How the T1D Fund is governed

An overview of the T1D Fund's structure, leadership, and governance.

The T1D Fund: A Breakthrough T1D Venture, LLC (the "T1D Fund" or the "Fund") is a wholly owned subsidiary of Breakthrough T1D (formerly JDRF) (the "Foundation"). This overview gives donors, partners, and the public a transparent view of how the Fund is structured, led, and governed.

Core Elements:

- **Foundation oversight, in service of all donors.** The Foundation has a responsibility to ensure that the T1D Fund operates within its charitable purpose and has sound financial, operational, and legal governance.
- **Every gift to the Fund is restricted to its charitable purpose—equity investment to accelerate type 1 diabetes (T1D) therapies and cures**. That restriction is enforceable under state laws governing charitable trusts regardless of changes to board composition or governing documents.
- **Returns remain dedicated to the mission.** Investment returns remain in the Fund and are reinvested in its portfolio; donors receive no financial return.
- **A qualified, independent Fund Board.** The Fund's Board sets investing strategy, oversees the Managing Directors, and appoints and oversees the independent Investment Committee. Current Breakthrough T1D International Board members may never be more than a minority of the Fund's Board, thus ensuring input from independent voices regarding Fund governance. The Foundation's CEO serves as a voting director.
- **Independent decisions, shared strength.** Investment decisions are made independently within the Fund, while it draws fully on the Foundation's expertise, shared services, and support as its largest donor.

What the T1D Fund is

The Fund is a single-member limited liability company (LLC), formed in Delaware on February 7, 2011, and wholly owned by Breakthrough T1D. It operates exclusively for charitable purposes within the Foundation's tax-exempt structure under Section 501(c)(3) of the Internal Revenue

Code. **The Fund's purpose is to accelerate life-changing breakthroughs to cure, prevent, and treat type 1 diabetes (T1D) and its complications—by investing in companies developing T1D therapies and by attracting philanthropic capital to support that work.**

Because the Fund is legally part of Breakthrough T1D, the Foundation has a responsibility to ensure it operates within its charitable purposes under sound, lawful governance. The model has served the mission well. In the fiscal year ending June 2026, the Fund deployed a record $43 million—three times its historical annual average—and added five companies to its portfolio across beta cell replacement, beta cell health, and immune modulation. Since inception, the Fund has realized more than $100 million in returns, and every dollar has been reinvested in the portfolio.

How the Fund is governed

The business and affairs of the Fund are managed by or under the direction of its Board of Directors. The Fund Board sets strategy, reviews and approves the budget, oversees the Fund's leadership, appoints and oversees the Fund's independent Investment Committee, and keeps the Fund's activities consistent with its charitable purpose. It has five to nine directors, meets at least quarterly, and is appointed by the Breakthrough T1D International Board of Directors. Current Breakthrough T1D International Board members may never be more than a minority of the Fund's Board, thus ensuring input from independent voices regarding Fund governance.

The International Board appoints directors with the experience and judgment to oversee a venture philanthropy fund. Collectively, the Fund Board brings expertise across venture and early-stage investing; life sciences and therapeutics development; company building and commercial operations; financial and audit oversight; nonprofit governance; philanthropy and fundraising; and knowledge of T1D and the Foundation's mission. The Breakthrough T1D CEO serves as a voting director, and the Foundation's International Board Chair, if not a director, attends as a non-voting observer. Directors serve three-year terms and generally serve no more than nine consecutive years without approval. The Fund's Board Chair—chosen by the Foundation's International Board for a three-year term—presides over Fund Board meetings, sees that decisions are carried out, and communicates regularly with the Foundation and its CEO.

Decisions about which investments to make rest with the Fund's independent Investment Committee, subject to the Fund Board's approval above a ceiling the Fund Board sets. The Committee is appointed by the Fund Board and includes a chair and at least two members who are not Managing Directors; it may also include Fund directors, Managing Directors (who may never be a majority), donors, venture investors, industry experts, and others with relevant expertise. No seat is reserved for a Breakthrough T1D director—the Committee is built to weigh opportunities on their merits and against the Fund's mission. Every approval must be supported by a majority of members who are not Managing Directors—that is, not the staff who source and recommend deals.

The Fund’s Investment Committee and Board have broad authority to make investment decisions for the Fund. As sole member, Breakthrough T1D holds no general veto over the Fund’s investment decisions. Breakthrough T1D’s consent is required only for investments above $10 million; this allows the Foundation to meet its own fiduciary duty as sole owner and largest donor. The Investment Committee and Fund Board decide everything below that line. The division is deliberate: investment decisions call for specialized, independent judgment, and keeping them within the Fund protects both their quality and the donors who make them possible. The $10 million consent right places Foundation oversight where it matters most—commitments large enough to affect its consolidated finances and overall risk—rather than on every transaction.

Since the Fund's inception, the Foundation has had the right to decide whether profits from the Fund's investment returns are reinvested into the Fund or directed to the Foundation for other mission priorities. The purpose for this clause is simple—to ensure that if the Fund ever realizes a truly extraordinary gain, mission dollars can go wherever they will do the most good for people with T1D. Over the course of its history, the Fund has realized more than $100 million in returns, and every dollar of that has been reinvested into the Fund. As there is still so much more for the Fund to do to catalyze investment in clinical-stage T1D innovation, the Foundation has every intention of continuing to reinvest returns into the Fund.

In 2000, the Cystic Fibrosis Foundation (CFF) used a similar venture philanthropy model to earn a return of $3.3 billion. CFF directed the proceeds to its most pressing mission needs: finding treatments for those not yet helped and strengthening care and affordability for those who were. The flexibility to make that choice is exactly what this clause preserves for the Fund. It has never been used, and the Foundation has no intention of using it unless the Fund one day achieves a comparable, cure-level outcome for people living with T1D.

Working in sync with Breakthrough T1D

The Fund is Breakthrough T1D’s venture philanthropy engine, and much of its strength comes from working in close alignment with its parent—an arrangement that benefits the mission and donors alike.

The Fund draws on the Foundation’s decades of research leadership and its network to help surface promising companies; that scientific insight informs the Fund’s work, while investment decisions remain with the independent Investment Committee and Fund Board. By relying on the Foundation’s finance, legal, technology, human resources, and administrative teams—provided at no cost to the Fund—the Fund avoids duplicating overhead, so more of every dollar advances its purpose. The two organizations coordinate strategy, budgets, and fundraising so that grant-funded research and mission-driven investment reinforce one another, and their board chairs and leaders stay in regular contact. As the Fund’s largest donor, the Foundation also contributes funding toward the Fund’s operating expenses.

Because it wholly owns the Fund, the Foundation also provides oversight. Its officers monitor the Fund's financial controls; the Breakthrough T1D CFO holds signature authority on the Fund's financial accounts and reviews the Fund's vendor agreements before they are signed. The Fund's finances are consolidated into the Foundation's audited financial statements and IRS Form 990. This financial consolidation is an additional reason why transparency between the Fund and the Foundation is required. The Fund follows the Foundation's policies and must obtain the Foundation's consent before major actions—any single investment, borrowing, lien, or asset transfer above $10 million; employment agreements or agreements with donors; and selling substantially all of its assets or merging with another entity.

Day to day, the Fund is run by one or more Managing Directors, appointed by the Fund's Board in consultation with the Breakthrough T1D Board and CEO. The Managing Directors are officers of the Fund and owe fiduciary duties to it and its mission.

Our commitment to donors

Both organizations treat the stewardship of charitable gifts as a fundamental responsibility, each in a distinct role. The Fund's Board carries a fiduciary duty to keep the Fund's activities and spending faithful to its charitable purpose, and the Foundation, as sole owner, adds a further layer of oversight to ensure gifts are used as donors intended. That shared care shows up in concrete commitments:

- **Independent investment decisions.** Specific investments are decided by the Fund's Investment Committee and the Fund's Board in service of the charitable mission.
- **Charitable gifts, not investments.** Donors give to advance the mission, not for financial return; a gift carries no ownership interest and no right to a return.
- **Returns reinvested in the mission.** Investment returns stay in the Fund and are reinvested in its portfolio.
- **Meaningful commitments welcomed.** The Fund welcomes substantial gifts—a minimum of $500,000—which may be structured as multi-year pledges.
- **Transparency.** Donors are entitled to information about the Fund's activities comparable to what investors receive from commercial life sciences venture funds, subject to appropriate confidentiality.