



TAKE V INTERVIEW WITH CHRISTINE BRENNAN: JUN 2022

TRANSCRIPT

Transcript and captions powered by Verbit

View the full video at: <https://youtu.be/5CKoLWgIptU>

Cheryl Chng (Host) : Today I'm very excited to have with me, Christine Brennan, Managing Director at Vertex Ventures healthcare. Maybe as a start would you like to share a little bit about yourself and your journey into venture capital?

Christine Brennan: I originally started as a scientist. I got a PhD and then did a postdoctoral fellowship in neuroscience. After that, I went into consulting for a boutique healthcare consulting firm. That I joke, is my sort of mini MBA that I got to help me understand the business side of healthcare. I then went into a couple of different very early-stage biotechnology companies in business development. I then spent a little bit of time on the commercial side and marketing. And then went to a big pharma company, Novartis, for business development. I was there for about five years, moved then as a Chief Business Officer for another biotech company. And then I had my opportunity to go into ventures. Luckily, a mentor of mine had moved to Novartis Venture Fund and called me up one day and said, would you come back to Novartis for the fund? And so I was very lucky to be able to get that role. I spent about 3.5 years in Novartis Venture Fund. I then moved to another corporate venture fund called MRL Ventures Fund, which is the corporate venture arm of US Merck. I spent four years there and then I was very lucky to meet Lori Hu and be able to really get to know her and the Vertex Ventures Healthcare team and thankfully was able to join and joined in February this past year.

Cheryl: We have seen a lot of development in the biotech and biomed space in the last two years, can you share a little bit about the trends that you see in 2022?

Christine: It's been a remarkable two years. I think COVID and the pandemic really brought disruption, but significant attention to the industry as a whole - Innovation science, the vaccines. So there was a lot of excitement and consequently a lot of money that came into the industry.

And over those two years, you really saw quite a bit of investing. Investing from, not only from folks like Vertex Ventures Healthcare that does private biotech investing, but you also saw these bigger groups that typically invest in public biotechs coming in and

investing in private. We saw a lot of IPOs and public offerings for, for companies in the last sort of 2020 to 2021. It was an unprecedented number of companies that went public.

But all good things definitely come to an end. And we're seeing that it's returning to normal right now. So it's been a little bit tough for those public companies. A lot of the market has taken a downturn. But I think it's what it's doing is coming back to what we really had seen as more typical, typical evaluations. That really, I think helps us as a fund to be able to be aggressive, to be able to find really good, interesting, innovative science, but also invest at valuations that are much more reasonable. And that's very, very helpful. I think there's also, now teams have always been hard to find, but with, I think there's gonna be some consolidation and I think there's probably going to be more people around to, to help us really staff these biotech companies and be, the experienced management teams that we need to help run these companies.

Cheryl: Is there any specific sectors or areas that you think are interesting, that are emerging or interesting to watch?

Christine: Yes. Yeah. One of my favorite areas right now is an area called targeted degradation. There hasn't been a drug that has made it to patients in terms of approval, regulatory approval. But companies like Kymera have shown in the clinic in patients that this targeted degradation could work. And what this is, is sort of a molecule that has two sides to it. One side actually binds to a mutant or diseased protein, and the other side targets it for degradation using the body's own degradation system. So one side says this is the mutant protein. I'm only going to degrade the mutant protein and then it shovels it to something that's called the proteasome, which specifically degrades proteins. So it's really interesting to think about building these molecules that can leave normal protein alone and only get rid of the disease protein. So it's really an exciting area that I think we're gonna see a lot more, hopefully a lot more positive clinical data.

Cheryl : So what's your approach to investing? What do you look for in startups?

Christine: Um, my philosophy is that for any good company, it's based on three pillars. One is science. So we look for really innovative new science, but also some validation that, that science has some possibility of translation into humans. But science is necessary but not sufficient.

We need a good management team and we need financing. So those are the three pillars that I usually look for. And we really do a lot of diligence on the science to really understand what's new, what have they done to date, to understand whether it works, whether it's toxic or not, how they think they might develop it. And what does that clinical trial in humans look like? What are the, what are the things that they're going to look at to make sure that it's really working in a human. It's not as easy as in a mouse or even a dog to look at, tissue samples and things. So what are they going to do for that clinical trial management?

We'd love to have an experienced management team that has some background in biotechnology. The CEO, of course, we prefer to have a CEO that has been a CEO of a biotech company before, but that's not always possible. There's only so many of those. And so we certainly do invest in first-time CEOs and make sure that they get the support and The Management or mentorship that they might need. And then there's financing, which means, how much money are they raising? Are they raising enough money to get to that next really critical milestone so that we can understand things are working and then they can raise the next fund.

Who's in the financing syndicate? How, what are the board members right now? How many different new groups are they bringing into that syndicate? Do I know those people? Do I want to sit on a board where there's other people.

It's really those three things that you can't check every box in all of those pillars, but you try to check enough that you can really feel comfortable that you have something that's innovative, that's going to be managed by an experienced team that has enough money to get it to the right milestones.

Cheryl : Is there any specific companies in Vertex Ventures healthcare portfolio that you are personally excited about?

Christine: Yeah, it's, it's kinda hard to choose. We have a number of companies right now that are really exciting. One of them is an interesting new mechanism for cancer patients and oncology. And the company is called Boundless Bio. Really until recently we thought that there were these genes located on the chromosome that were called oncogenes that were really part of transforming a cell and causing it to grow abnormally, to be able to then move around the body abnormally and really create a tumor. This work is based off of a lot of many years now of work where the, initially the scientific founder said that people thought he was crazy. But they found that it doesn't necessarily have to be on the main chromosome. That in fact tumor cells do this. They're very clever. They actually have what's called extra chromosomal DNA or EC, DNA. And they basically spit off this extra chromosomal DNA. And then they have this whole little new group of oncogene that can be regulated and controlled. And so oftentimes what you'll see when you try to treat a cancer patient is you treat them with a personalized cancer medicine that's going after one oncogene and that works for a year. And then a new oncogene will pop up and then you'll treat with that and that will work for a little while and then a new oncogene will pop up. And it turns out because on this extra chromosomal DNA, so they can really regulate these things really fast and they can avoid being killed by any one thing. So they're really looking at how can we stop that extra chromosomal DNA from being formed in the first place? How can we stop it from replicating? How can we stop it from when the real stress is happening in that tumor cell?

How can we prevent it from having that escape mechanism? So that's something that we're really excited about and something very innovative and novel that was based on an observation in these tumor cells that was just misunderstood for many, many years. But now we think we have a handle on how we might be able to approach it.

Cheryl : Switching gears a little bit. Yeah. So in my opinion, they are just too little female representatives in the venture capital funds, especially in the healthcare funds. So just wanted to hear your views on how important you think is diversity and do you think we need to do better on that front.

Yes, this is a real area of passion for me. We really don't have, in fact, really general partner led by women in Venture funds is very, very, very few. Even when you look at just the number of women partners in biotech venture funds, very few as well. I think it's probably in that sort of ten percentage range, which when you think about it is really not a lot of women.

So it's critically important. And we know from many studies, sociology studies that if you have a diverse team, not just gender diversity but broadly diverse team, those teams do better. They solve problems faster. They usually are able to face things differently.

Lots of different points of view where they can really get to really much more substantial decision-making in a way that's different than if you have all one group. So I think it's critically important that we think about how do we diversify?

How do we get more women involved? How do we get more diversity? Ethnicity, involved. And that really starts not just from in venture funds but in management teams. And then when you start thinking about that, you think about what's happening in graduate schools, what's happening in elementary schools, right? And it's really trying to start very young and give those opportunities for people to see. I see somebody who looks like me, which means I can do that too. And so I think it's really, really important.

It's not an easy issue. It's not, you know, we can't flip a switch and solve it.

But I think if people spend more time really thinking about how do they hire people and where do they hire people from? If it's from your network, you tend to sort of have a network that maybe looks like you. So maybe think about going outside of your network and thinking about how do I get to other candidates that I can pull in that don't necessarily look just like me for all of us.

Cheryl: Thanks for watching and be sure to subscribe to our channel for more insights on tech and investment.