

## ***What Does FFB's Statement of Financial Position Mean?***

First and foremost, it means The Foundation Fighting Blindness (FFB) is in a strong position to continue to fund the most promising research and bring ground-breaking discoveries to clinical trials for new treatments and cures.

Two years ago, our Research Oversight Committee evaluated the potential of current retinal degenerative diseases research and related science in gene therapy, stem cell transplantation as well as emerging developments in optogenetics and neuroscience. This committee of expert scientists formulated a strategic plan for the allocation of FFB's research funding from its existing assets and future fundraising. That plan calls for FFB's investment of \$20 million per year for basic discovery research, translational research, and proof of concept research—the pre-clinical investigative work that will lead to Food and Drug Administration (FDA) approved clinical trials and, ultimately, FDA approved new treatments.

Translational research is the pre-clinical work that “translates” laboratory discoveries to establish the potential benefit of a new therapy to patients. This research bridges “bench to bedside” and includes the full gamut of pre-clinical work that has to be accomplished successfully before testing in humans will be approved by the FDA. If this translational work is successful, human studies must then be done to demonstrate safety and then proof of concept, i.e. treatment efficacy, in humans. It is estimated that such pre-clinical work can cost upwards of \$1.5 - \$2 million per project. The costs associated with it are much higher than they are to fund the initial discovery phase in the laboratory. For orphan or small market diseases, including retinal diseases, the financial risk of attempting to discover and bring new treatments to market must be reduced before venture capitalists and then biotech and pharma companies are willing to invest. The costs of conducting the FDA approved clinical trials can only be met by such companies, as the cost of these trials far exceed even the costs of the pre-clinical work. It is here that the FFB provides a critical bridge between the laboratory and the marketplace by funding the preliminary research and testing.

In summary, a strong financial base to support the laboratory and translational science as well as the pre-clinical work that will determine the efficacy and safety of new therapies is essential. FFB will continue to drive the research that leads to clinical trials and must have the funds to do so. Assets held and invested plus additional assets that have resulted from the success of the Envision 20/20 campaign and the Gordon and Llura Gund Family Challenge have resulted in over \$111 million being available to support these long-term, milestone-based projects and meet the Research Oversight Committee spending plan targets for the next five years, as described above.

Future fundraising is essential to sustain the momentum FFB funded projects have created. The only way to continue this progress is to ensure continued funding of the most promising research. Additional assets provide flexibility to respond quickly to innovative, large scale opportunities as they arise and to be a safety net, i.e. a reserve fund, in the case of philanthropic shortfalls or an unexpected financial crisis.

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