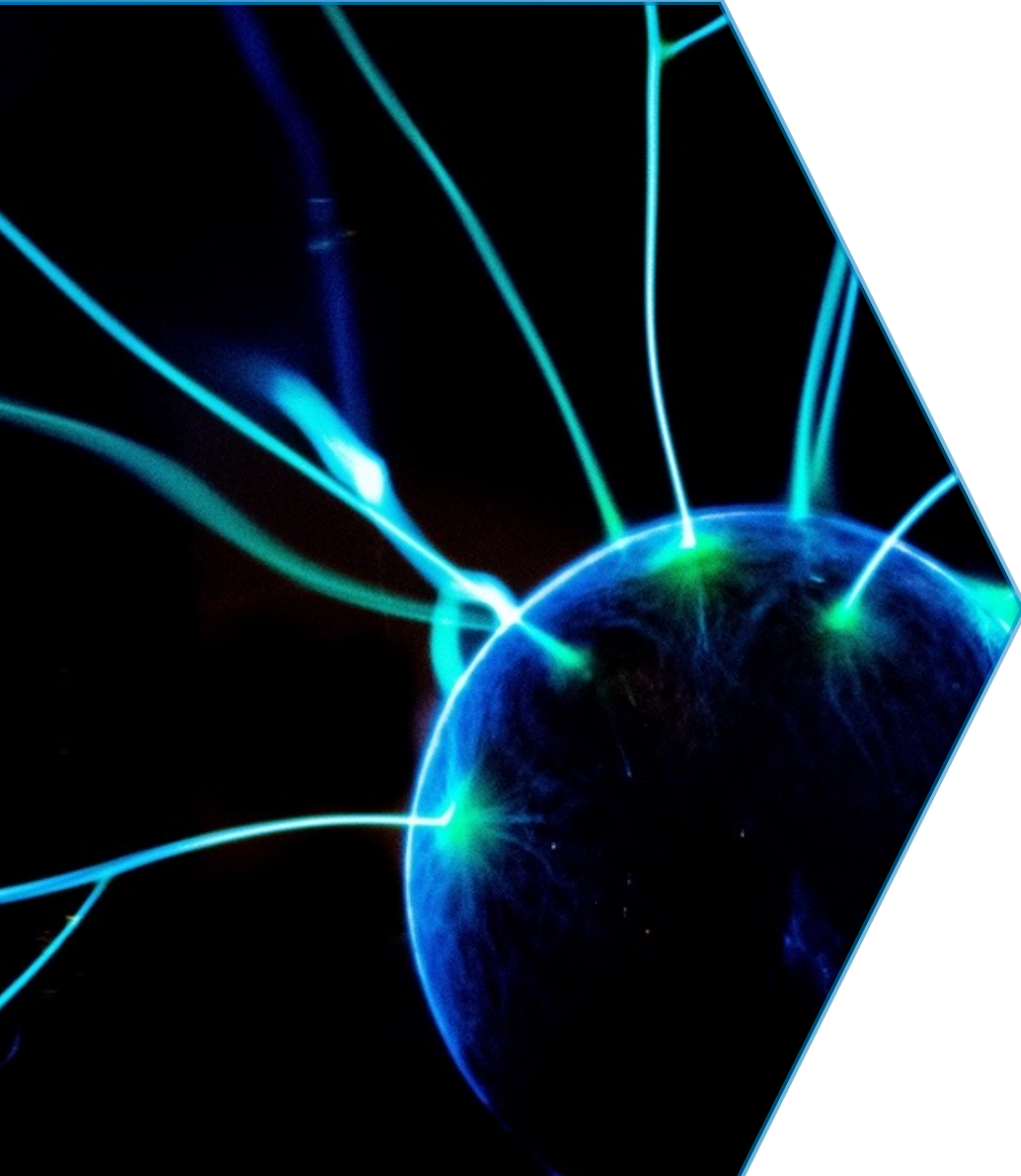


**We have applied this same approach to our new psychedelic-focused fund**



# Our Investment Thesis

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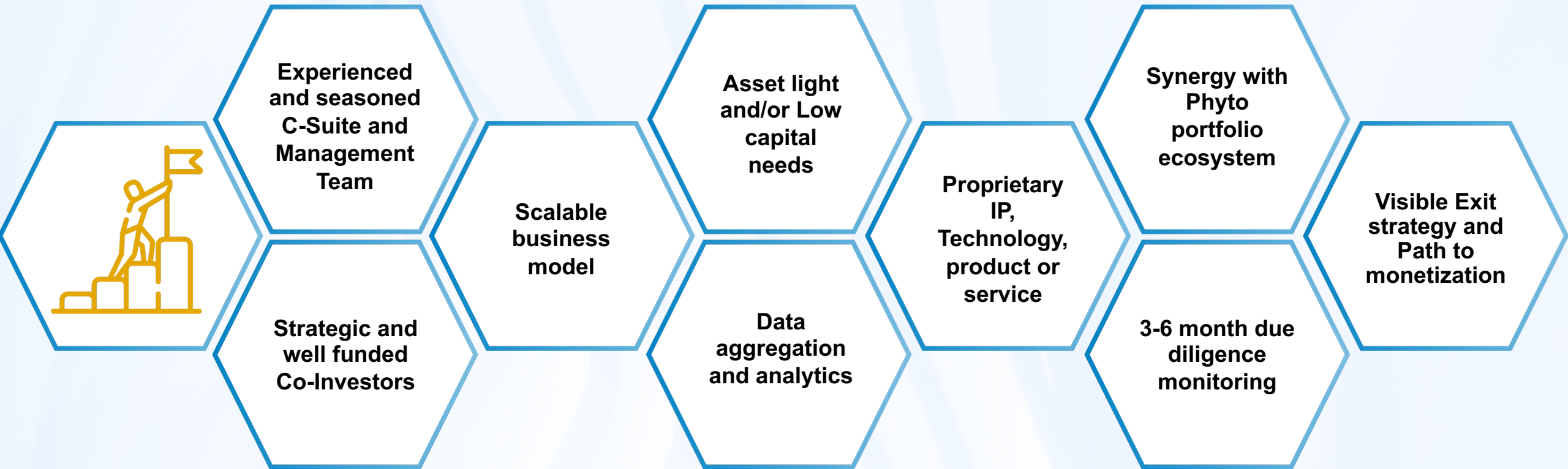
Amid growing public awareness, a renaissance in psychedelic research and an increasing trend toward “conscious capitalism” has revealed an attractive new investment opportunity in the **neurowellness market**.

The neurowellness sector has become one of the fastest-growing and largest markets to emerge in decades, and current regulatory hurdles have created an early-stage funding gap for companies uniquely poised for considerable growth.

**We believe that addressing this funding gap will be a key catalyst for rapid market expansion.**



# Target Investment Criteria



# Phyto's Strengths

## MANAGEMENT EXPERTISE

The portfolio managers, Board of Advisors & network of experienced industry consultants bring proven success.

## INDUSTRY EXPERIENCE

The fund will leverage its deep operational and financial expertise, with its network of relationships to accelerate the growth of its portfolio companies.

## FINANCIAL STRENGTH

Phyto has emerged as one of the Top Venture Capital investors in the industry.

## OPERATIONAL EXPERTISE

Phyto's deep relationships gives insight into the industry where information is often sparse and unreliable.

## DEAL SOURCING

Phyto has developed a relevance & understanding of the industry giving us the expertise to manage the myriad legal and regulatory challenges.

## ACCESS TO CAPITAL

Phyto provides investors the ability to diversify among geographies, sectors, products and service verticals of the industry.



# Strong Industry Connections

- We have curated deep relationships with the leading voices and pioneers in the Psychedelic industry
- Years of thorough diligence at the forefront of innovation gives us unique insight into the evolving sector





# Phyto Partners add Strategic Value



**Ryan G. Smith**  
Co-Founder



"The Phyto team have been incredibly helpful in our networking with new clients and positioning us to scale to new states. We're pumped to have Phyto on our team as we tackle the future."



**Josh Rubin**  
Co-Founder, CEO



DAY THREE LABS

"All of us knew we needed experienced investors with their finger on the pulse of the Cannabis industry. Phyto brought exactly that."



**Daniel Carcillo**  
Founder, CEO



"Wesana has benefited tremendously from our relationship with Phyto. I personally value the personal relationship I have with the team and the market insights they provide."



**Rosie Mattio**  
Founder, CEO



"Phyto have been true partners, lending their insights, facilitating partnerships, participating in co-marketing events and introductions to other strategic groups."



# Phyto Partners add Strategic Value



**Jason Brett**  
Co-Founder, CEO **RevOffers**

“The powerful ally you want supporting your growth, the Phyto team delivers with strategic connections and advice when you need it.”



**Larry Levy**  
CEO



“Phyto has been instrumental in helping raise capital for Lucid Green and has helped with ongoing business development and partnerships.”



**Jill Ellsworth**  
Founder, CEO **WILLOW INDUSTRIES**



“PhytoPartners has been an incredible partner and resource for Willow. I am thrilled to be one of their portfolio companies and look forward to much success with them now and in the future.”



**Greg Rovner**  
CEO



“The Phyto team has been instrumental in Heally’s growth and success in Cannabis telehealth expansion and Larry was early pointing us to the neurowellness opportunity.”



# Management Team



**Larry Schnurmacher**  
**MANAGING PARTNER**

Larry Schnurmacher is a career investment professional having managed capital for high net worth individuals for over 25 years. After retiring from Morgan Stanley in 2015, he founded Phyto Partners to help investors capitalize on the opportunity in the Cannabis industry. He has invested in 25 privately held cannabis companies since, building Phyto Partners into one of the preeminent venture capital private equity funds in the space, recognized as a Top Cannabis Investment fund by Forbes and BusinessInsider.



**Cody Shandraw**  
**MANAGING PARTNER**

Cody oversees one of the most active due diligence programs in the psychedelics industry. He and his team have backed more than 50 companies and supported many in growth to scale. Cody was recently recognized and honored as the 2021 Investor of the Year at the 1st Annual Microdose Awards.



**Aaron Raub**  
**SENIOR ANALYST**

Aaron joined Ambria Capital in 2019, spearheading fundamentals review of potential funding opportunities, monitoring current positions and implementing the firm's investment strategy. A seasoned public and private market investor, Aaron specializes in small cap and emerging industries.



# Management Team



**Jonathan Rubin**  
**PORTFOLIO ANALYST**

Jonathan has worked as an analyst at Comvest Partners, where he was responsible for identifying and qualifying new investment opportunities. He graduated with a degree in Finance from the University of Florida. Jonathan has analyzed greater than 1,000 cannabis opportunities since 2018 and is responsible for due diligence, deal sourcing, portfolio monitoring and investor reporting.



**Evan Schnurmacher**  
**PORTFOLIO ANALYST**

Evan has held several positions creating content and executing digital marketing strategies at Information Television and The Birds Nest Foundation. For the past two years Evan has held sales and client delivery roles at Yext. Evan graduated University of Maryland with a Bachelor of Arts. Evan is responsible for deal sourcing, portfolio company monitoring, and investor relations.



# Fund Administration

Term Sheets and Deal Documents



**Adam Greene**  
LEGAL COUNSEL

Record Keeping and Reporting



**Sam Crispino**  
FUND ADMINISTRATOR

Bookkeeping and Auditing

**Rubin & Associates**

**Gary Rubin, CPA**  
ACCOUNTING & AUDIT



# Fund Details

FUND NAME:

Phyto IV, LP

DATE LAUNCHED:

February 28, 2022

TOTAL VALUE:

\$2.5M - \$25M at first close

MANAGEMENT FEE:

2%

MINIMUM INVESTMENT:

\$250,000

INVESTMENT PERIOD:

3 year minimum; 10 year fund\*

CONTACT:

evan@phytopartners.com

\*Life of fund may be prolonged as needed

# Appendix

## Recent News and Research

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### **The Hub**

[Johns Hopkins launches center for psychedelic research](#)

### **Imperial College London**

[The future of psychedelic science](#)

### **Technology Networks**

[Psychedelic Study Links Brain Activity and Behavior](#)

### **Johns Hopkins Medicine Newsroom**

[Psychedelic Drug MDMA May Reawaken 'Critical Period' in Brain to Help Treat PTSD](#)

### **BBC Science Focus**

[The mind-blowing science how psychedelic drugs change your brain](#)

### **UC Berkeley News**

[UC Berkeley launches new center for psychedelic science and education](#)

### **Newsweek**

[Psychedelic Drugs: The Brain Enters a 'Higher State of Consciousness' on LSD and Ketamine](#)



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