CAPITALIZING AMERICA’S NEXT GREAT INDUSTRY
Phyto is a venture capital fund that offers an opportunity to invest in the Cannabis industry through a professionally managed vehicle. Phyto is capitalizing on an emerging market and a new asset class.

Named by Forbes as one of the top five Cannabis investment funds, Phyto is able to source the best investment opportunities in this green field industry.

Phyto Partners provides equity capital to companies that operate in and around the Marijuana industry.
INVESTMENT OPPORTUNITY

- Fund $100,000,000 maximum
- Minimum investment $500,000
- 8% preferred return
- 3 year investment period, 10 year life
- Limited partners to have co-investment rights
- Annual management fee 2%
- 20% back end carried interest to GP
The Portfolio Manager, Board of Advisors & network of experienced industry consultants bring a professional perspective with proven success to an industry that is in desperate need of trusted advisors.

The fund will leverage its deep operational and financial expertise, network of relationships, and a diverse and respected Board of Advisors to accelerate the growth of its portfolio companies.

This emerging market is currently too small and specialized for larger funds and institutions, opening the opportunity for Phyto Partners to be one of the dominant investors in the industry.

Our focus and dedication to this emerging and unique market gives us insight into the industry where public information is often sparse and unreliable.

Phyto Partners has developed a presence & understanding of this rapidly changing industry as well as expertise to manage the myriad of legal, moral, ethical, and regulatory challenges.

The fund provides investors the ability to diversify among geographies, sectors, products and services in this new industry.
"Phyto has been a pleasure to work with. They’ve managed to find the sweet spot between non-existent & overbearing, and are always available when we need help."

Joel Milton
Founder, CEO

"Constantly keeping their portfolio companies top of mind - we’ve received offers of help, networking & information on a regular basis."

Nick Hofmeister
Founder, CEO

"Phyto actively monitors their investment & regularly reaches out with information, introductions. Their partnership & business acumen has been invaluable."

Kim Box
CEO

"Larry & Brett 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."

Ryan G. Smith
Co-Founder

"Phyto as an investor has brought us a lot of credibility. But Phyto partners have individually reached out to different investors we are in talks with to boost their confidence even more."

Jonathan Ofir
Founder, CEO
Phyto is able to exploit price inefficiencies that exist between private investment targets and the public markets.

The Cannabis industry is an alternative asset class that is uncorrelated to the stock market or real estate.

The social and economic benefits of medicinal use, decriminalization, tax revenues and economic growth are impossible to ignore.

Most cannabis businesses are profitable in less than a year – ranking as perhaps the shortest runway to profitability of any U.S. industry.

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“The cannabis industry is the fastest growing industry in the United States & that growth is expected to accelerate.”

- New Frontier Data

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Legal marijuana was the fastest growing industry in the U.S. in 2017, up 46% to $6.7 billion, and expected to grow to $60 billion by 2021.

The entire U.S. cannabis market (legal & illegal) is estimated to be $100 billion.

70% of the U.S. population currently lives under state law that provides for legal marijuana use.

Substantial latent demand for cannabis will continue to emerge due to increasing cultural acceptance, greater understanding of benefits, more ubiquitous access, and more convenient consumption options.

At least 46 states have laws in place for the legalization of CBD oil, medical, & or recreational usage

“...70% of the U.S. Population has access to legal marijuana”
GW's Epidiolex development is initially concentrating on severe, orphan, early-onset, treatment-resistant epilepsy syndromes including Dravet syndrome, Lennox-Gastaut syndrome (LGS), Tuberous Sclerosis Complex (TSC) and Infantile Spasms (IS).

Zynerba is developing two proprietary transdermal products for Fragile X syndrome and a novel THC pro-drug transdermal patch.

Zogenix is developing therapies for central nervous system disorders for people living with rare diseases who need innovative treatment alternatives.
THE CURRENT MARKET OPPORTUNITY

The emergence and industrialization of this highly fragmented, disorganized, and largely underground market presents a historic opportunity.

**POSITIVE FORCES**

- Proven Consumer Demand
- Rapid Growth in Large Markets
- Opening of New Markets
- Limited Existing Infrastructure
- Global Market > $500B

**CHANGING ECO-SYSTEM**

- Fragmented Markets
- Immature Companies
- Inexperienced Managers
- Absence of Industry Standards
- Scarcity of Capital

The emergence and industrialization of this highly fragmented, disorganized, and largely underground market presents a historic opportunity.
In 2017, Investors poured over $2 BILLION into over 450 cannabis companies, up 150% YoY.
FORTUNE 500 COMPANIES INVESTING IN CANNABIS

Constellation Brands

Microsoft

PerkinElmer

Scotts

abbvie

ALLIANCEOne

Philip Morris International

HP
INVESTMENT CRITERIA

- Experienced management & founders
- Scalable businesses
- Low Cap-ex
- Viable runway to cash-flow positive
- Can operate in all 50 states
- Six month monitoring period
- Visible exit strategy
- Proprietary intellectual property or technology
- Synergies with portfolio companies & industry network
REPRESENTATIVE INVESTMENTS

- New Frontier: Real-time data for the marijuana industry
- Steep Hill: The leader in cannabis lab testing
- LEAF: Grow your own herbs and food
- grownetics: Control over your cultivation facility
- Gatekeeper Innovation: Secure packaging solutions
- BAKER: Customer relationship technology platform
- VANGST: Cannabis Industry’s Top Talent Agency
- flowhub: POS & Seed-2-Sale tracking technology
- leaflink: B2B Ecommerce platform
- würk: Payroll, HR, timekeeping, scheduling & tax compliance
- MARIJUANA DOCTOR: Medical Marijuana Evaluation Clinics
- FRONT RANGE BIOSCIENCES: Providing ‘clean clones’ to cultivators
**Brett Finkelstein – Managing Director**

Brett has 20 years of investment banking experience & has been involved in almost one billion dollars of transactions. Deals involving a wide variety of mergers and acquisitions, debt & equity financing, turnarounds, licensing, branding & investor relations for many prestigious corporations, & private equity firms. He has partnered with & developed key relationships with numerous premier private equity, investment banks, & venture capital funds. As a transactional entrepreneur & a relationship focused advisor, he has been involved in founding, funding, & operational roles at both startups & established companies. Brett has significant experience working with private & public companies, where he brings extensive knowledge & leadership skills to every facet of the organization. He has focused his professional journey on driving profitability & shareholder returns. Brett has served on numerous boards of directors of companies, private equity firms, & advisory organizations. Brett has been involved in providing business strategy and is greatly experienced with developing and implementing business growth strategies.

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**Larry Schnurmacher – Managing Partner**

Larry Schnurmacher has been in the financial & investment services industry for over 25 years, most recently at Morgan Stanley where he had ~$100 million AUM for high net worth individuals and handled trading & research coverage for Institutional accounts. Over the past five years, Mr. Schnurmacher has become passionate about the Cannabis Industry and has developed important relationships with many key players & operators in the industry. He has become an industry insider and expert. Larry graduated George Washington University with a BBA in Finance. Mr. Schnurmacher has received his ASA-CTI Core Cannabis Training Certification, CCI Certification, & Florida MMTC Institute Certification. He serves on the Board of the Jewish Federation of South Palm Beach County. He is an avid yogi. He is married 31 years to his high school sweetheart and has two wonderful children.
Harvey Sandler
Mr. Harvey Sandler is the Founder and the retired Managing Director at Sandler Capital Management. Mr. Sandler founded Sandler Capital Management in 1980. Prior to this, Mr. Sandler joined Goldman Sachs & Co. where he served as Vice President in the Communications Industries Group from 1970 to 1979. He has a vast experience investing in the communications and media industries. He serves as Trustee of Boca Raton Regional Hospital, Inc. Mr. Sandler graduated from Columbia Business School in 1966.

Charles A. (Chuck) Lieppe
Charles A. (Chuck) Lieppe is an experienced C-suite executive in a variety of industries, including health care. As a corporate V.P. at Procter & Gamble, Mr. Lieppe established P&G in the pharmaceutical and OTC drug businesses through internal product development and orchestrating multi-national acquisitions for the Health & Personal Care Division. Chuck held positions of COO at Westpoint Pepperell, CEO of Nabisco International, CEO Berol Corporation and CEO DBT Online. Mr. Lieppe graduated from Columbia University with an AB in English and an MBA in Marketing and Finance. Mr. Lieppe is a private investor who advises and sits on boards of private equity companies.

Seth Hyman
Seth Hyman is the Business Development Director for Kelley Kronenberg & a member of the Regulated Substances practice group. Seth’s understanding & support of the campaign to legalize medical marijuana is rooted in his personal experiences. His daughter Rebecca has intractable epilepsy, which causes her to have frequent daily seizures. Seth has become one of the most visible faces in Florida’s burgeoning medical cannabis industry. He has been instrumental in lobbying for Florida legislation & was a key figure throughout the process for both House Bill 843 & Senate Bill 1030 in the 2014. Seth has advocated for the state’s Compassionate Medical Cannabis Act and retains deep relationships with key decisions makers in federal and state government.

Gary Rubin, CPA
Gary Rubin is the Managing Member and co-founder of Masters Research Partners, LLC a fund of funds. Mr. Rubin has been responsible for manager selection and due diligence since the fund’s inception in 2000. Mr. Rubin as also a CPA and began his career with Deloitte & Touche. Mr. Rubin has been involved in the investment business, including hedge funds, private equity and investment banking for over 25 years. Prior to moving to Florida, Mr. Rubin was a Managing Partner at Schissel, Rubin & Lehman, a New York based Certified Public Accounting firm. Mr. Rubin graduated with a Bachelor of Science cum laude from SUNY at Buffalo in 1977.

Jeff Foster
Mr. Foster has worked with some of the world’s largest retailers and financial institutions to define, design and implement e-commerce and retail payment processing and risk management solutions. Between 1998 and 2012 Mr. Foster founded or co-founded 4 successful companies in the financial services space. Paymentplus, Inc., Payventures, Cardplatforms and Payteller. In 2014 Mr. Foster and his co-founder created JaneFour20, a subsidiary of Payteller, in order to respond to overwhelming requests for cash management and financial services solutions in the legal cannabis industry.
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