

**From:** Boris Nikolic <[REDACTED]>  
**To:** "Jeffrey Epstein (jeevacation@gmail.com)" <jeevacation@gmail.com>  
**Subject:** draft for a fund  
**Date:** Tue, 22 Oct 2013 00:13:56 +0000

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This is a draft that I sent to Yuri on Friday.

Please let's discuss.

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### **Life Sciences & Technology ("LST") Fund**

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With a target size of [\$250 - \$400 million] of committed capital, the LST Fund intends to invest at the intersection of life science and digital technology. Recent advances in molecular medicine, electronic sensor technology and communication platforms create the opportunity to dramatically reduce inefficiencies in the diagnosis, treatment and delivery of healthcare. Similar to other industries, the life sciences and healthcare sectors could be transformed by disruptive business models that change the way consumers – otherwise known as patients – interact with health care. In an environment of health care reform requiring quality, affordable care, the LST Fund will invest in companies with transformative technologies and business models that create financial value either through making healthcare more efficient and/or serving consumers directly.

The LST Fund's portfolio is expected to comprise approximately [20-25] companies with an average of [\$10-15 million] invested per company. The investment period of the LST Fund will be [4-5] years with a 10 year fund life. The General Partners are Yuri Milner and Boris Nikolic. The General Partners intend to invest a significant portion [10-20%] of the capital of the LST Fund. The management fee is 2% and a carried interest is 20% of net gain. Preferred Limited partners will be selected strategic individuals.

The LST Fund will be based in San Francisco, and co-locate with DST Global in order to take advantage of the back office capabilities of DST. The LST Fund intends to be an investor in disruptive business models and will therefore be disciplined about investing only in the highest quality entrepreneurs with an unfair advantage in a significant market opportunities.

The LST Fund has three areas of focus:

1. *Molecular Medicine.* The LST Fund will invest in opportunities in which progress in molecular medicine, genomic and bio-informatics makes possible the identification, development and delivery of more effective and efficient treatments. Medicine is evolving toward a regime of personalized medicine through a positive feedback loop between the consumer, treatment, and new treatment development. For example, sequencing cancer cells can identify drug-able targets to tailor oncology therapies to the needs of patients. Drug development can be more efficient through analyzing data from large numbers of individuals, or individuals with unique responses to illness, allows for more efficient identification of target compounds. In addition to cancer and chronic diseases, we will invest in companies that are developing new products in sectors that consumers are willing to pay for such as skincare, hair loss and weight loss.
2. *Smart Sensors and Big Data.* The LST Fund will invest in opportunities in which progress in electronics, computing analytics and communications make possible new approaches of direct-to-consumer monitoring,

diagnosing and delivering healthcare. Low cost sensor technologies allow for cheap monitoring of body systems such as heart rate, excretion, activity and caloric consumption. Data from sensors, as well as broader social networks, can be aggregated and mined for behavior patterns and market research. In turn, smart algorithms can allow for integrated, consumer-controlled diagnosis and treatment recommendations within alternative lower-cost delivery settings. Finally, smart sensors and big data can lead to new methods for promoting patient adherence to treatment regimes, improving efficacy and reducing long-term health care costs.

3. *Digital Health Platforms.* The LST Fund will invest in opportunities in which technology-enabled, consumer-facing business models will disrupt the healthcare ecosystem. Consumers will use their mobile phones and social networks to understand and make choices about health care providers, companies and products. Innovative companies will use digital health platforms to break down the barriers to delivery of efficient health services. Quality, affordability and accessibility of healthcare will be enhanced through feedback loops between customers using services and companies adapting to the needs of consumers.

The General Partners, Yuri Milner and Boris Nikolic, expect that the vast majority of investment opportunities will be sourced through the networks of their partners. This investment team melds the unique skills and networks of two Principals: Boris Nikolic's deep expertise and networks in molecular medicine, diagnostics and technology innovation, and Yuri Milner's track record in investing in some of the world's most transformative technology companies. As Chief Advisor for Science and Technology to Bill Gates, Dr. Nikolic has been involved in the investment activities of the Bill and Melinda Gates Foundation, Intellectual Ventures, Microsoft and Mr. Gates' direct investment portfolio, and therefore has relationships with some of the best scientists, inventors, innovators, entrepreneurs and VCs in the world. As CEO of DST Global, Yuri Milner has invested in companies such as Facebook, Zynga, Twitter, Groupon, Airbnb and Uber, and has also formed a unique relationship to source transactions from Y Combinator.

#### **Table 1. Committed and Prospective Limited Partners:**

I already talked to – please note that I discussed a possibility of a fund without mentioning Yuri Milner (except Bill Gates):

1. Bill Gates
2. Jorge Paulo Lemann
3. David Rubenstein
4. Kimbal (and Elon) Musk
5. David Schwartz

Within next month, I intend I talk to:

6. Jonathan and George Soros
7. David Bonderman
8. Michael and Pete Peterson
9. Leonard Lauder
10. Solina Chao and Li Ka-shing
11. Eli Jacobs
12. Denise and Kyle Washington

