



# STEELSKY VENTURES: PIONEERING INVESTMENT IN WOMEN'S HEALTH

By the National Association of Investment Companies

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*A segment that is experiencing explosive growth, while remaining underfunded and overlooked, provides great opportunities for those looking to put smart capital to work. That is the thesis for SteelSky Ventures, an early-stage venture fund focused on high-growth companies that improve access, care and outcomes in women's health. At the head of it is Maria Velissaris, a serial entrepreneur and venture capitalist who has a track record of launching and growing successful businesses.*

Launched in 2017, SteelSky typically invests \$500,000-\$1 million in late-seed Series A rounds in return for a 7-10% stake. Despite a global valuation of \$4.8 trillion globally, SteelSky estimates that only 20% of investors are deploying capital in this space, which creates products and services that address a wide range of women's health issues from menstruation through menopause. The fund focuses on companies in the sectors of digital health, telehealth, Software as a Service (SaaS), Direct-to-Consumer (DTC), and medical devices.

With five active portfolio companies, SteelSky focuses on investment opportunities in the United States and Israel. "We focus on the US, because this is where we see the most mature innovation and traction, and this is where our network is strongest to support the growth of our portfolio companies," Velissaris explains. "We also focus a lot on evaluating opportunities out of Israel, where we see a lot of promising medical device and femtech companies coming out of their expansive accelerator ecosystem."

Among SteelSky's investments are:

- Joylux: a female intimate care products provider
- Mahmee: a postpartum health-tech connected care platform
- Motivo: a telesupervision platform virtually connecting mental health therapists to clinical supervisors
- TheraB Medical: a manufacturer of a jaundice treatment blanket for newborns
- 23andMe: a data company creating treatments and cures using personal genomics

### **For Women, By Women**

SteelSky's focus on women's health makes good strategic sense. Women make up about half of the world population but make 90% of the healthcare purchase decisions. And the increase of women in STEM-related fields means a greater degree of innovative new products and services for other women. "We now have a greater number of females in science, tech and engineering who can fully understand how to address our unique needs in a way that is either more convenient, more accessible, or more comfortable," explains Velissaris.

SteelSky seeks out opportunities for products and services that can grow to a global scale and be used at the top and the bottom of the pyramid. "We see ourselves as a fund that can generate outsized returns because we're operating in a new global market with minimal deal competition, attractive valuations and aggressive innovation," notes Velissaris.

With so little venture capital flowing into this nascent space, the investment opportunity becomes more appealing. SteelSky's investment criteria include:

- Companies that have a large addressable market of \$3 billion or more.
- A strong founder/product fit. For example, a urogynecologist who understands a procedure she performs can be made better, easier, faster, cheaper with a new device or process and creates a business around that concept.
- Businesses that are scalable both in the US and abroad.

### **The Journey to SteelSky**

The road to founding the firm was a very deliberate one for Velissaris, who sought out and gained experience strategically throughout every phase of her career. Above all, she remains an entrepreneur at heart, having launched a successful business while a rising sophomore at Wake Forest University.

While many of her classmates were socializing in their off time, Velissaris founded her first company, Wakeboxes, a provider of storage and shipping solutions to college students. She set up shop on campus while her partner did the same at Duke University. "Wake Forest allowed me to be the first student-run business on the campus," she recalls. "And they allowed me to have an exclusivity agreement where I was the only shipping and storage provider allowed on the campus, which helped to catapult our sales."

The company combined operations into a single entity, Collegeboxes, then raised \$1 million of venture capital and expanded to 49 schools. Post-graduation, the company was sold to U-Haul, who still operates it today. "That experience catalyzed and inspired me to pursue the skills necessary to grow as an entrepreneur," Velissaris recalls. Over the years, she would hone her skills and gain critical experience in marketing, product development, global business and finance through stints at Booz Allen Hamilton, Kraft Foods, Siegel+Gale and an MBA from the NYU Stern School of Business. Before long, she returned to entrepreneurship, launching an outsourced hair and makeup company and later helped scale the largest dermatology group in the northeast, as Head of Marketing and Product Development.

During this time, Velissaris mentored female-led startups at several New York City accelerators and startup studios. This experience left Velissaris wanting a deeper dive into the world of investing to learn the process from the venture capital side. She joined a group called Pipeline Angels, which has a training program for female angel investors. "That was a great place to learn in a safe space with other like-minded women about how to conduct due diligence, how to create deal flow, how to negotiate, how to value a company," she says. Eager to take her learning to the next level, Velissaris headed west to attend The Venture Capital Unlocked program at Stanford University.

"After developing an investment thesis, and investing in several women's health companies, my pipeline got very, very long. I decided if no one else was going to fund these companies, I needed to raise the money and do it myself," she says. "I was frustrated because these amazing founders were coming up with really innovative ideas that weren't just incremental, but they could move the needle in terms of true impact in women's healthcare and there was no support to help them grow."

In an industry where women are woefully underrepresented, SteelSky's management team is made up almost entirely of women, which is intentional. "The founders always share cringe-worthy stories of going to pitch to men about stigmatized issues like endometriosis, incontinence, prolapse, and they have to try to convince them of the validity of these health concerns before they can even get to the part about the opportunity," says Velissaris. "We have a competitive advantage because we're accessible, we understand the market, we understand the issues, and most importantly, we understand the immense opportunity for returns."

Though most sectors that make up the financial markets are in turmoil as a result of the economic fallout of COVID-19, Velissaris is upbeat, as several of her portfolio and pipeline companies have not only weathered the storm, but adoption and sales are skyrocketing. "Our team strives to architect a well-balanced portfolio that can perform well in a bull market and a bear market, and this event has put our thesis to the test," she asserts. "Right now, we are hitting the gas even harder, because our companies have the ability to thrive and outperform in this new environment."