RTW

Powering the future of medicine

Annual Report and Audited Financial Statements
for the year ended 31 December 2021
RTW Venture Fund Limited

Built on a foundation of deep research, RTW invests with innovative companies looking to bring important new products to patients.

Defined terms used in the Annual Report are defined in the Glossary.

Financial Highlights

Ordinary NAV growth since inception
64.4%
2020: 88.5%

Total shareholder return[1] since inception
71.2%
2020: 80.8%

Ordinary NAV
US$363.0m
2020: US$375.3m

NAV per Ordinary Share
US$1.71
2020: US$1.96

Price per Ordinary Share
US$1.78
2020: US$1.88

NAV per Ordinary Share change in the period
-12.8%
2020: 53.9%

Share price change[1] in the period
-5.3%
2020: 37.2%

1 Total shareholder return and share price change are alternative performance measures (APM). For more information please refer to APM definitions table on page 106

Portfolio Highlights

NAV invested in portfolio companies
66.4%
2020: 68.7%

New core portfolio companies
21
2020: 15

Portfolio company investments
42
2020: 22

Publicly-listed portfolio companies
17
2020: 9

Privately-held portfolio companies
25
2020: 13

Portfolio companies' pipeline products in clinical stage programs
44/55
2020: 25/33

Our Investment Manager at a Glance

RTW powers breakthrough therapies that transform the lives of millions.

Our purpose
We are the engine that turns ideas into viable medicines. RTW harnesses the potential of world-leading scientists, entrepreneurs, and investors to accelerate the revolution in medicine.

→ Read more
Report of the Investment Manager, page 4

Our values
At the core of our business is a set of guiding principles that shape every aspect of RTW:

Progress
From research to innovation to reality.

Rigor
Obsessing over science & the data.

Leadership
The courage to shape a better future.

Collaboration
We leverage collective genius.

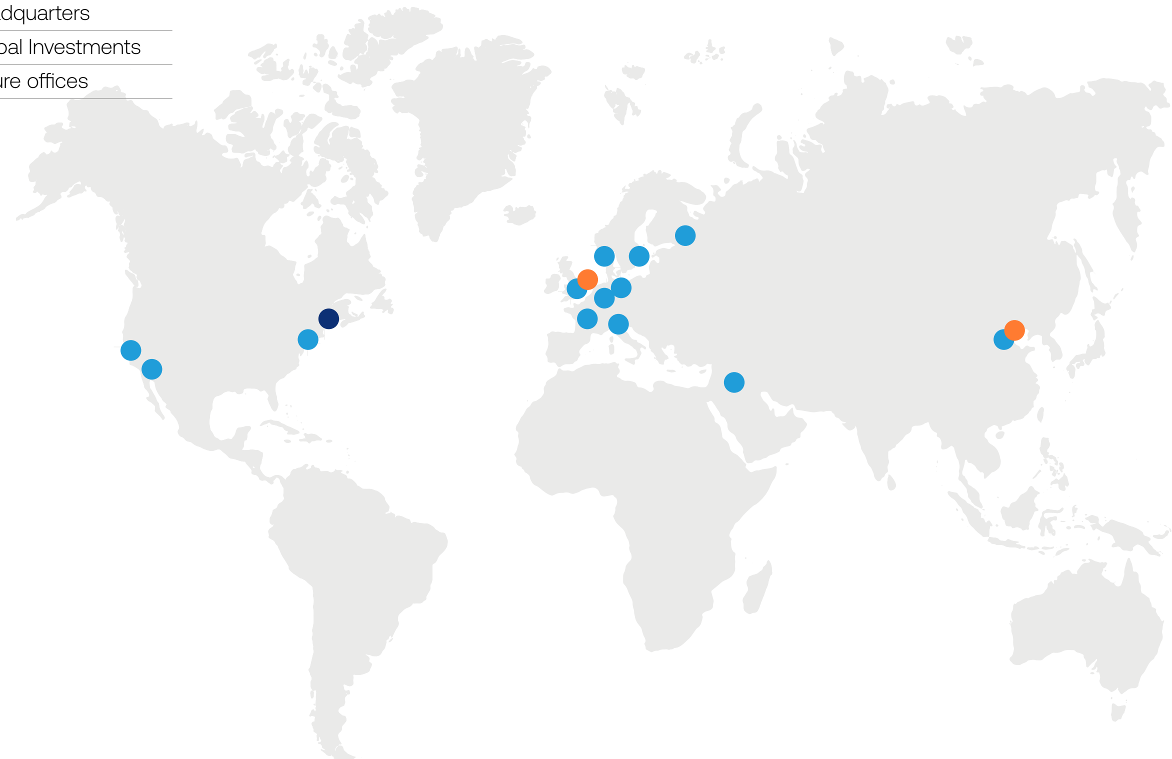
Tenacity
We find the pathway to success, no matter the obstacles.

Humility
The hunger to learn and improve.

Our global reach
Our priority is to unlock value by advancing early-stage scientific development and delivering innovative therapies to patients in need.

→ Read more
Our strategy in action, page 29

Key
- RTW Headquarters
- RTW Global Investments
- RTW Future offices



We innovate the pathway to success

"There remains significant demand for reliable capital to support the discovery and development of scientific innovation globally, and that there is an opportunity to grow footprint in the UK and EU as an active local participant in the biotech ecosystem."

I present the 2021 annual results for RTW Venture Fund Limited (the "Company") and am pleased to report significant milestones during the last year.

2021 Overview

Building upon the considerable achievements and extraordinary growth in 2020, the Company and RTW continued executing their strategy in 2021. In spite of the COVID-19 pandemic and market volatility in the biotech sector, the Investment Manager remained focussed on the science-led fundamentals and valuation of the underlying companies and demonstrated an accelerated pace of capital deployment by investing in 21 new portfolio companies, compared with 15 in the previous financial year. This enabled the Company to build its portfolio of innovative biotechnology and medical technology companies and providing solution-driven financing strategies at various points in the individual life cycles of these companies.

Despite market volatility in the biotech sector, the Company share price, which fell by 5.3% over the year, significantly outperformed its benchmark, the small-cap heavy Russell 2000 Biotech Index, which fell by 26.9% over the same period while slightly lower than the large-cap heavy Nasdaq Biotech Index which returned +0.6% for the reporting period. From 31 December 2020 to 31 December 2021, the NAV declined by 12.8% from US$375.3 million or US$1.96 per Ordinary Share to US$363.0 million or US$1.71 per Ordinary Share. The largest detractor to the NAV was the share price performance of Rocket, which fell heavily in line with the gene therapy sector as a whole as investors priced in delays to clinical trials. This was partially offset by the better performance of our private companies, particularly JIXING, and the IPOs of Landos, Immunocore, Prometheus, GH Research, Monte Rosa, Tenaya, Ventyx and acquisition of Invata.

At the beginning of the year, the Company portfolio included 22 core portfolio companies, of which 13 were privately held and nine were publicly listed. All core portfolio companies were initiated as private investments by the Investment Manager. During 2021, the Company added 21 portfolio companies, one of which, Invata, was later acquired by a third-party, bringing the total number of core portfolio companies to 42, representing c. two-thirds of NAV by the end of the year.

As in previous periods, to mitigate any drag on performance due to excess cash awaiting deployment into new private assets, the Company also invested c. one-third of NAV in a high-quality portfolio of listed companies or non-core portfolio assets selected by the Investment Manager, to be representative of positions that are also held in their other investment funds.

Share Issuance

During the reporting period our corporate broker, J.P. Morgan Cazenove, reported significant demand from prospective shareholders, which was reflected in the fact that the Company's share price has traded at an average premium to NAV of c. 10% since its admission. Under our Articles and in accordance with UK Listing rules, the Company has the authority to issue new shares of up to 20% of the outstanding share capital in any rolling twelve-month period without filing an updated prospectus, provided the shares are issued on a non-dilutive basis at a premium to NAV. In response to market demand in 2021, the Company issued a further 20,873,403 shares, an 11% increase in the total outstanding shares of the Company and raising an additional US$44.1 million net of expenses. The share issuance was also modestly accretive to NAV, contributing c. 1% to the NAV growth per Ordinary Share.

Migration to the Premium Listing of the Main Market of the LSE

As stated in the 2020 Annual Report, the Board intended to raise the profile of the Company with a view to broadening its shareholder base by means of exploring a migration to the Premium Listing of the Main Market of the London Stock Exchange.

I am pleased to report that the Company has successfully completed the migration and was admitted to listing on the Official List of the FCA and to trading on the Premium Segment of the London Stock Exchange plc's Main Market on 6 August 2021. The application for admission was approved by a shareholder vote at the extraordinary general meeting held on 30 July 2021. The Company also introduced an additional market quote for the shares on the London Stock Exchange denominated in GBP under ticker "RTWG". There were no changes to the legal form or nature of the Ordinary Shares nor to the reporting currency of the Company's financial statements which, will remain in US Dollars.

The Board believes that the Premium Segment of the Main Market is the most appropriate platform for the continued growth of the Company by increasing RTW Venture Fund's profile, broadening its shareholder register, adding a Sterling denomination, and facilitating the Company's potential eligibility for inclusion in the FTSE UK Index Series.

Outlook

Even with COVID-19 and war in Ukraine remaining pressing issues worldwide, the Company is looking ahead with optimism and confidence. As a full life-cycle investor, our Investment Manager also invests in public biotech and medtech securities trading at attractive levels. We can take advantage of valuation disparities between small and mid-cap and large-cap companies in the sector and the overall biotech sector correction in 2022. The Investment Manager believes that there remains significant demand for reliable capital to support the discovery and development of scientific innovation globally, and that there is an opportunity to grow their footprint in the UK and EU as an active local participant in the biotech ecosystem. The Investment Manager therefore intends to grow the Company's portfolio by attracting demand from new shareholders to assist in the financing of an exciting pipeline of new ideas. These are based upon the Company's strategy of founding, investing, and supporting companies developing next-generation therapies and technologies that can significantly improve patients' lives. Accordingly, the Board expects the Company to deliver strong performance over the long term and creating value for shareholders.

AGM

The Company will hold its Annual General Meeting (AGM) on 21 June 2022 to review the annual results and provide portfolio updates. We would like to dedicate a part of the meeting to address questions from our shareholders. At the present time, we anticipate holding the AGM in a virtual format, although COVID-permitting it may be held in person at Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey. However, we encourage our shareholders to share your questions here and we will endeavour to answer as many as we can: RTWVentureFund@rtwfunds.com.

On behalf of the Board, I would like to express my gratitude for your continued support and wish you and your families a healthy, safe, and prosperous 2022. I look forward to updating you further at the time of our interim results later in the year.

William Simpson
Chairman of the Board of Directors
RTW Venture Fund Limited
30 March 2022

Rapid advances in science give hope for world-changing therapies

Roderick Wong, MD
Managing Partner

Executive summary

We present the year-end results of the Company as of 31 December 2021. Since its listing on the London Stock Exchange in October 2019, the Company has achieved NAV growth of 64.4% from US$168.0 million, or US$1.04 per Ordinary Share, to US$363.0 million, or US$1.71 per Ordinary Share as of 31 December 2021. For the reporting period, the NAV attributable to Ordinary Shares declined by 12.8% from US$375.3 million NAV or US$1.96 per Ordinary Share as of 31 December 2020. This compares with a decline in the Company's Russell 2000 benchmark of 26.9%. From Admission to 31 December 2021, the share price has returned 71.2%.

Table 1. Financial Highlights

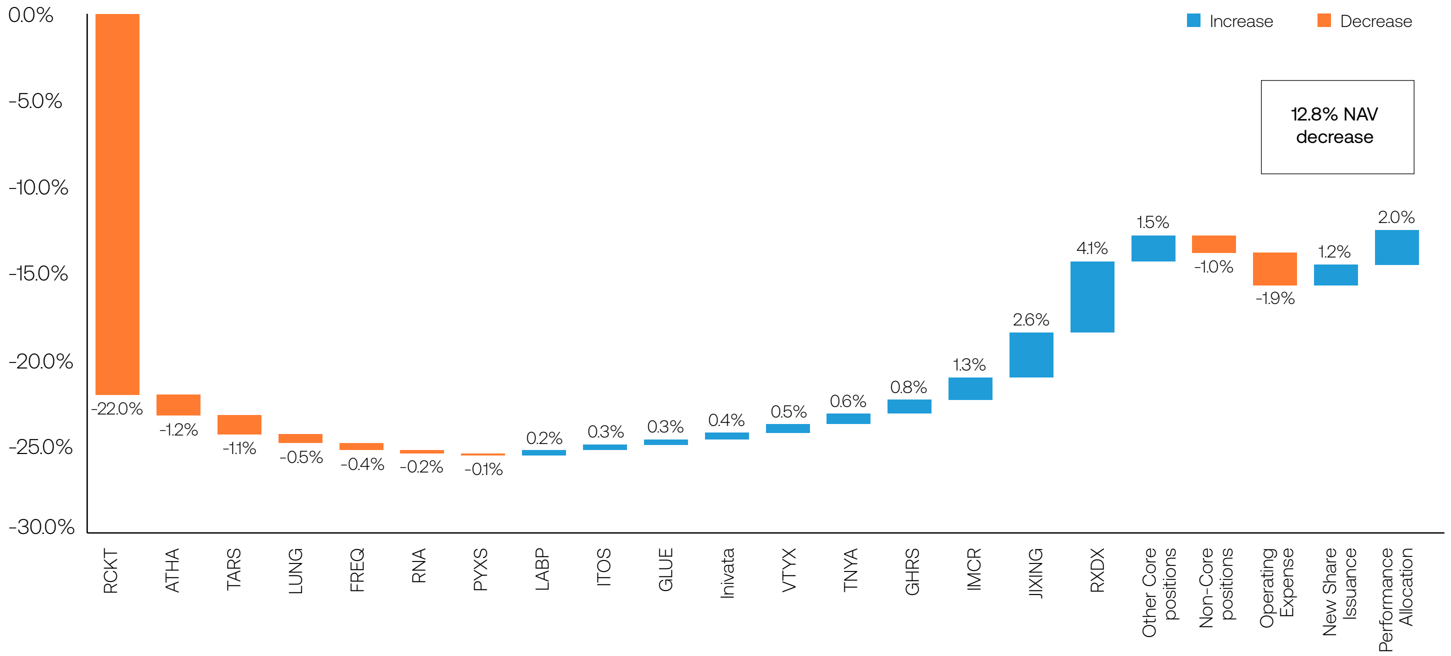
RTW Venture Fund Limited	Year-end reporting period (01/01/2021 – 31/12/2021)	Year-end reporting period (01/01/2020-31/12/2020)	Admission (30/10/2019)
Ordinary NAV	US$363.0 million	US$375.3 million	US$168.0 million
NAV per Ordinary Share	US$1.71	US$1.96	US$1.04
NAV Growth per Ordinary Share (%)	**-13%**	**+54%**	**–**
Price per Ordinary Share	US$1.78	US$1.88(ii)	US$1.04
Share price growth (%) (i)	**-5%**	**37%**	
Nasdaq Biotech (iii)	1%	27%	
Russell 2000 Biotech (iii)	-27%	53%	

(i) Total shareholder return is an alternative performance measure.

(ii) As the Company's December NAV was not published until mid-January and the portfolio enjoyed an exceptionally strong month of performance in December the Company's share price is shown as being at a discount to the December 31 NAV even though its shares traded at a premium to the published November NAV during December.

(iii) Source: Bloomberg.

Figure 1.Performance drivers as of 31 December 2021



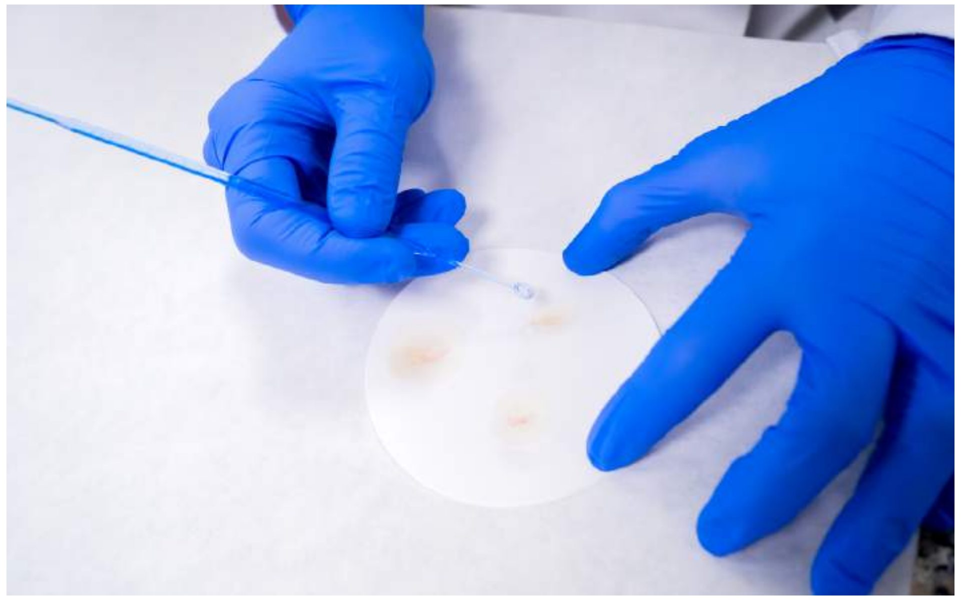
RTW Investments, LP (the "Investment Manager", "us", "we"), a leading healthcare-focused entrepreneurial investment firm with a strong track record of supporting companies developing life-changing therapies, created the Company as an investment fund focused on identifying transformative assets with high growth potential across the biopharmaceutical and medical technology sectors. Driven by our deep scientific understanding and a long-term approach to building and supporting innovative businesses, we invest in companies developing transformative next-generation therapies and technologies that can significantly improve patients' lives.

As of 31 December 2021, c. two-thirds of NAV was invested in core portfolio companies, a similar figure to 31 December 2020 despite an increase in share capital and reflecting the Company's long term target portfolio allocation range. Core portfolio companies typically begin as private investments, reflecting the key focus of the Company's strategy. However, our investment approach is defined as full life cycle and therefore involves retaining our private investments well beyond their IPO, hence our core portfolio consists of both privately-held and publicly-listed companies.

The Company also invested approximately a third of its NAV in publicly listed, non-core portfolio assets in order to mitigate any 'cash drag' effect pending eventual re-investment in core portfolio opportunities as they arise. The non-core portfolio assets were selected by us and are also held in our other funds. The investments represented in this portfolio are similarly categorized as innovative biotechnology and medical technology companies developing and commercializing potentially disruptive and transformational products.

Over the year, our listed core holdings produced the majority of our losses and our private core holdings produced the majority of our gains. In 2021, the NAV per Ordinary Share declined by 12.8%. The main contributors to the NAV per Ordinary Share decrease were Rocket, Frequency, Avidity, Athira, Pulmonx and Tarsus, contributing c. 25% to the decline. These mark to market losses were offset by the performance of our private companies, particularly JIXING and IPOs of Landos, Immunocore, Prometheus, GH Research, Monte Rosa, Tenaya, Ventyx and acquisition of Inivata, together contributing c. 12.3% to the NAV growth. Share issuance at a premium to net asset value contributed c. 1.2% and the balance of our performance is made up of operating expenses and a performance allocation fee credit.

On listing, the Company's core portfolio included six companies, four of which were developing clinical-stage therapeutics and two med tech companies developing transformative devices. Since listing, the Company has added 36 companies to its portfolio and has had one position acquired, with 15 additions in the 2020 financial year and 21 in 2021. Portfolio companies added in the 2021 are listed on the following page.

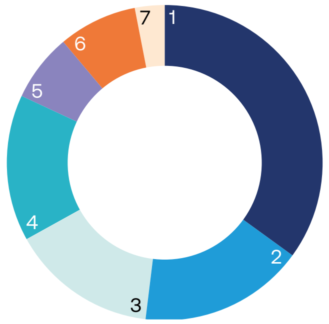


Our 2021 new investments include:

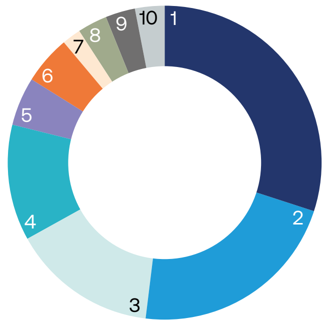
Company name	Description
H1 2021	
Visus	Clinical stage biotech developing a presbyopia-correcting eye drop.
Ancora	Medtech company developing minimally invasive implant for heart failure.
Artiva	Developer of allogenic cord blood-derived Natural Killer (NK) cell therapy.
Ventyx	Clinical stage biotech advancing a promising immunology pipeline for autoimmune and inflammatory diseases.
Pyxis	Oncology biotech developing antibody-drug conjugates.
Monte Rosa	Pre-clinical stage targeted protein degradation biotech.
GH Research	Clinical stage biotech developing therapies to manage mental disease.
RTW Royalty #2	Royalty as a part of RTW-Urogen deal relating to the development and commercialization of urological cancer treatments..
Numab Therapeutics	Swiss biotech developing next-gen multi-specific antibody-based immunotherapies for cancer and inflammation.
Yarrow	RTW-backed new company creation focused on CNS diseases.
Alcyone	Gene therapy platform company developing therapies for CNS diseases.
Umoja	Preclinical-stage lentiviral in vivo CAR-T oncology biotech.
Neurogastrx	Clinical stage spec pharma focused on gastrointestinal disorders.
H2 2021	
Magnolia Medical	Medtech company focused on innovative blood and fluids collection devices.
Artios	Oncology biotech developing first-in-class therapies based on DNA Damage Response.
InBrace	Medical technology company pioneering a behind-the-teeth teeth straightening approach.
Lycia	Biotech developing extracellular protein degradation-based pipeline of therapies.
CinCor	Biopharma developing next-gen treatments for cardio-renal diseases.
Acelyrin	Biotech advancing an antibody mimetic for inflammatory conditions.
Kyverna	Biotech developing cell therapy for autoimmune diseases.
Third Harmonic Bio	Biotech advancing a small molecule for autoimmune mast cell disorders.

Figure 2. Portfolio breakdown, by (A) modality, (B) therapeutic focus, (C) clinical stage and (D) geography as of 31 December 2021

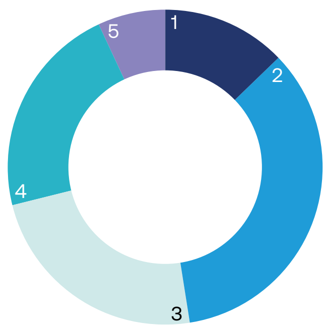
As of 31 December 2021, the portfolio included 42 companies that were diversified across treatment modalities, therapeutic focus, and clinical stage of their programs (Figure 2A-C). While the portfolio remains dominated by US-based companies (Figure 2D), we are committed to adding UK and EU-based companies in an effort to support the best assets globally and foster local biotech ecosystems where we see attractive opportunities.



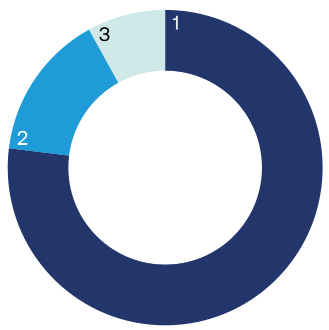
(A) Portfolio companies by modality	
1. Small molecule	35%
2. Medtech	17%
3. Antibody	15%
4. Genetic medicine	15%
5. Cell therapy	7%
6. Targeted protein degration	8%
7. Spec pharma	3%



(B) Portfolio companies by disease area	
1. Oncology	30%
2. Autoimmune and inflammation	22%
3. Cardiovascular	15%
4. Rare disease	12%
5. Neurology	5%
6. Ophthalmology	5%
7. Type 1 Diabetes	2%
8. Pulmonary	3%
9. Gastrointestinal	3%
10. Orthodontic	3%



(C) Clinical development stage	
1. Preclinical	13%
2. Phase 1	35%
3. Phase 2	24%
4. Phase 3/Pivotal	22%
5. Commercial	7%



(D) Portfolio companies by geography	
1. USA	77%
2. UK and Europe	15%
3. China	8%

Key updates for Portfolio Companies during 2021:

Clinical

- In April 2021, **iTeos** shared a positive preliminary Phase 1 data update for its TIGIT antibody EOS-448 program in adult patients with advanced solid tumors, indicating EOS-448 was generally well tolerated with no dose-limiting toxicities observed and showed preliminary signs of clinical activity as a monotherapy, including a partial response in a melanoma patient, and stable disease in multiple patients.
- In May 2021, **Rocket** shared positive data updates to its lentiviral vector (LVV)-based gene therapy programs for the treatment of Fanconi Anaemia (FA) and (2) Leukocyte Adhesion Deficiency-I (LAD-I), and (3) Pyruvate Kinase Deficiency (PKD). Rocket also announced that the FDA had put a clinical hold on its adeno-associated virus (AAV)-based gene therapy for Danon disease, a devastating, paediatric heart failure condition. The hold was not triggered by safety concerns and patient enrollment resumed in Q3 2021.
- In June 2021, **Tarsus** announced positive results of Saturn-1 pivotal trial evaluating TP-03 for the treatment of demodex blepharitis. The Saturn-1 Phase 2b/3 trial met all primary and secondary endpoints, and demonstrated significant, clinically meaningful outcomes with no serious treatment-related adverse events and no treatment-related discontinuations.
- In August 2021, **Immunocore** announced acceptance of its Biologic License Application for tebentafusp in metastatic uveal melanoma with the FDA and EMA, with the PDUFA action date set for February 23, 2022. Immunocore received FDA approval for Kimmtrak (tebentafusp) in January 2022 ahead of the expected PDUFA date.
- In October 2021, **Avidity** announced that the FDA had granted Fast Track Designation to its lead program, AOC 1001, for the treatment of myotonic dystrophy type 1 (DM1). Fast Track Designation enables more frequent interactions with the FDA to expedite the development and review process for drugs intended to treat serious or life-threatening conditions and that demonstrate the potential to address unmet medical needs.
- In November 2021, **Rocket** provided a positive incremental data update on its adeno-associated virus (AAV)-based gene therapy for Danon disease. Overall, it showed stabilization or improvement in functional and biomarker metrics.

Financing

- In 2021, nine portfolio companies **(Landos, Immunocore, Prometheus, Biomea Fusion, Monte Rosa, GH Research, Tenaya, Ventyx and Pyxis Oncology)** launched an initial public offering (IPO) with an average 1.9x valuation step-up from the initial time of investment to IPO, followed by an additional average +15% performance on the first day of trading.
- In May 2021, **JIXING** announced an exclusive licencing agreement with Milestone to develop and commercialize etripamil, a novel calcium channel blocker designed to be a rapid-response therapy for episodic cardiovascular conditions, in China. Following this announcement, the Company participated alongside our other investment vehicles in a Series B financing round.
- In May 2021, **NiKang Therapeutics** completed a US$200 million Series C financing round. The Company alongside other vehicles managed by the Investment Manager participated in the financing round.
- We seeded our latest new company creation **Yarrow Biotechnology,** a biotech developing antisense oligonucleotide-based therapeutics for disorders with high unmet need. In May 2021, Yarrow announced licensing agreement with ProQR for its antisense oligonucleotide technology (ASO) to develop and commercialize potential therapies for an undisclosed CNS target.
- In June 2021, **iTeos** and GSK announced a deal on development and commercialization of iTeos' EOS-448 TIGIT targeting antibody, under which iTeos is to receive a US$625M upfront payment in addition to potential milestones, and royalty payments on ex-US sales up to US$1.45B in development and commercial milestones.
- In June 2021, **Invivata** announced that NeoGenomics, Inc (NASDAQ: "NEO") had completed its acquisition of the company, the intention of which had previously been announced on 5 May 2021. NeoGenomics exercised its option to acquire the remaining Inivata equity interest for US$390 million after it had previously made a US$25 million minority equity investment.
- In August 2021, **JIXING** announced an exclusive license and collaboration agreement with Oyster Pharma to develop and commercialize OC-01 (varenicline) and OC-02 (simpinicline) nasal sprays for the treatment of signs and symptoms of dry eye disease for patients in Greater China. Following this announcement, the Company participated alongside our other investment vehicles in a Series C financing round.
- In December 2021, **JIXING** announced an expansion of its collaboration with Cytokinetics by entering into an exclusive license and collaboration agreement to develop and commercialize omecamtiv mecarbil for the proposed treatment of heart failure with reduced ejection fraction (HFrEF) in Greater China.

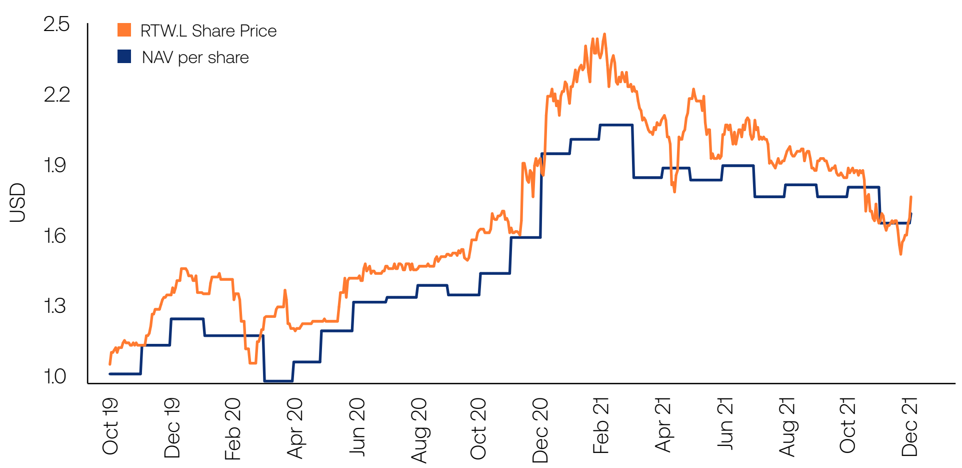
Portfolio performance and updates

The Company's share price has traded at an average premium of c. 10% since inception (Figure 3A). The Company's overall returns since inception have outperformed its biotech benchmarks, generating an overall return of c. 71% vs c. 35% by the small and mid-cap heavy Russell 2000 Biotechnology Index and vs c. 40% by the large-cap heavy Nasdaq Biotechnology Index (Figure 3B note: the reporting period for this chart is 30 October 2019 to 31 December 2021). In 2021, the Company's share price declined by c. 5%, whilst the Nasdaq Biotechnology Index returned c. 1% and the Russell 2000 Biotechnology index returned c. -27% for the same period, respectively. Source Bloomberg.

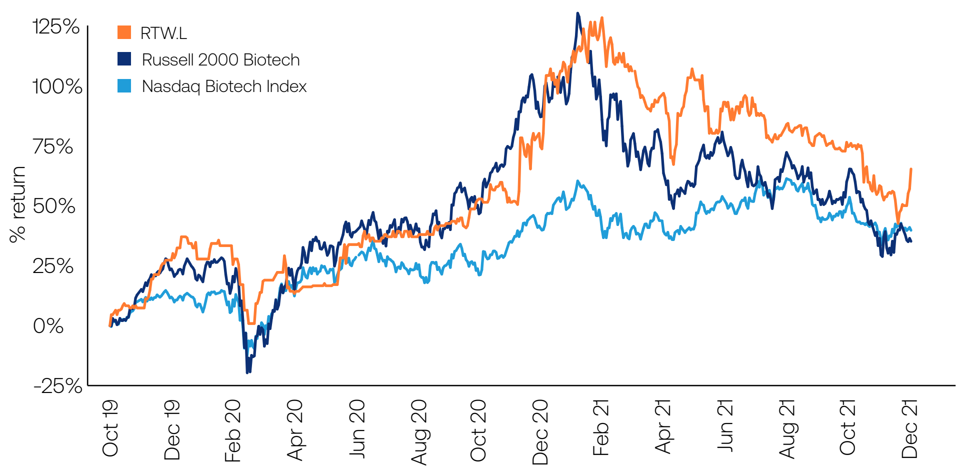
Rocket's share price declined by 60%, which made it the main detractor from the NAV per Ordinary Share this year (c. -22%). The FDA put Rocket's Danon program on clinical hold in early May 2021 in order to ensure adequate safeguards for patients in its clinical study. The trial was allowed to resume in August 2021 (for context, this was a fast resolution). The company also shared an update from the first five patients dosed in November 2021. While the data suggest four patients have been stable over their one to two years on study, investors expressed concern that a lack of improvement in certain measurements may make phase 3 trial design more challenging. Despite these points, Rocket remains among the top 3 largest independent gene therapy companies by market capitalisation.

Figure 3. RTW.L share price performance (A) and returns (B) as of 31 December 2021

(A) RTW.L share price vs NAV per ordinary share



(B) RTW.L performance vs biotech benchmarks



In context to this, it is worth noting that it was a challenging year for gene therapy as a subsector. Of 30 publicly traded gene therapy companies, the median decline has been 54%, with only three companies up on the year, no drug approvals (the total remains at two), and no public acquisitions. Recent setbacks have spanned safety, efficacy, and CMC (chemistry, manufacturing and controls):

Figure 4. Gene therapy setbacks

Type	Company	Program	Description
Safety	uniQure	Hemophilia B	HCC case later adjudicated to patient
	bluebirdbio	LentiGlobin for sickle cell disease and Lenti-D for Adrenoleukodystrophy	Occurrences of blood cancers
	astellas	Myotubular myopathy	Patient deaths at low and high doses
	rocket pharma	Danon disease	Adverse immune response in patients
	ADVERUM biotechnologies	Wet AMD	Adverse immune response in patients
	SOLID biosciences	Duchenne muscular dystrophy	Adverse immune response in patients
	BIOMARIN	Phenylketonuria	Liver cancers observed in mice
Efficacy	SAREPTA therapeutics	Duchenne muscular dystrophy	Missing stat sig in critical Phase 2 trial
	BIOMARIN	Hemophilia A	Diminished efficacy over time
	generation bio	Hemophilia A	Mouse data did not replicate in monkeys
	HOMOLOGY Medicines, Inc.	Phenylketonuria	Lack of consistent efficacy in patients
CMC	Pfizer	Duchenne muscular dystrophy	More stringent requirements from FDA
	FREELINE	Hemophilia B	More stringent requirements from FDA
	Orchard therapeutics	Metachromatic leukodystrophy	More stringent requirements from FDA

We believe the companies best positioned to overcome these near-term challenges will be those who have chosen to focus on therapies for severe diseases with limited options and that also have meaningful commercial potential. Rocket's talented team and programs have been committed to this mission from the start, and we remain optimistic for both our existing programs and new opportunities.

As of 31 December 2021, nine portfolio companies, which included Landos, Immunocore, Prometheus Biosciences, Biomea Fusion, Monte Rosa, GH Research, Tenaya, Ventyx and Pyxis Oncology had gone public via an IPO with an average 1.9x step-up from the initial time of investment to IPO and an average private holding period of 0.7 years, followed by an additional average c. 15% performance on the first day of trading.

Table 2. Core portfolio companies IPOs in 2021

Company	Initial funding type	Ticker	IPO date	Performance on 1st day of trading
Landos	Series B	LABP	February 2021	-25%
Immunocore	Series B*	IMCR	February 2021	+66%
Prometheus Biosciences	Series D	RXDX	March 2021	+33%
Biomea Fusion	Series A	BMEA	April 2021	+9%
Monte Rosa	Series C	GLUE	June 2021	+12%
GH Research	Series B	GHRS	June 2021	+20%
Tenaya	Series C	TNYA	July 2021	+2%
Ventyx	Series B	VTYX	October 2021	+31%
Pyxis Oncology	Series A	PYXS	October 2021	-17%

*Immunocore originated as a Series A investment with the Investment Manager

Report of the Investment Manager
continued

Table 3. Performance of core private and public portfolio investments as of 31 December 2021

Portfolio company	Initial Investment Date	Valuation Date	MOC	XIRR	Private Holding Period (years)
Beta Bionics	6/28/2019	12/31/2021	1.0x	-1.0%	2.5
Orchestra	6/28/2019	12/31/2021	0.9x	-3.3%	2.5
Frequency^	7/17/2019	03/23/2021	2.8x	85.3%	1.7
Landos*	8/9/2019	12/31/2021	1.2x	6.7%	2.4
Immunocore*	8/13/2019	12/31/2021	1.7x	28.5%	2.4
Avidity*	11/8/2019	12/31/2021	2.6x	56.9%	2.1
JIXING	2/10/2020	12/31/2021	1.7x	85.3%	1.9
Iteos*	3/24/2020	12/31/2021	4.2x	136.6%	1.8
Pulmonx*	4/17/2020	12/31/2021	2.5x	70.6%	1.7
Athira*	5/29/2020	12/31/2021	2.3x	101.2%	1.6
C4 Therapeutics*	6/2/2020	12/31/2021	3.6x	126.3%	1.6
Encoded	6/12/2020	12/31/2021	2.1x	62.1%	1.6
Milestone^^	7/23/2020	12/31/2021	1.6x	43.5%	1.4
Nikang	9/9/2020	12/31/2021	1.1x	8.2%	1.3
Tarsus*	9/24/2020	12/31/2021	1.6x	45.4%	1.3
Prometheus*	10/30/2020	12/31/2021	5.0x	382.1%	1.2
RTW Royalty #1	11/13/2020	12/31/2021	1.2x	18.9%	1.1
Nuance	12/7/2020	12/31/2021	1.0x	0.0%	1.1
Tenaya*	12/17/2020	12/31/2021	1.5x	50.1%	1.0
Biomea*	12/23/2020	12/31/2021	0.9x	-6.5%	1.0
Invivata**	12/24/2020	6/18/2021	2.6x	635.5%	0.5
Prometheus Labs	12/31/2020	12/31/2021	1.0x	0.0%	1.0
Ancora	1/20/2021	12/31/2021	1.0x	2.0%	0.9
Visus	1/26/2021	12/31/2021	1.1x	14.7%	0.9
Artiva	2/23/2021	12/31/2021	1.3x	30.7%	0.9
Ventyx*	2/26/2021	12/31/2021	2.0x	206.9%	0.8
Pyxis*	3/8/2021	12/31/2021	1.0x	5.9%	0.8
Monte Rosa*	3/12/2021	12/31/2021	2.0x	129.4%	0.8
GH Research*	4/9/2021	12/31/2021	1.9x	139.8%	0.7
RTW Royalty #2	5/5/2021	12/31/2021	1.1x	21.1%	0.7
Numab	5/7/2021	12/31/2021	1.0x	-1.0%	0.7
Yarrow	5/14/2021	12/31/2021	1.0x	0.0%	0.6
Alcyone	6/8/2021	12/31/2021	1.0x	0.0%	0.6
Umoja	6/9/2021	12/31/2021	1.0x	8.2%	0.6
Neurogastrx	6/25/2021	12/31/2021	1.0x	0.0%	0.5
Magnolia	7/2/2021	12/31/2021	1.0x	0.0%	0.5
Artios	7/27/2021	12/31/2021	1.0x	0.0%	0.4
InBrace	8/27/2021	12/31/2021	1.0x	0.0%	0.3
Lycia	9/2/2021	12/31/2021	1.0x	0.0%	0.3
Cincor*	9/22/2021	12/31/2021	1.2x	95.0%	0.3
Acelyrin	10/20/2021	12/31/2021	1.0x	0.0%	0.2
Kyverna	11/9/2021	12/31/2021	1.0x	0.0%	0.1
Third Harmonic Bio	12/17/2021	12/31/2021	1.0x	0.0%	0.0
Average			**1.6x**	**60%**	**1.1**

Public company	Price per share as of 29/10/2019 market close (as of listing of the Company)	% Return
Rocket	US$14.00	56%

*These positions originated in the portfolio as private companies and since have gone public; as of 31 December 2021, Monte Rosa, GH Research, Tenaya, Pyxis and Ventyx were under 180-day lock-up provision;
**Acquired;
^Exited the position;
^^Milestone is a public company, the Company holds private warrants.

Table 4. NAV capital breakdown

Type	% of NAV as of 31 December 2021	% of NAV as of 31 December 2020
Core portfolio assets (private and public)	66.4%	68.7%
Non-core portfolio assets	38.6%	25.4%
Cash, due to/from brokers, other*	-5.0%	5.9%
Total	**100.0%**	**100.0%**

*Other includes liabilities such as other payables and accrued expenses.

As of 31 December 2021, our top five holdings of non-core portfolio assets represented c. 7% of NAV and consisted of: Alnylam (ticker: "ALNY"), a leading RNA medicine company, Natera (ticker: "NTRA"), a clinical genetic testing company, Masimo (ticker: "MASI"), a medtech company developing innovative non-invasive patient monitoring technologies, Thermo Fisher Scientific (ticker "TMO"), a leading scientific service provider, and Cytokinetics (ticker: "CYTK"), a clinical-stage biotechnology company developing innovative treatments for cardiovascular conditions. We expect to deploy the capital invested into non-core portfolio assets into private companies as new opportunities arise.

Table 5. Overview of portfolio companies' valuations* as of 31 December 2021

Portfolio Company	Public/ Private	Company's % interest in Portfolio Company's capital as of 31 December 2021	Valuation of Company's investment as of 31 December 2021	% of Company's net assets as of 31 December 2021	YTD P&L as of 31 December 2021	Valuation hierarchy
Rocket	Public	<5%	US$51.6 million	13.3%	-US$88.8 million	Level 1
JIXING	Private	<10%	US$25.6 million	6.6%	US$10.5 million	Level 3
Prometheus Bio	Public	<5%	US$21.7 million	5.6%	US$16.5 million	Level 1
Avidity	Public	<5%	US$16.6 million	4.3%	-US$0.7 million	Level 1
RTW Royalty #2	Private	<20%	US$13.1 million	3.4%	US$1.3 million	Level 3
Immunocore	Public	<1%	US$11.0 million	2.9%	US$5.1 million	Level 1
RTW Royalty #1	Private	<10%	US$10.0 million	2.6%	US$1.8 million	Level 3
C4 Therapeutics	Public	<1%	US$9.7 million	2.5%	US$0.1 million	Level 1
Tenaya	Public**	<5%	US$8.2 million	2.1%	US$2.5 million	^ Level 2
GH Research	Public	<1%	US$7.2 million	1.8%	US$3.1 million	Level 1
iTeos	Public	<1%	US$6.9 million	1.8%	US$1.3 million	Level 1
Landos	Public	<5%	US$6.1 million	1.6%	US$0.9 million	Level 1
Tarsus	Public	<1%	US$5.2 million	1.3%	-US$4.4 million	Level 1
Beta Bionics	Private	<5%	US$4.9 million	1.3%	-US$0.5 million	Level 3
NiKang	Private	<5%	US$4.6 million	1.2%	US$0.4 million	Level 3
Ventyx	Public**	<1%	US$4.6 million	1.2%	US$1.9 million	^ Level 2
Encoded	Private	<1%	US$4.2 million	1.1%	US$2.2 million	Level 3
Milestone	Public	<5%	US$4.0 million	1.0%	US$0.0 million	Level 1
Monte Rosa	Public	<1%	US$3.8 million	1.0%	US$1.4 million	Level 1
Alcyone	Private	<5%	US$3.7 million	0.9%	US$0.0 million	Level 3
Pyxis	Public**	<1%	US$3.5 million	0.9%	-US$0.4 million	^ Level 2
Umoja	Private	<1%	US$3.4 million	0.9%	US$0.1 million	Level 3
Ancora	Private	<1%	US$2.9 million	0.8%	US$0.0 million	Level 3
Visus	Private	<5%	US$2.4 million	0.6%	US$0.3 million	Level 3
Orchestra	Private	<1%	US$2.3 million	0.6%	-US$0.1 million	Level 3
Pulmonx	Public	<1%	US$1.9 million	0.5%	-US$2.1 million	Level 1
Nuance	Private	<1%	US$1.8 million	0.5%	US$0.0 million	Level 3
Athira	Public	<1%	US$1.7 million	0.4%	-US$4.9 million	Level 1
Numab	Private	<1%	US$1.7 million	0.4%	US$0.0 million	Level 3
Neurogastrx	Private	<1%	US$1.6 million	0.4%	US$0.0 million	Level 3
Kyverna	Private	<1%	US$1.5 million	0.4%	US$0.0 million	Level 3
Third Harmonic Bio	Private	<1%	US$1.4 million	0.4%	US$0.0 million	Level 3
Cincor	Private	<1%	US$1.3 million	0.3%	US$0.2 million	Level 3
Artiva	Private	<1%	US$1.2 million	0.3%	US$0.2 million	Level 3
Lycia	Private	<1%	US$1.1 million	0.3%	US$0.0 million	Level 3
InBrace	Private	<1%	US$0.9 million	0.2%	US$0.0 million	Level 3
Biomea	Public	<1%	US$0.8 million	0.2%	-US$0.2 million	Level 1
Artios	Private	<1%	US$0.8 million	0.2%	US$0.0 million	Level 3
Acelyrin	Private	<1%	US$0.7 million	0.2%	US$0.0 million	Level 3
Magnolia	Private	<5%	US$0.7 million	0.2%	US$0.0 million	Level 3
Yarrow	Private	<5%	US$0.6 million	0.1%	US$0.0 million	Level 3
Prometheus Labs	Private	<1%	US$0.1 million	0.0%	US$0.0 million	Level 3

* Valuations for Private Portfolio Companies on a fair market value basis as of 31 December 2021. The valuations of Rocket, Avidity, iTeos, Athira, C4 Therapeutics, Milestone, Pulmonx, Tarsus, Landos, Immunocore, Prometheus Biosciences, Biomea, Monte Rosa, GH Research, Tenaya, Pyxis and Ventyx have been calculated using market capitalization based on their publicly quoted market prices as of 31 December 2021.

**In accordance with the Company's valuation policy, the Company applies a discount to its investments in Private Portfolio Companies which become Public Portfolio Companies that are subject to customary post-IPO lock-up provisions.

^Also includes Level 1 securities purchased at or after portfolio company IPO.

As of 31 December 2021, two members and one employee of the Investment Manager served on the board of directors of Rocket and two members and three employees served on the board of directors of Landos, JIXING, NiKang, Visus, Alcyone, RTW Royalty #1 and #2, and Yarrow, which in aggregate represented 30.3% of NAV of the Company.

Report of the Investment Manager
continued

Migration to the Main Market of the London Stock Exchange

We are pleased to report that RTW Venture Fund was admitted to the Premium Segment of the Main Market on 6 August 2021 and introduced an additional market quote denominated in GBP under ticker "RTWG". To satisfy the diversification requirements that we agreed with the UK Listing Authority we reduced our position in Rocket and brought it under 25% of NAV, while adding to the position in our private fund making RTW overall a net-buyer of the security. To note, the sale of Rocket shares by the Company to reduce the position from c. 33% to c.25% did not result in any crystalized losses, as at the time of the Company's IPO Rocket's share price was $14 and at the time of sale on 11 May 2021 was $40, representing c.186% uplift.

We believe the Premium Segment of the Main Market is the most appropriate platform for the continued growth of the Company. We look forward to continuing to advance our presence in the UK and are honoured to bring access to private markets and bespoke negotiated opportunities to an even broader investor base now being listed on the Premium Segment. We also believe that by maintaining a strong presence and providing much needed capital to late-stage venture companies, we are doing our part in fostering a stable and well capitalized investment ecosystem, which we believe will in turn benefit UK companies and support further innovation.

Summary of Portfolio Companies with at least 1.0% position of NAV as of 31 December 2021:

As of 31 December 2021, the Company's portfolio included 42 companies, ranging from biotechnology companies developing preclinical to clinical-stage therapeutic programs, companies developing traditional small molecule pharmaceuticals, and med-tech companies developing or commercializing transformative devices. We selected the Company's portfolio companies based upon our rigorous assessment of scientific and commercial potential, opportunities to positively impact value, and with regard to the valuation of the assets at the time of investment. The table below includes portfolio companies and their catalysts that had ≥1.0% position size at the end of the reporting period.

Table 6. RTW Venture Fund portfolio summary of catalysts (core portfolio holdings >1.0% of NAV) as of 31 December 2021

Portfolio Company	Description	Public/ Private	Clinical stage	Expected upcoming catalyst	% NAV
Rocket	Gene therapy platform company for rare pediatric diseases; five clinical programs for Fanconi anemia, Danon, LAD, PKD and IMO.	Public: "RCKT"	Phase 2	Q2 2022	13.3%
JIXING	NewCo focused on acquiring rights from innovative therapies in the West for development and commercialization in China.	Private	Phase 3	Series D; H1 2022	6.6%
Prometheus Biosciences	Precision medicine company focused on IBD, a chronic inflammatory disease of GI tract; lead antibody program against TL1A.	Public: "RXDX"	Phase 1	H1 2022	5.6%
Avidity	Antibody conjugated RNA medicines company; lead program for myotonic dystrophy, a degenerative disease with no therapy.	Public: "RNA"	Phase 1	H1 2022	4.3%
C4 Therapeutics	Targeted protein degradation company working on blood cancers.	Public: "CCCC"	Phase 1	H1 2022	2.5%
Iteos	Novel immune checkpoint clinical stage company, with lead programs targeting TIGIT and A2A in Phase ½ for advanced solid tumors.	Public: "ITOS"	Phase 1 / 2	H1 2022	1.8%
Landos	Developer of oral therapies for autoimmune disease. Lead program for inflammatory bowel disease.	Public: "LABP"	Phase 2 / 3	Q2 2022	1.6%
Tarsus	Clinical stage biotech developing first-in-class therapeutics for. ophthalmic conditions.	Public: "TARS"	Phase 3	H1 2022	1.3%
Milestone	Clinical stage biopharma developing interventions for tachycardias.	Public: "MIST"	Phase 3	Q4 2022	1.0%
RTW Royalty #2	Royalty as a part of RTW-Urogen deal.	Private	–	–	3.4%
Immunocore	T-cell receptor therapy company focused on oncology and infectious disease; lead program for uveal melanoma.	Public: "IMCR"	Registrational	–	2.9%
RTW Royalty #1	Royalty as a part of RTW-Ji Xing-Cytokinetics deal.	Private	–	–	2.6%
Tenaya	Biotech developing therapies that can address the underlying cause of heart disease; lead asset gene therapy for HCM.	Public: "TNYA"	Preclinical	–	2.1%
GH Research	Clinical stage biotech developing therapies to manage mental disease.	Public: "GHRS"	Phase 2	–	1.8%
Beta Bionics	Closed-loop pancreatic system for automated and autonomous delivery of insulin.	Private	Pivotal	–	1.3%
NiKang	Biotech using a structure-based design to develop innovative small molecules against promising molecular targets in oncology.	Private	Preclinical	–	1.2%
Ventyx	Clinical stage biotech advancing a promising immunology pipeline for autoimmune and inflammatory diseases.	Public: "VTYX"	Phase 2	–	1.2%
Encoded	Gene therapy company developing treatments for rare pediatric CNS disorders.	Private	Preclinical	–	1.1%
Monte Rosa	Targeted protein degradation biotech.	Public: "GLUE"	Preclinical	–	1.0%
Aggregate of <1.1% core portfolio companies include: Alcyone, Pyxis, Athira, Pulmonx, Biomea, Orchestra, Visus, Nuance, Numab, Ancora, Artiva, Yarrow, Prometheus Labs, Neurogastrx, Umoja, Artios, Magnolia, InBrace, Lycia, Cincor, Acelyrin, Kyverna and Third Harmonic Bio.					9.8%

Sector review and outlook

Significant biotech sector underperformance, attractive valuations, high innovation...

By some measures of market performance, 2021 was small-cap biotech's worst calendar year since the financial crisis over a decade ago. The small-cap heavy Russell 2000 Biotech Index finished down -27%, just ahead of 2008's -31%. Only 2002's drop of -54% was significantly worse. This performance is most striking compared to the broader markets. The S&P500 finished +27%, making small-cap biotech's 54% underperformance the largest in history (second largest was 1998's 42%) (Figure 5).

Overall valuations for the Nasdaq Biotechnology Index (NBI) and SPDR S&P Biotech (XBI) have now returned to the historical average (Figure 6). This continues to be coupled with historically low interest rates and historically high innovation.

Despite market performance, 2021 was a strong year for innovation. The FDA managed through COVID resource constraints to approve 60 new drugs, topping last year's 59. Approvals by modality include: RNA for three, novel antibody technologies for three, and cell therapies for two. mRNA firmly established itself as the preferred modality for Covid vaccines, and Intellia demonstrated human proof-of-concept for in vivo CRISPR, unlocking another new modality in the battle against disease.

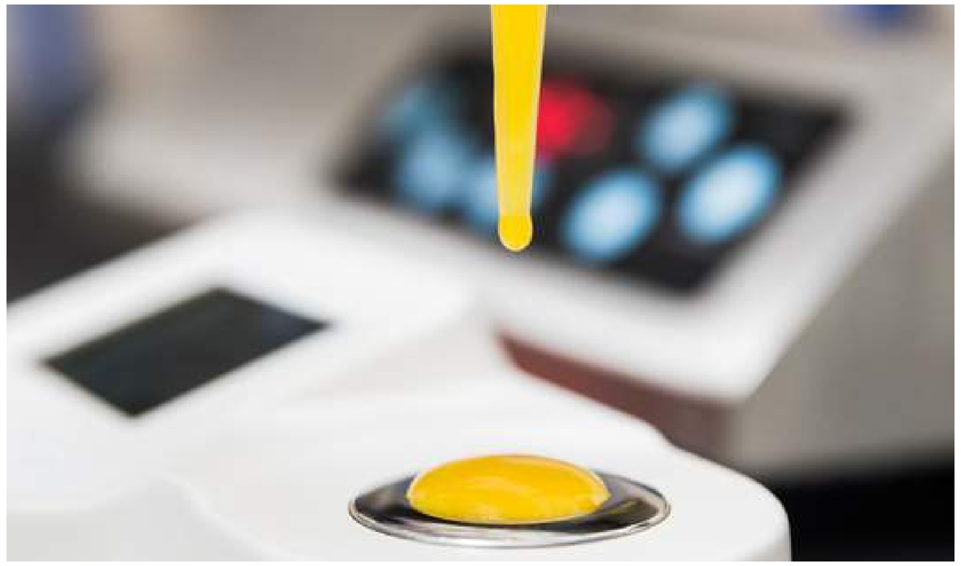


Figure 5. Russell 2000 Biotech Annual Performance

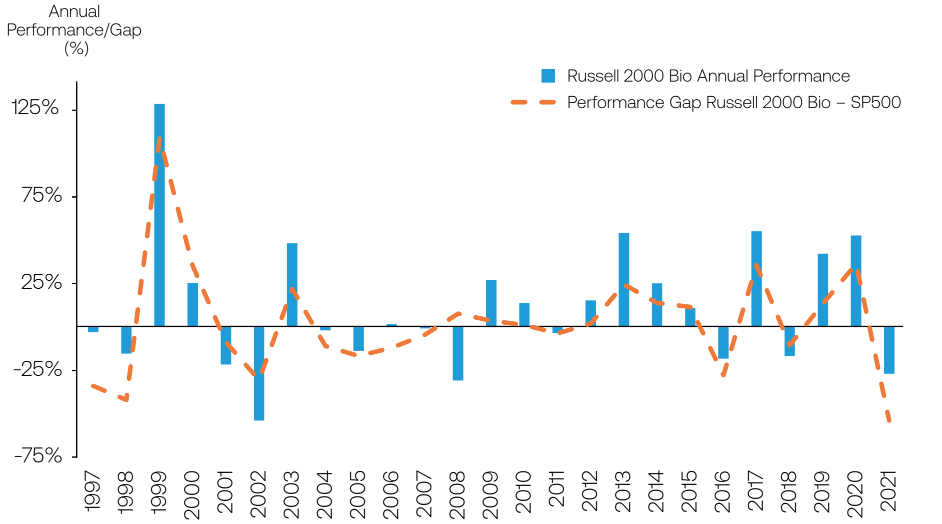
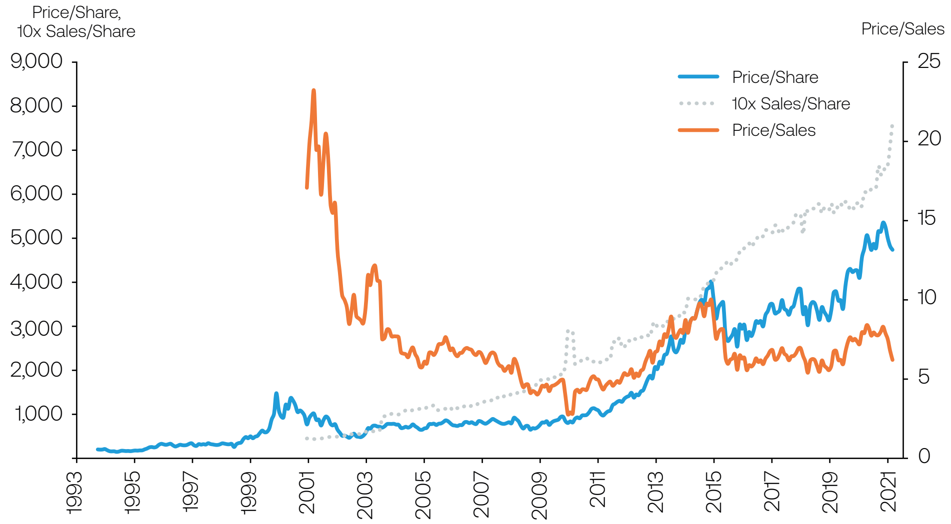


Figure 6. Historic sector valuations



Source: Bloomberg December 2021.

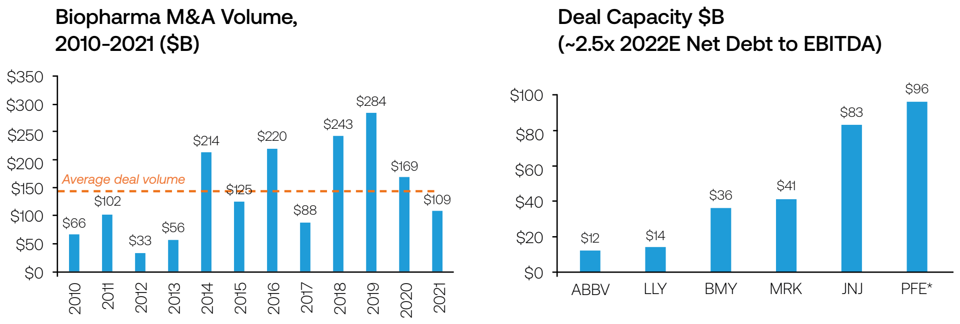
2022 Outlook

Most of the headwinds that we faced over the course of 2021 have either resolved or are far along in the process. In fact, we are hopeful that 2022 will transition to tailwinds, such as a return to business as usual at the FDA, multi-year clarity on drug pricing (should some form of the Build Back Better bill pass), and a resurgence in M&A. Regarding M&A, 2021's total deal volume of $109B is down from $169B in 2020 and is the second lowest in the last eight years. We speculate that the mix of more attractive valuations, growing pressure from the coming wave of patent expirations and an explosion of Covid related cash will be a potent recipe for deal making in 2022.

IPO performance struggled this year under the weight of an all-time high 108 offerings. The average declined ~31% from offer date to YE 2021, after several years of easy gains for crossover investors. Activity had already begun to slow, with 60% of the year's IPOs taking place in the first half, and the number of deals in Q4 starting to approach the run-rate that existed before the mid-2020 boom. The number of small and relatively illiquid public companies that have had poor aftermarket performance has resulted in the highest number of companies trading at <2x cash in history, creating an exciting backdrop of opportunities for us. We are hopeful this will lead to the kind of environment that favors those with strong fundamental analytical capabilities, and who also have the capital and courage to deploy after painful losses. These are two of our greatest strengths historically that have enabled us to distinguish ourselves in recoveries, and we are excited to put them to use.

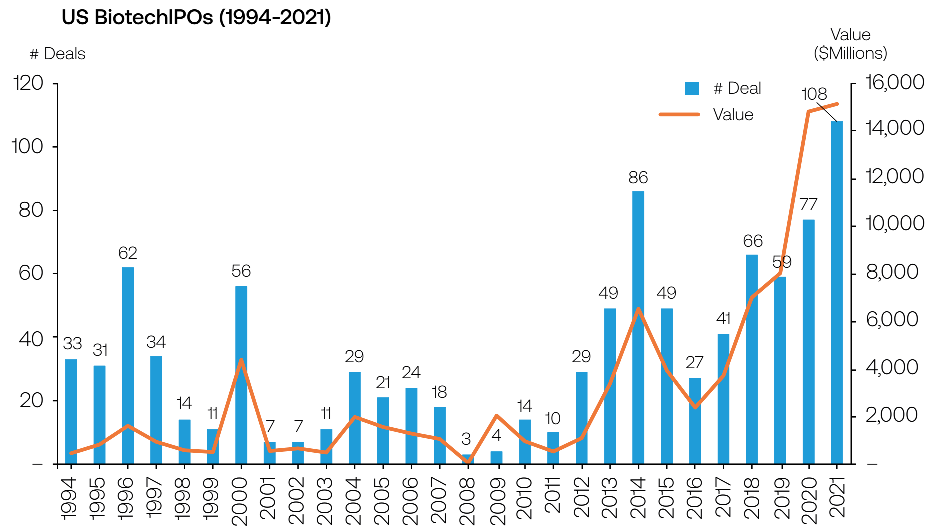
We think the primary market risks that bear watching sit largely outside of healthcare and revolve around equities and the dynamic between inflation and interest rates, and overall market volatility due to war in Ukraine. Regardless of what happens to equities generally, we are quite optimistic the historically large performance gap between biotech and the broader markets will narrow.

Figure 7. Biopharma M&A and Deal Capacity



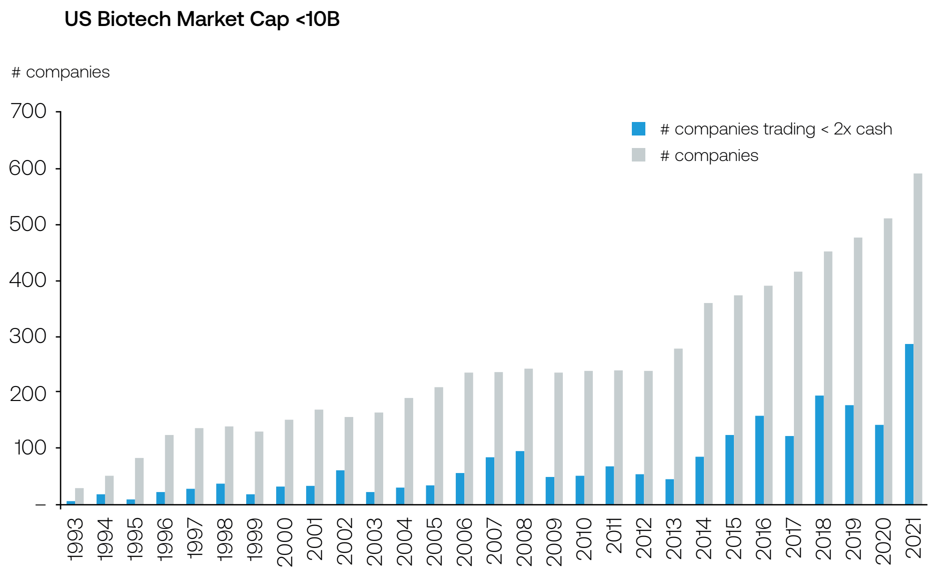
Charts adopted from JPM research; *PFE includes COVID cash flows in EBITDA calculation;
**M&A deal include transactions >$1B in total value

Figure 8. US Biotech IPOs

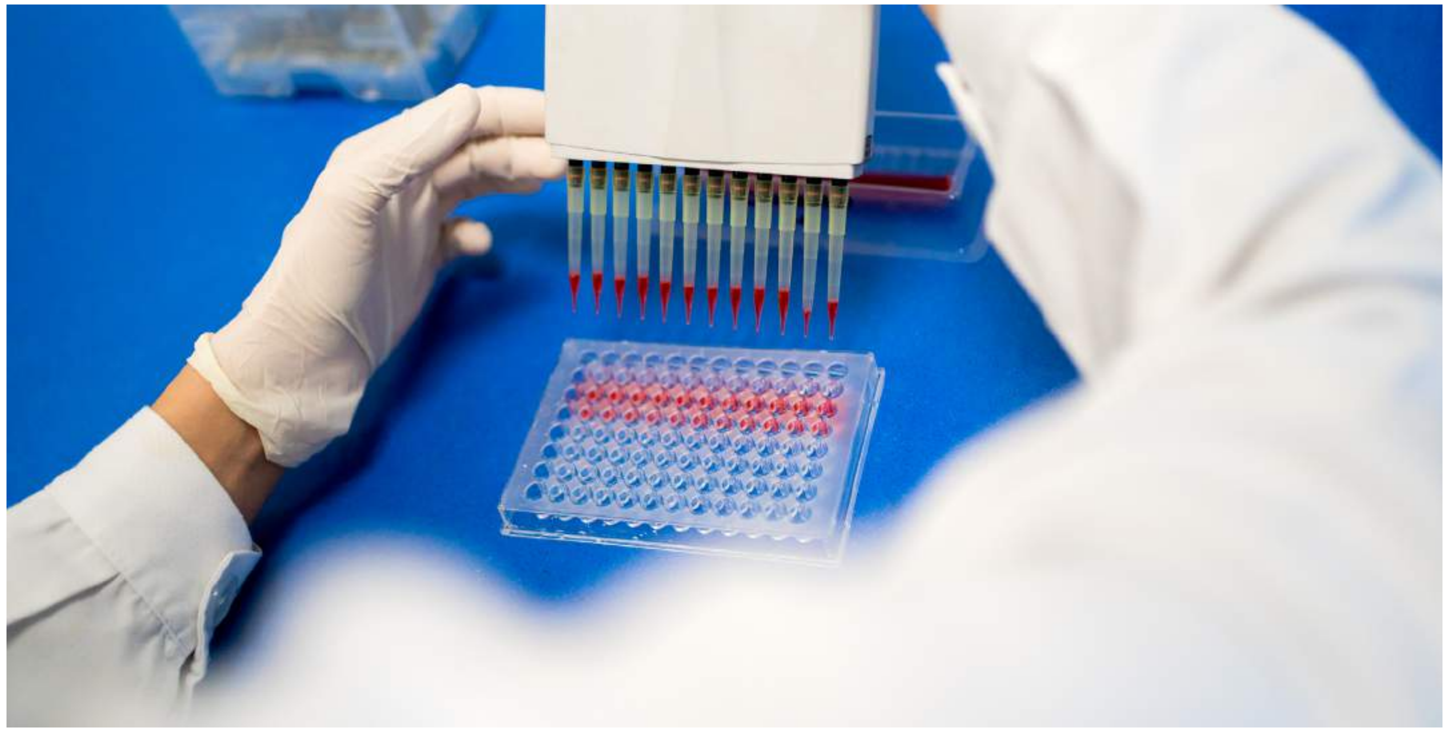


Source: RTW Research December 2021.

Figure 9. US Biotech Companies under $10 Billion Market Cap



Source: Bloomberg December 2021.



Executing on our strategy

We are scientists and entrepreneurs who aspire to change the lives of patients through innovation, and purposeful investing is at the heart of everything we do. We power breakthrough therapies that transform the lives of millions. Maximizing value realization from transformative products takes time, and we believe it is critical to be involved and invested in such companies throughout various stages of their development and ultimately distribution to patients. In the instances where our research leads us to find that a company doesn't exist, we have the capability, human power, and funding to create a company de novo to advance an asset we believe is worth building a business architecture around.

As a full life-cycle investor, we recognize the importance of providing growth capital along with the support of an experienced team, if and when it is needed, at any critical inflection point in an asset's life cycle. Scientific development rarely follows a linear path and nor do we, which is why we are always thinking about the optimal way to support a company. This can be achieved through providing growth capital, creative financing solutions, capital markets expertise, or guidance through investing our time and sharing our collective experience as directors and stewards of tomorrow's most exciting and disruptive companies.

Taking a long-term full lifecycle approach and having a true evergreen structure enables us to avoid pitfalls of structural constraints of venture-only or public-only vehicles. Our focus is on becoming the best investors and company builders we can be, delivering exceptional results to shareholders and making an impact on patients' lives.

As we look ahead to 2022 and beyond, based on the breadth of opportunities we have been seeing and continue to see, we expect our efforts will translate into further capital commitments. The last 24 months have been very active, as we have added fifteen new companies in 2020 and twenty-one in 2021 to the Company's growing portfolio, and we foresee continuing with a similar investing pace in 2022. In 2021 and continuing in 2022, we are particularly focused on attractive opportunities within small and mic-cap public biotech companies given asymmetric risk / reward profiles of strong fundamentals and decreased valuations.

Primary areas of focus remain in genetic medicines, small molecule, antibody and next generation antibody therapies, targeted protein degradation, rare diseases, targeted oncology, and medical technologies. We are excited by advancements we are witnessing in neurology, ophthalmology, immunology, muscular dystrophies, and cardiovascular and pulmonary diseases.

We have always emphasized the important point that exciting innovation is taking place globally. Building upon our strong reputation in the U.S., we aim to strengthen our presence with new offices in London and Shanghai to further expand our presence and grow roots in these two strategic geographies. We are as keen on exploring scientific programs coming out of the UK and Europe as we are for those discovered and developed in the U.S. We intend to continue to build inroads and have been actively cultivating deeper relationships in the UK.

We believe there is a significant demand for reliable capital providers, such as ourselves, to continue to support scientific innovation and development of transformative therapies for patients. With that in mind, we intend to grow the Company's portfolio, by attracting new shareholders to assist in the financing of an exciting pipeline of new ideas. We expect the split to remain close to 80% biopharmaceutical assets and 20% across medical technology assets. In line with prior guidance, we anticipate two-thirds of the investments will be made in mid to later stage venture companies and one-third of the investments focused on active company building around the discovery and development or licensing and distribution of promising assets.

Key Portfolio Company Events Post Period End

On 6 January 2022, CinCor announced pricing of its US$193.6 million IPO, by offering 12.1 million shares at US$16.00 per share. The shares began trading on Nasdaq Global Market on 7 January 2022 under ticker "CINC". Since IPO CinCor shares have traded down 4.4% as of 23 March 2022.

The Company's investments in CinCor remains under 180-day lock-up provision.

In January 2022, the biotech sector has experienced a further selloff driven by investor fears over inflation and interest rates. The selloff resulted in a NAV per Ordinary Share decrease of 14% as of 31 January 2022. In February 2022, Russia invaded Ukraine, which resulted in further turmoil and uncertainty in the global markets. The Company's NAV per Ordinary Share further declined by 2% as of 28 February 2022. The Company does not have any portfolio companies in the affected regions.

RTW Investments, LP
30 March 2022

Transforming the lives of millions

Our long-term strategy is anchored in identifying sources of transformational innovations by engaging in a deep scientific research and rigorous idea generation process, which is complemented with years of financial investment, company building, transactional, and legal expertise.

Identify

1

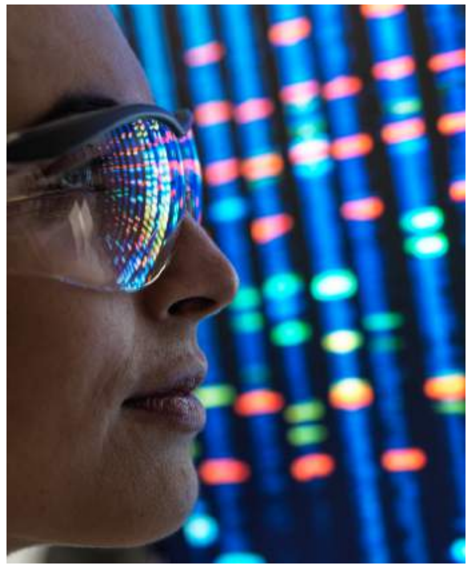
Identify transformational innovations

We have developed expertise through our comprehensive study of industry and academic efforts in targeted areas of significant innovation. Thanks to the genome, there is more clarity around the causes of disease. Coupled with new exciting modalities that can address genetic diseases in a targeted way, drug innovation is accelerating.

→ Read more
Strategy in Action, page 19

Engage

2



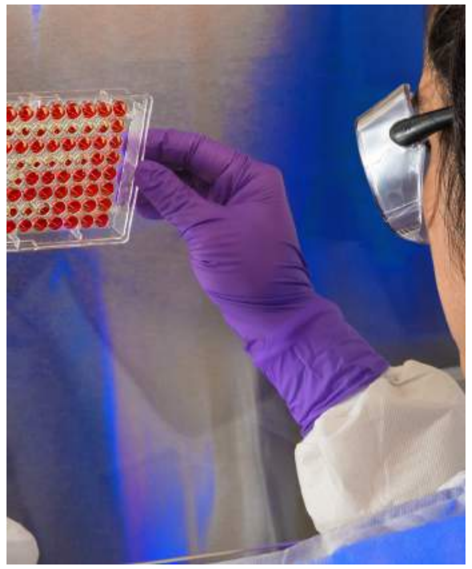
Engage in deep research and unlocking value

We developed repeatable internal processes combining technology and manpower to comprehensively cover critical drivers of innovation globally. We seeks to identify biopharmaceutical and medical technology assets, ascertained through rigorous scientific analysis that have a high probability of becoming commercially viable products and can dramatically change the course of treatment and in some cases bring effective and/or full curative outcomes to patients.

→ Read more
Strategy in Action, page 23

Build

3



Build new companies around promising academic licences

We have the capabilities to partner with universities and in-license academic programs, by providing capital and infrastructure to entrepreneurs to advance scientific programs. Particularly working in rare diseases, often areas with little existing research and treatment options, means that forming a rare disease-focused company is a way of shining a light on this space and creating a roadmap to eventually developing a curative treatment.

→ Read more
Strategy in Action, page 27

Support

4

Support full lifecycle investment

A key part of our competitive advantage is the ability to determine at what point in a company's life cycle we should support the target asset or pipeline. As a full lifecycle investor, we can provide growth capital, creative financing solutions, capital markets expertise, or guidance through investing our time and sharing our collective experience as directors and stewards of tomorrow's most exciting and innovative companies. Taking a long-term full lifecycle approach and having a true evergreen structure enables us to avoid pitfalls of structural constraints of venture-only or public-only vehicles. Our focus is on becoming the best investors and company builders we can be, delivering exceptional results to shareholders and making a positive impact on patients' lives.

→ Read more
Strategy in Action, page 31

Identify transformational innovations

RTW focuses on identifying transformational innovations across the life sciences space, specifically backing scientific programs that have the potential to disrupt the prevailing standard of care in their respective disease areas.

AVIDITY BIOSCIENCES

NAV
4.3%
2020: 3.9%

Portfolio company ownership
<5%
2020: <5%

The need
It is estimated that about 40,000 Americans suffer from myotonic dystrophy, a rare genetic muscular dystrophy with no approved treatments.

Mission
Avidity is developing antibody oligonucleotide conjugate (AOC™) therapeutics, which combines the tissue selectivity of monoclonal antibodies and the precision of oligonucleotide-based therapeutics to overcome barriers to the delivery of oligonucleotides and target genetic drivers of disease.

Status
Avidity's lead program is in clinical trials for myotonic dystrophy (MD) and has discovery efforts underway to address additional diseases of the muscle.

Next milestone
Avidity is expected to share its preliminary Phase 1 clinical trial data for its lead program in myotonic dystrophy in H1 2022.

We believe the best way to create value is by solving unmet needs

As the global life sciences market experiences rapid growth, our strategic focus on addressing unmet patient needs has led to multiple opportunities for value creation.

Key Achievements	Key Statistics
Core portfolio companies **42** 2020: 22	Therapeutics **c.86%** 2020: c.80%
New companies added in 2021 **21** 2020: 15	Medtech **c.14%** 2020: c.20%
Therapeutic areas addressed by core portfolio **10** 2020: 9	Portfolio companies' pipeline products are in clinical stage programs **44/55** 2020: 25/33

Priorities for 2022

As we look ahead to 2022, based on the breadth of opportunities we have been seeing and continue to see, we expect our efforts will translate into further capital commitments. The past year has been very active, and we foresee continuing with a similar investing pace in 2022.

Primary areas of focus remain in genetic medicines, small molecule, antibody and next generation antibody therapies, rare diseases, targeted oncology, and medical technologies. We are excited by advancements we are witnessing in neurology, ophthalmology, immunology, muscular dystrophies, and cardiovascular and pulmonary diseases.

Link KPIs

- Diversified portfolio across multiple therapeutic areas, treatments modalities and geographies
- Active and robust pipeline

Link principal risks

- The Investment Manager relies on key personnel
- Portfolio Companies may be subject to litigation
- Clinical Development & Regulatory Risks
- COVID-19

Innovation Boom

We are living in an era where we are witnessing innovation accelerating at a breakneck speed with unparalleled opportunities for value creation.

The growth of new drug modalities has been dramatically accelerating. Whilst small molecules dominated drug development for over 30 years, antibodies and proteins grew quite gradually for about 20 years. Over the most recent decade the number of modalities has doubled, and furthermore in the first two years of this decade we added as many new modalities as in the previous ten years.

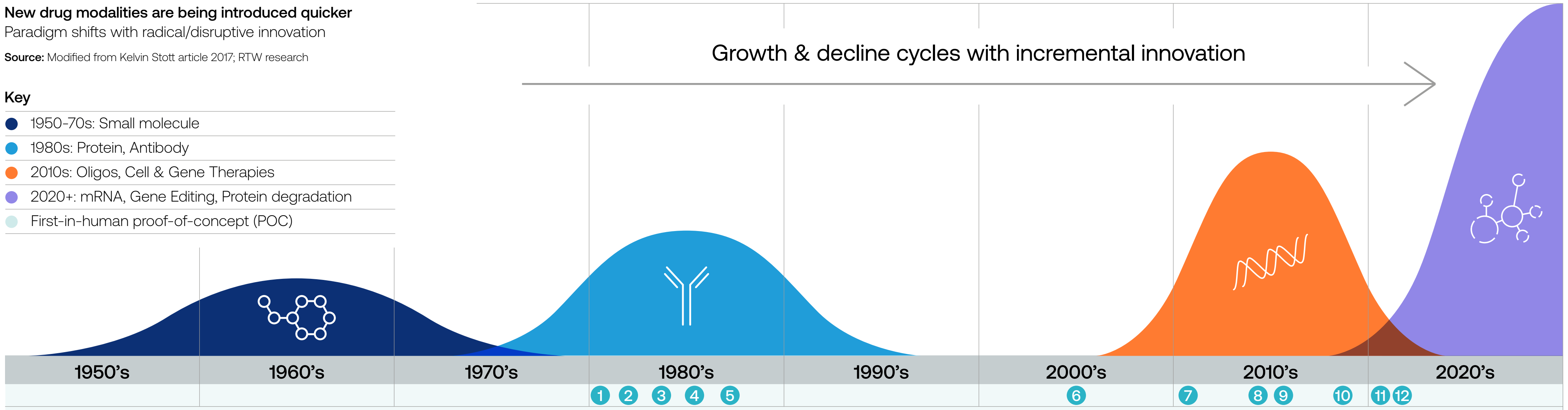
We are seeing validated technologies, such as those derived from DNA and RNA science, that can effectively deliver therapeutic solutions across large swaths of diseases, resulting in companies with highly efficient development engines.

We believe there is an opportunity to offer attractive risk-adjusted returns to shareholders by building companies that possess unique and heretofore unrecognized growth opportunities that will benefit by capitalization, proactive skilled management, and supportive and sustainable governance practices.

Cheap genetic information

Cheap genetic information has revolutionized the discovery process, which is yielding validated drug targets at an unprecedented rate. According to the National Human Genome Research Institute, the approximate cost to sequence a human genome fell to less than $1,000 in 2020. This reduction in cost has fuelled tremendous productivity. According to data from the United States Patent and Trademark Office, the number of drug patents has inflected upward since 2010, which is translating into more new drugs in company pipelines. Technological applications are also creating platforms of addressable diseases, increasing bandwidth, and enabling companies to target more diseases with superior scientific accuracy and safety profiles than in previous generations of drug development.

New drug modalities are being introduced quicker
Paradigm shifts with radical/disruptive innovation
Source: Modified from Kelvin Stott article 2017; RTW research



Lilly	Genentech	Johnson & Johnson	AMGEN	Alnylam	avexis	Kite	Pfizer / BioNTech / moderna	ARVINAS	Intellia
1 1980: Recombinant Insulin 3 1983: 1st Antibody-drug conjugate	2 1981: Recombinant Growth hormone	4 1985: 1st Monoclonal Antibody	5 1987: Recombinant EPO 6 2006: Bispecific antibody	7 2011: RNAi	8 2015: AAV Gene therapy	9 2015: CAR-T Cell therapy	10 2020: mRNA Vaccine	11 2020: Targeted Protein Degradation	12 2021: In Vivo Gene Editing

We bring together, lead, create, compel to action

Market leaders

Market valuation and growth

Although genetically validated targets can sometimes be addressed by existing traditional approaches, such as small molecules and antibodies, in specific tissues it is hard to beat the speed and ease in which DNA and RNA based medicines can be developed. Gene therapies also carry the potential for a one-time cure and RNA medicines for infrequent injections. The market for genetic medicine has been growing. According to Capital IQ, the cumulative market capitalization of the genetic medicine companies has increased from $9.4B at the end of 2014 to $202.8B by the end of 2021. Genetic medicine includes companies that use in vivo and ex vivo gene therapy, genetic editing, sRNA and mRNA based technologies to develop new treatments.

Looking at just 2021, the FDA approved 60 new drugs, topping last year's 59. Approvals by modality include: RNA for three, novel antibody technologies for three, and cell therapies for two. Additionally, mRNA firmly established itself as the preferred modality for COVID vaccines, and Intellia demonstrated human proof-of-concept for in vivo CRISPR, unlocking another new modality in the battle against disease.

Cumulative market capitalization of the genetic medicine companies as of 2021
$202.8b
2014: $9.4b

FDA new approved drugs in 2021
60
2020: 59

RTW's team is comprised of individuals with medical and advanced scientific training and legal and banking experience, enabling a deeply differentiated approach to research, idea generation and strategic investment.

JIXING

NAV

6.6%

2020: 1.3%

Portfolio company ownership

<10%

2020: <20%

The need

We formed JIXING in early 2020, borne out of a two-year study of innovation, biotechnology, and access to healthcare in China. JIXING is a Shanghai-based biotechnology company focused on the development and distribution of innovative US and European drugs in the Chinese market.

Mission

JIXING will leverage clinical development and commercial expertise in the United States and Europe to bring global innovative medicines to Chinese patients.

Status

JIXING's pipeline now includes five assets focused on cardiovascular and ophthalmology conditions with high unmet need through partnerships with Cytokinetics, Milestone, and Oyster Pharma.
RTW further capitalized JIXING by providing Series B and C funding.

Next catalyst

By working closely with the JIXING team we look to in-license additional late-clinical stage or commercial stage assets into its growing pipeline and provide further capital for business operation expansion.

→ Read more
Portfolio Review, page 40

Engaging in deep research and unlocking value

How we approach research and investment

We seek to identify biopharmaceutical and medical technology assets, ascertained through rigorous scientific analysis, that have a high probability of becoming commercially viable products and can significantly improve patients' lives.

Key Achievements

Medical conference meetings attended

147

2020: 115

Private investments

25

2020: 16

Key Statistics

Medical conference presentations attended

3,480

2020: 2,000

Poster presentations captured

6,500

2020: 3,400

Priorities for 2022

Continue expanding institutional data library and research coverage to track and source the most promising assets globally.

- Private investments deal pace in line with 2020–2021
- Two-thirds of the deals to be in mid-late stage venture and one-third in new company creation and early stage venture

Link KPIs

1 NAV growth
2 Total shareholder return
3 Premium/discount to NAV
4 Percent of NAV invested in core portfolio companies
5 Active and robust pipeline

Link principal risks

1 Failure to achieve investment objective
2 Counterparty Risk
3 The Investment Manager relies on key personnel
4 Portfolio Companies may be subject to litigation
5 Exposure to global political and economic risks
7 Imposition of pricing controls for clinical products and services

Accelerating the revolution in medicine

Leveraging RTW's research process for differentiated idea generation

Our competitive advantage is anchored in our internal idea generation process, which we have refined over the years. In our focus areas we aspire to achieve a level of research depth consistent with those making permanent capital decisions, which means we are generally comparing ourselves to the work done within large biotech and pharma companies. The process begins with attending over 100 medical meetings worldwide each year. Medical conferences are where all meaningful scientific data are first shared with the scientific community. Over the years we have built our institutional level database library, enhanced by technology and data science. This effort leads us to some of the most promising assets, where we then seek out the companies or academics behind the projects. Externally, we also generate ideas in traditional ways, too. We place high value on building long-term relationships with management teams and scientists, and enjoy working with our investment firm peers and other players in our community.

We like to use the analogy that we are organized much like a business development team at a large biotech company. Across our team we have doctors, scientists, and drug development expertise, along with bankers, lawyers and operators who can execute.

Our rigorous approach to deal sourcing involves deep research in areas of expertise

The research coverage is structured based on a modality (i.e. gene therapy, RNA medicine, small and large molecules, medtech) or a therapeutic area (i.e. rare disease, cancer, immunology, neurology) with a collaborative, consensus-building approach of gaining the most comprehensive knowledge, leading to conviction on the most likely transformational therapies.

We leverage our proprietary in-house research developed over fifteen years of operating in the life sciences sector. RTW has developed repeatable internal processes combining an institutional data library, technology, and manpower to comprehensively cover critical drivers of innovation.

Work with management teams and syndicate partners

We believe in developing long-term relationships with great entrepreneurs and scientists who are as passionate about medicine as we are, and working closely with our peers to support companies at any stage of their lifecycle.

Actively engaging our wide network of doctors, academics and universities for promising new academic work. We continue to cultivate relationships with entrepreneurs, principal investigators, and academic institutions to allow for a wide range of intelligence gathering of investment opportunities.

Figure 1.
Leveraging RTW's research process for differentiated idea genration

Worldwide medical meetings
100+ per year

Proprietary data science & genetics research efforts
Bioinformatics

Collaborative & iterative in-house research
15 year old library

Dialogue with entrepreneurs & academics
300+ meetings per year

Deep ongoing due diligence
100+ per year

Syndicate partner deal flow
50+ per year

Deal flow from capital markets
15 year old library

Dialogue with management teams
1,000+ per year

Only the best investment ideas
Private and public

Key

- Internal idea generation
- External idea generation
- Combined idea generation

An investment strategy built for the future

The well-roundedness of the RTW team, strengthened by strong ties across industry, academia and banking platforms, gives it the ability to source viable prospective target businesses, capitalise them, and ensure public-market readiness.

1 Identify an area of transformational innovation

We have developed expertise through our comprehensive study of industry and academic efforts in targeted areas of significant innovation. We distill opportunities across healthcare through three distinct lenses: disease areas, scientific technologies, and genetic analysis.

2 Identify value and assets that answer the unmet need

We apply a rigorous approach to idea screening, analysis, and capital commitment. The process starts with the careful tracking of transformational events. Examples of such events include clinical data, regulatory decisions, product launches, competitive entrants, intellectual property disputes, industry transformations, distressed situations, and corporate change. Our analytical approach incorporates the study of historical data gathered from scientific literature, regulatory agencies, medical meetings, management teams, and internal expertise.

3 Select assets with high odds of becoming approved therapies

We assign probabilities to various outcomes and use conservative valuation techniques to assign valuations to the various scenarios.

4 Identify how RTW can maximize value

Opportunities for financial engineering or active involvement are also considered, such as royalties, SPACs, structured deals, distress financing, and company formation.

Build new companies around promising academic licenses

RTW engages in new company formation around promising academic licenses. We are well-placed to offer support to early-stage life sciences companies and NewCos. RTW's business and operations teams consist of members with financial, capital markets, legal, regulatory, tax, and accounting expertise and enforces a strong compliance culture.

rocket pharma

NAV

13.3%

2020: 41.1%

Portfolio company ownership

<5%

2020: <5%

The need

Rocket is a clinical-stage platform biotechnology company advancing an integrated and sustainable pipeline of genetic therapies for rare childhood disorders.

Mission

Rocket's mission is to develop first-in-class and best-in-class, curative gene therapies for patients with devastating diseases. Rocket was born out of a year-long study in gene therapy. In late 2015, Rocket was formed around a single academic license from a European academic institution. RTW helped Rocket hire a world-class management team, including CEO Dr. Gaurav Shah and COO Kinnari Patel, and continued to identify additional targets and licensed four more academic programs.

Status

Five products are in clinical trials (2020: five)
Two programs in registration-enabling Phase 2 (2020: one).

Medium-term milestones

First global submission
Platform and pipeline expansion.

→ Read more
Portfolio Review, page 38

How we build new companies

RTW's business and operations teams consist of members with financial, capital markets, legal, regulatory, tax, and accounting expertise and enforces a strong compliance culture.

Key Achievements

New company creation
1
2020: 1

In-licensing deals for JIXING and Yarrow
4
2020: 1

Funding rounds backed by RTW in JIXING and Yarrow in 2021
3
2020: 1

Key Statistics

In depth study of China biotech sector before newco creation
2 years

Longstanding expertise in genetic diseases and oligotherapeutics
10+ years

Total newco creations
3

Priorities for 2022

Continue due diligence efforts to in-license additional assets into JIXING and Yarrow pipeline.

Start a new company creation in the UK.

Link KPIs

Diversified portfolio across multiple therapeutic areas, treatments modalities and geographies

Link principal risks

The Investment Manager relies on key personnel

We leverage collective genius

We leverage our proprietary "data-first" research process to source the highest quality assets across the US, UK, and Europe, and complement the scientific rigour with years of financial investment, company building, and transactional expertise. RTW has a world class infrastructure for supporting new company creation. Because we have always made exciting assets the driver of what we work on, over the years we developed the skills and brought in the talent needed to support companies regardless of stage. This has made its way into our own firm DNA, and most of us actually enjoy being creative on the business side nearly as much as we enjoy science.

Our research approach is collaborative and consensus-based, led by the team with industry and academic backgrounds, which sets the tone for exceptional research. We believe that true value creation takes time and solving for patients' unmet needs endures volatile markets.

We have expanded our new ventures team with experienced venture capitalists and drug developers, as well as capabilities in data science technology to enhance data management. Our business team, complemented by experienced investment bankers and ex consultants, focuses on building targeted academic relationships in areas of high yield science, managing the capital markets process and syndicate building, and becoming a thought leader in the broader healthcare ecosystem.

Core portfolio companies added in 2021
21
2020: 15

Core portfolio businesses supported in 2021
24
2020: 22

Innovative science that gives hope to transform the lives of millions

The US Market:
RTW has a core focus on the US, with deep coverage of opportunities from academia to mid-size public companies. The US Portfolio Companies reflect a larger pool of opportunities created by the most robust venture and capital markets ecosystem.

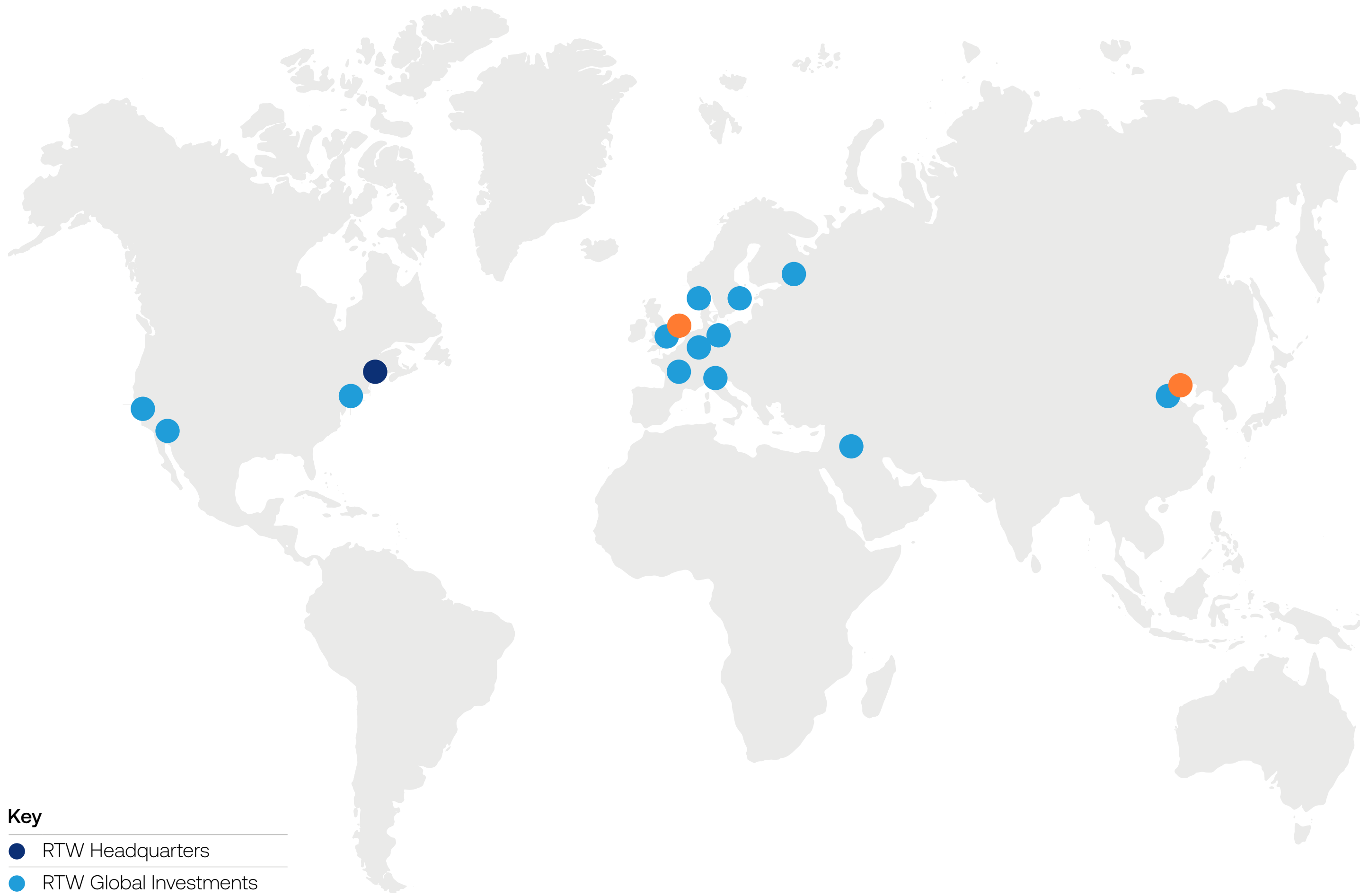
What this means for investors:
- access to a robust pool of private and public opportunities
- access to venture and capital markets that support innovation

The UK & European Market:
RTW has identified and invested in exceptional British and European scientific assets. It wishes to contribute to these biotech ecosystems by injecting capital where needed. It intends to engage in NewCo creation around promising early-stage assets by partnering with universities and in-licensing academic programs as well as through its proprietary in-house efforts; and providing financial and human capital to entrepreneurs to advance scientific programs in development.

What this means for investors:
- access to cutting edge research labs and academic knowledge
- access to much greater breadth of science and opportunity
- participation in value creation in local biotech ecosystem

The China Market:
RTW plans to capture commercialization opportunities in China by investing across the venture capital lifecycle from new company formation to IPO to bringing successful innovative Western drugs to Chinese patients.

What this means for investors:
- access to Chinese budding biotech market, innovation and expertise
- an opportunity to establish themselves in a new market with the scope for significant growth



Key
- RTW Headquarters
- RTW Global Investments
- RTW Future offices

Drug development is not a linear process. There are advancements and setbacks and we are structured to maximize value creation at any point beginning with company creation to late stage venture and into publicly traded markets. We let the fundamentals and not market movements dictate our investment.

IMMUNOCORE

NAV

2.9%

2020: 1.7%

Portfolio company ownership

<1%

2020: <1%

The need

Immunocore is a UK-based publicly traded biotechnology pioneering the development of a novel class of T-cell receptor (TCR) bispecific immunotherapies designed to treat a broad range of diseases, including cancer, infectious and autoimmune disease. Immunocore originated with the Investment Manager as a private company when RTW participated in a $320M Series A round in July 2015, subsequently supporting Immunocore in Series B and C rounds, as well as through its IPO in February 2021.

Mission

Immunocore is developing tebentafusp, a novel bispecific T cell receptor (TCR) therapy for uveal melanoma, a rare and aggressive form of melanoma that affects the eye.

In addition, the company is advancing ImmTAX, its proprietary platform technology of bispecific molecules that have the potential to overcome the limitations of the natural immune system allowing a patient's own T cells to recognise and kill the infected or cancerous cells via an immune activating effector function.

Status

Tebentafusp was in registrational status as YE 2021 and approved in January 2022.
Four additional programs in clinic: two Phase 1 trials in oncology and two Phase 1 trials in infectious disease (Hepatitis B and HIV).

Next catalyst

Kimmtrak (tebentafusp), a first-in-class TCR therapy, received FDA approval for uveal melanoma in January 2022.

Support investments through the lifecycle

How we support companies through the lifecycle

We are full life cycle investors supporting scientists and entrepreneurs at any stage where we identify opportunity, from academic programs in need of industry sponsorship all the way to mature publicly traded companies.

Key Achievements

Number of portfolio company IPOs
9
2020: 6

Together NAV contribution
8%
2020: 15%

Key Statistics

Average step-up from the time of investment to IPO
1.9x
2020: 1.8x

NAV in aggregate of 9 (2020: 5) portfolio companies where we have a board seat
c.30%
2020: c.48%

Priorities for 2022

Continue supporting existing portfolio companies based on their capital needs, as well as continue expanding our creative financial solutions tool kit.

Link KPIs

- Percent of NAV invested in core portfolio companies
- Diversified portfolio across multiple therapeutic areas, treatments modalities and geographies

Link principal risks

- Exposure to global political and economic risks

Progressing research to innovation to reality through collaboration, excellence and consensus

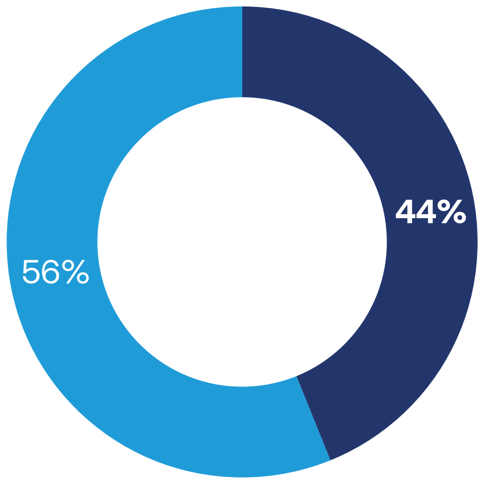
We support companies through the ups and downs of the often challenging journey to bring therapies to patients.

True value realization from transformative products takes time, and in order to capture that value, it is critical to be involved and invested in such companies throughout the various stages of their development and ultimately distribution to patients. Scientific development rarely follows a linear path and nor do we, which is why we are always thinking about the optimal way to support a company.

As a full-life cycle investor, RTW has achieved multiple successful transaction milestones and provided creative financial solutions, including successfully creating new companies around academic licenses, supporting those companies along the life cycle by taking them public through reverse mergers, recapitalizations, SPACs, and offering royalty-backed funding.

RTW has earned a constructive reputation of being deeply knowledgeable in science, supportive to entrepreneurs and aligned with the companies for the long term, until the maximum value of those underlying assets can be achieved. This has become an earned privilege for us.

44% of portfolio companies have progressed to the next stage of their clinical trials in 2021.



Clinical trial progress
- Progressed
- Same stage

*excludes commercial stage portfolio companies and companies added in 2021.

Clinical stages of the portfolio companies (based on the most advanced program)

Modality	Company Name	Disease / Tx Area	Preclinical	Phase 1	Phase 2	Phase 3	Registrational	Commercial
Genetic Medicine								
	Rocket	Rare disease						
	Avidity	Rare disease						
	Encoded	Rare disease						
	Tenaya	Cardiovascular						
	Yarrow	Rare disease						
	Alcyone	Rare disease						
Antibody								
	Immunocore	Oncology						
	iTeos	Oncology						
	Prometheus	Inflammation						
	Ventyx	Autoimmune						
	Numab	Oncology						
	Pyxis	Oncology						
Cell therapy								
	Artiva	Oncology						
	Kyverna	Autoimmune						
	Umoja	Oncology						
Targeted protein degradation								
	C4	Oncology						
	Monte Rosa	Oncology						
	Lycia	Inflammatory						
Medtech and Diagnostics								
	Pulmonx	Pulmonary						
	InBrace	Orthodontic						
	Magnolia	Sepsis (inflammatory)						
	Beta Bionics	Type 1 Diabetes						
	Orchestra	Cardiovascular						
	Ancora	Cardiovascular						
	Prometheus labs	Inflammation						
Spec Pharma								
	Nuance	Iron deficiency						
Small molecule								
	JIXING	Cardiovascular						
	Milestone	Cardiovascular						
	Tarsus	Ophthalmology						
	Athira	Neurology						
	Landos	Autoimmune						
	Visus	Ophthalmology						
	GH Research	Neurology						
	Neurogastrx	GI						
	Cincor	Cardiovascular						
	Acelyrin	Inflammatory						
	Nikang	Oncology						
	Biomea	Oncology						
	Artios	Oncology						
	Third Harmonic Bio	Autoimmune						

A business model built for the future

Transformational innovations

Our long-term strategy is anchored in identifying sources of transformational innovations by engaging in a deep scientific research and rigorous idea generation process, which is complemented with years of financial investment, company building, transactional, and legal expertise.

→ Read more
Portfolio Review, pages 38 – 42

What we need to create value

Experienced team

A collaborative team of doctors, academics, drug developers, coupled with seasoned venture capitalists, investment bankers, lawyers and operators with a strong compliance culture.

Deep scientific expertise

We developed repeatable internal processes combining technology and manpower to comprehensively cover critical drivers of innovation globally to identify biopharmaceutical and medical technology assets that have a high probability of becoming commercially viable products and can dramatically change the course of treatment outcomes to patients.

Full life cycle investing

Taking a long-term full lifecycle approach and having a true evergreen structure enables us to avoid pitfalls of structural constraints of venture-only or public-only vehicles.

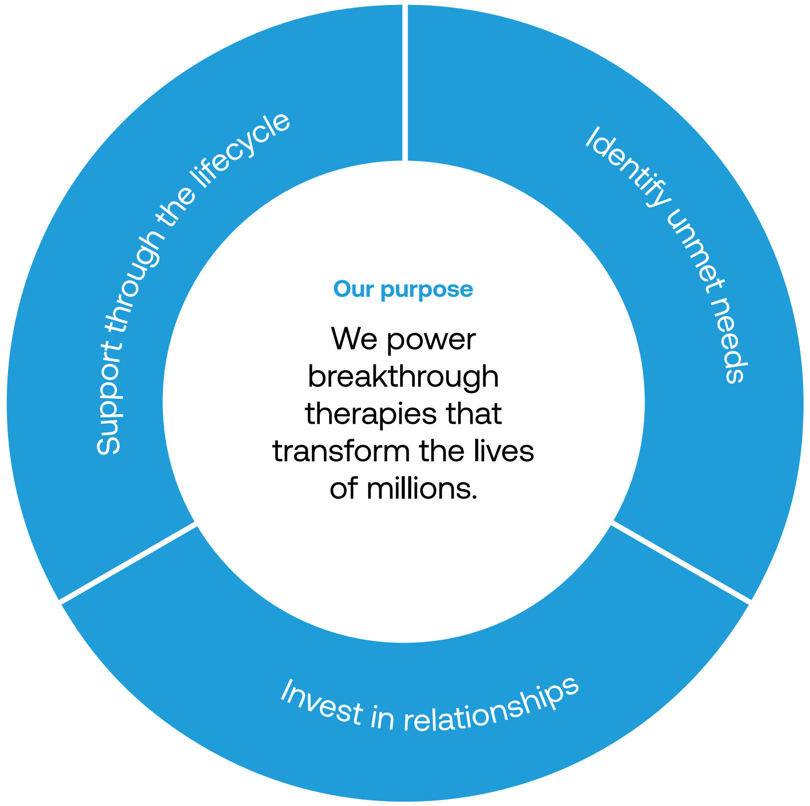
Global reach

Our priority is to unlock value by advancing early-stage scientific development and delivering innovative therapies to patients in need.

How we create value

Our purpose drives everything we do

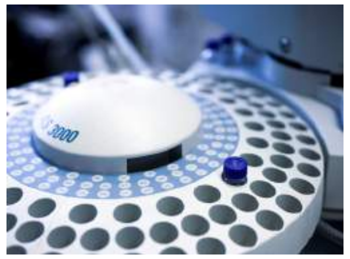
Identify transformative assets with high growth potential across the biopharmaceutical and medical technology sectors. Driven by our deep scientific understanding and a long-term approach to supporting innovative businesses, we invest in companies developing next-generation therapies and technologies that can significantly improve patients' lives.



Invest in relationships

We focus on identifying transformational innovations and unmet needs across the life sciences space, specifically backing scientific programs that have the potential to disrupt the prevailing standard of care in their respective disease areas.

→ Read more
Strategy in Action, page 18



Deep scientific expertise

We believe in developing long-term relationships with great entrepreneurs and scientists who are as passionate about medicine as we are, and working closely with our peers to support companies at any stage of their lifecycle.

→ Read more
Strategy in Action, page 22

Support through the lifecycle

A key part of our competitive advantage is the ability to determine at what point in a company's life cycle we should support the target asset or pipeline. As a full-life cycle investor, we can provide growth capital, creative financing solution, capital markets expertise, or guidance through investing our time and sharing our collective experience as directors and stewards of tomorrow's most exciting and disruptive companies.

→ Read more
Strategy in Action, page 30

Value creation

Patient benefits

Innovation is the best medicine. We believe solving unmet patients' needs is the best way to create value.

RTW's top 10 most successful investments since inception commercialized 10 drugs

10

Shareholder

Privileged access to private markets and bespoke negotiated opportunities.

Total shareholder return since inception

71%

2020: 81%

Portfolio companies

We support teams trying to solve the inevitable setbacks that occur when introducing a first in class or disruptive therapy.

66% NAV deployed into 42 core portfolio companies

66%/42

2020: 69% (2020: 22)

RTW Charitable Foundation

Founded as the charitable foundation arm of RTW, RTWCF partners with organizations conducting disease research and championing humanitarian causes.

Number of rare disease grants awarded across 6 countries

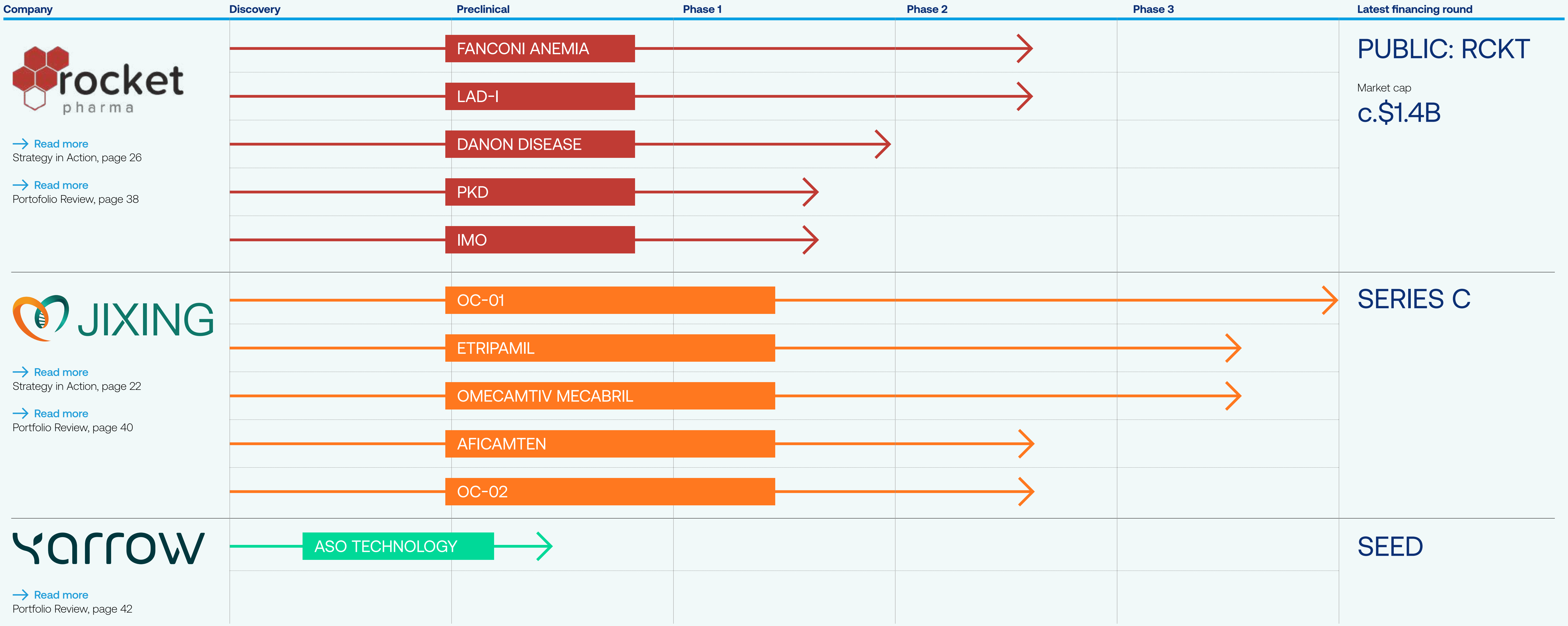
9

Number of community organizations and research partners have been supported in responding to COVID needs in New York City

12

Realising world-changing possibilities

Pipeline progress



Read more
Strategy in Action, page 26

Read more
Portofolio Review, page 38

Read more
Strategy in Action, page 22

Read more
Portfolio Review, page 40

Read more
Portfolio Review, page 42

Rocket's pipeline is comprised of first-in-class gene therapies that incorporate both adeno-associated viral vector (AAV) and lentiviral vector (LVV) approaches to gene therapy. They are platform agnostic and choose each program's gene therapy platform based on what is most practical for the disorder being targeted.

rocket pharma

The need

Rocket is a clinical-stage company advancing an integrated and sustainable pipeline of genetic therapies for rare childhood disorders.

Mission

Rocket's mission is to develop first-in-class and best-in-class, curative gene therapies for patients with devastating diseases.

Status

– Five programs are in the clinical trials
– Two programs in registration-enabling Phase 2

Medium-term milestones

– First global submission
– Platform and pipeline expansion

Seeking gene therapy cures

Identifying unmet patient need

We seek to invest and build companies developing transformative therapies. Thanks to genome, disruptive innovation of new modular technologies, such as RNA medicine and gene therapy, can addressed undruggable before by older modalities like small molecules and antibodies.

Forming and building Rocket

Rocket was born out of more than a year-long study in gene therapy. In late 2015, Rocket was formed around a single academic license from a European academic institution. RTW hired a world-class management team, including CEO Dr. Gaurav Shah, COO Kinnari Patel, and CMO Dr. Jonathan Schwartz, and continued to identify additional targets and licensed four more academic programs.

Supporting Rocket through the lifecycle

RTW completed two private financings, syndicating both the Series A and Series B rounds, and took Rocket public through a reverse merger in January 2018. We believe opportunities exist to license additional gene therapy academic assets into the Rocket pipeline in the future. In addition to our board representation in the company, Rocket's generous pipeline diversification of now five clinical programs creates an attractive risk reward opportunity, giving us comfort in owning an outsized position in the company.

Developing first in class gene therapies

Five of Rocket's clinical programs include four lentiviral vector-based gene therapies for the treatment of:

– Fanconi Anemia, a difficult to treat genetic disease that leads to bone marrow failure and potentially cancer;
– Leukocyte Adhesion Deficiency-I, a rare genetic disorder of immunodeficiency in young children;
– Pyruvate Kinase Deficiency, a rare genetic disorder affecting red blood cells;
– Infantile Malignant Osteopetrosis, a rare, severe monogenic bone resorption disorder characterized by skeletal deformities, neurologic abnormalities and bone marrow failure;
– and an adeno-associated virus-based gene therapy for Danon disease, a devastating, paediatric heart failure condition.

Rocket's goal is to have all five clinical programs become approved first-in-class gene therapies. The company is aspiring to become the next "Genentech of gene therapy" and we are looking forward to supporting them on this journey.

Market cap 2021
$1.4B
2020: $3.5B

NAV invested
13.3%
2020: 41.1%

Portfolio company ownership
<5%
2020: <5%

Link to strategy
1 2 3 4

Rocket's pipeline is comprised of first-in-class gene therapies for rare and devastating, inherited genetic diseases

Program (Preclinical / Phase 1 / Phase 2/Pivotal)	Disease area	Catalyst
RP-L102	Fanconi Anemia (LVV)	Q3 2022
RP-A201	Leukocyte Adhesion Deficiency-I (LVV)	Q2 2022
RP-A501	Danon Disease (AAV)	H2 2022
RP-L301	Pyruvate Kinase Deficiency (LVV)	H2 2022
RP-L401	Infantile Malignant Osteopetrosis (LVV)	TBD

JIXING is a leading biotechnology company committed to bringing innovative science and medicines to underserved patients in China.

JIXING

The need

We formed JIXING in early 2020, borne out of a two-year study of innovation, biotechnology, and access to healthcare in China. JIXING is a leading biotechnology company headquartered in Shanghai committed to bringing innovative science and medicines to underserved Chinese patients with serious and life-threatening diseases.

Mission

Backed by RTW, JIXING partners with global biotechnology companies to develop and commercialize novel, innovative therapeutics to treat unmet medical needs in cardiovascular and ophthalmic diseases. With a strong and further developing asset pipeline, industry leading talent, and patient-centric focus, JIXING is dedicated to delivering a meaningful and lasting impact on patients in Greater China.

Status

JIXING's pipeline now includes 5 assets focused on cardiovascular and ophthalmology conditions with high unmet need through partnerships with Cytokinetics, Milestone, and Oyster Pharma. RTW further capitalized JIXING by providing a Series B and C funding.

Named Joseph Romanelli, a former President of Merck's operations in China and a 25-year pharmaceutical industry veteran, as a new CEO of JIXING.

Next catalyst

By working closely with the JIXING team we look to in-license additional late-clinical stage or commercial stage assets into its growing pipeline and provide further capital for business operation expansion.

Disruptive science, driven by heart

Assets*	Indications	Pre-clinical	Phase 1	Phase 2	Phase 3	Approval
Cardiovascular						
Omecamtiv Mecarbil (cardiac myosin activator)	HFrEF				China participated in the Global multi-center Ph3 Studies	
					Global multi-center Ph3 Studies (GALACTIC-HF) Completed	
Aficamten (formerly CK274) (cardiac myosin inhibitor)	oHCM				Ph1 Completed | Joining Global Ph3 in Q2 2022	
					Ph2 REDWOOD-HCM (dataset released) | To start global Ph3 in Q1 2022	
	nHCM			To be initiated		
				Ph2 to be Initiated in early 2022		
	HFpEF			To be initiated		
				Ph2 to be Initiated in early 2022		
Etripamil Nasal Spray (short-acting calcium channel blocker)	PSVT				Initiate Ph3 and parallel PK Study in 2H 2022	
					Ph3 completion in Q3 2022	
	Atrial fibrillation (AFib)			To be initiated		
				Ph2 Initiated in Q2 2021		
Ophthalmology						
Tyrvaya Nasal Spray (nAChR agonist in preservative-free formulation)	Dry eye disease				Initiate Ph3 and parallel Ph1 Study in 2H 2022	
						FDA Approval recieved October 2021
OC-02 Nasal Spray (nAChR agonist)	Dry eye disease				Initiate Ph3 and parallel Ph1 Study in 1H 2024	
					Ph2b Studies Completed	

China studies conducted by JIXING
Global studies conducted by partner

*JIXING has exclusive Greater China rights

Latest funding round in 2021
Series C
2020: Series A

NAV invested
6.6%
2020: 1.3%

Portfolio company ownership
<10%
2020: <20%

Pipeline assets in 2021
5
2020: 1

Link to strategy
1 2 3 4

Yarrow is an RTW-incubated company developing antisense oligonucleotide (ASO) therapeutics for severe, genetically defined CNS diseases.

The need
There are 100+ genetically-defined CNS diseases tractable antisense with oligonucleotide (ASO) therapeutics. However, only 7 monogenic CNS diseases have ASOs in development or approved. Genetically-defined CNS diseases provide a vast opportunity for new, innovative ASO therapeutics.

Mission
Yarrow is developing ASO therapeutics for severe, genetically defined CNS diseases. Yarrow was founded and incubated by RTW team in New York and is rooted in the firm's longstanding expertise and commitment to solving genetic diseases and oligotherapeutics.

Status
Yarow in-licenced its first ASO asset from ProQR. RTW capitalized Yarrow by providing seed funding.

Next milestone
By working closely with the Yarrow team, we look to expand Yarrow's internal R&D capabilities, in-licence additional assets into the growing pipeline and further capitalize its business and team expansion.

Recent advances have enabled and derisked development of ASO therapeutics for CNS diseases. Next generation sequencing has improved diagnosis and patient pool access. Whilst fundamental understanding of CNS biology has made big strides thanks to improved sequencing, biochemistry, and imaging techniques, allowing the deciphering of molecular mechanisms that cause a disease. Furthermore, improved potency and performance through widened medicinal chemistry repertoire and better molecular understanding, as well as and increases number of tractable CNS genetic targets resulted in substantial improvements in ASO therapeutics design.

Latest funding round in 2021
Seed

NAV invested
0.1%

Portfolio company ownership
<5%

Pipeline assets in 2021
1

Link to strategy
1 2 3 4

Opening up unrealised potential

Operational and Financial Review for the year

Market Capitalisation
The Company's market capitalisation grew from U$360 million to US$378 million during year. This was driven by equity issuance and offset by a decline in the Company's share price.

Ordinary NAV
The Ordinary NAV of the Company declined from US$375.3 million to US$363.0 million during the year. The main driver of the decline was the share price performance of publicly-listed portfolio companies, this was partially offset by issuance of 20.9m shares.

NAV Per Ordinary Share
The 12.8% decline in NAV per Ordinary Share was primarily driven by the performance of Rocket share price and the Company's other public portfolio companies. There was also a small positive contribution of approximately 1% from equity issuance at a premium to NAV during the year and a reduction in the performance allocation accrual.

Premium / Discount
The Company's shares traded on average c. 10% premium due to market demand during the reporting period. At the year end, the Company's Ordinary Shares were trading at a 4.1% premium to NAV (2020: 4.1% discount to NAV). The Company's NAV for December 2020 moved sharply higher but was reported in January 2021 resulting in the shares trading at a discount to the unpublished December NAV in December 2020 and recovering to a premium to the published December 2020 NAV during 2021.

Total Return to Shareholders Based on Ordinary NAV
As the Company has not paid dividends, the negative total return for the year of -12.8% (2020: +54.3%) equates to the decline in NAV per Ordinary Share. There was no performance allocation triggered during the reporting period as the total shareholder return based on ordinary NAV movements was negative.

Total Return to Shareholders Based on Share Price
The negative share price return of -5.3% in the year compared to the NAV movement of -12.8% was the result of the Company's shares moving from a discount to a premium. Nevertheless, the Company's shares traded at a premium to NAV throughout the majority of the period.

Ongoing Charges
The Company's ongoing charges ratio is 1.78%, calculated in accordance with the AIC recommended methodology, which excludes non-recurring costs and uses the average NAV in its calculation.

→ Read more
Our Long Term Strategy, page 16

→ Read more
Principal and Emerging Risks and Uncertainties, page 48

Key Statistics

Market Capitalisation as of 31 Dec 2021
$378M
2020: $360M

Ordinary NAV as of 31 Dec 2021
$363M
2020: $375.3M

Premium to NAV as of 31 Dec 2021
4.1%
2020: -4.1%

Ongoing charges as of 31 Dec 2021
1.78%
2020: 2.10%

Our Key Performance Indicators

The Board has identified the following indicators for assessing the Company's annual performance in meeting its objectives:

Link strategy

1. Identifying
2. Engaging
3. Building
4. Supporting

Read more
Our Long Term Strategy, page 16

Link principal risks

1. Failure to achieve investment objective
2. Clinical Development & Regulatory Risks
3. The Investment Manager relies on key personnel
4. NAV growth and performance drivers
5. Exposure to global political and economic risks
6. Clinical Development & Regulatory Risks
7. Imposition of pricing controls
8. Impact of COVID-19

Read more
Principal and Emerging Risks and Uncertainties, page 48

Strategic priority	Our performance	Progress	Future intent
Financial KPIs **1. NAV Growth** Relevant strategy: 1 2 3 4 Relevant principal risks and uncertainties: 1 5 6 8	– Includes performance of the portfolio companies and cash management strategy – Net of all fees and costs **Key factors** – Portfolio performance and progression through clinical trials – Cash management – Capital pool and deployment – Scientific and financial risks	12.8% Ordinary NAV decline during the reporting period driven largely by public companies' share price performance	– Achieve superior long-term capital appreciation; targeting an annualized total return of 20% over the medium term
2. Total shareholder return Relevant strategy: 1 2 3 4 Relevant principal risks and uncertainties: 1 4 5 6 8	– Indicates performance of delivering value to the shareholders **Key factors** – Portfolio performance – Liquidity of RTW.L shares – General market sentimen	(5.3)% return during the reporting period (US$1.88 to US$1.78 price per share)	– Achieve superior long-term capital appreciation; targeting an annualized total return of 20% over the medium term
3. Premium/discount to NAV Relevant strategy: 1 2 3 4 Relevant principal risks and uncertainties: 1 4 5	– Indicates the level of supply and demand for the Company's shares **Key factors** – Portfolio performance – Liquidity of company's shares – Governance	The Company traded at an average premium of c.10% to NAV during the year.	– Achieve superior long-term capital appreciation; targeting an annualized total return of 20% over the medium term

Strategic priority	Our performance	Progress	Future intent
Financial KPIs **4. Percent of NAV invested in core portfolio companies** Relevant strategy: 1 2 3 4 Relevant principal risks and uncertainties: 2 3 5 8	– Indicates level of capital deployment into core portfolio companies **Key factors** – Level of capital deployment and investment pace, as well as funds availability to be deployed into new portfolio companies or for follow-on investments into existing portfolio companies	More than 2 /3 of the NAV capital deployed into core portfolio companies	– Identify transformative assets with high growth potential across the biopharmaceutical and medical technology sectors
Non-financial KPIs **5. Diversified portfolio across geographies and therapeutic modalities** Relevant strategy: 1 2 3 4 Relevant principal risks and uncertainties: 2 5	– Measures Company's commitment to invest in the best-in-class science and innovative assets worldwide **Key factors** – Continue to diversify within life sciences sector, looking for opportunities globally and also support local biotech ecosystems	Portfolio companies' focus spans across multiple therapeutic areas, treatment modalities and geographies:	– Progress investing and supporting companies developing next generation therapies and technologies that can significantly improve patients' lives
6. Active and robust pipeline Relevant strategy: 1 2 3 4 Relevant principal risks and uncertainties: 2 5 7 8	– Delivers transformational new treatments and medical devices to patients in need **Key factors** – Balance and breadth of the pipeline across all clinical stages – Data readouts and progress through multiple clinical stages – Commercial opportunity and competitive landscape	44/55 programs are in clinical stage capturing a spectrum of early-stage Phase 1 to late stage Pivotal	– Progress towards delivering transformational treatments to patients in areas of high unmet need

Planning for future growth

Our long-term strategy is anchored in identifying transformative assets with high growth potential across the biopharmaceutical and medical technology sectors.

Driven by our deep scientific understanding and a long-term approach to supporting innovative businesses, we invest in companies developing next-generation therapies and technologies that can significantly improve patients' lives. With this significant opportunity also come the risk.

Our risk framework is overseen by the Audit Committee under delegation from the Board. Everyone participates in managing the risks, including the Board, the RTW team, the Company's other advisers, and our portfolio companies.

Risk framework

Our risk framework begins with the Board, where the Board defines risk appetite, oversees the process to ensure a robust assessment of principal risks, considers the key risks and potential future risks, and receives an update at each Board meeting. A risk register is maintained that sets out our principal risks and risk appetite. The RTW team is responsible for day-to-day operation and oversight of the risk framework. The RTW team has a culture of transparency, ensuring that any developments are shared and addressed effectively with the benefit of input from the whole team, and reported to the Board where appropriate. We rely on having highly experienced personnel to support and manage issues as they arise.

The Audit Committee oversees and monitors the risk framework, including reviewing the risk register to ensure it properly captures the principal risks, overseeing the framework for identifying risks (including potential future risks), reviewing the ongoing operation and effectiveness of our control environment to manage the principal risks we face on an annual basis, and ensuring that any actions identified are taken forward by the RTW team. This review process provides a focus to drive continuous improvement in our risk processes.

Risk management structure

Board of Directors
Risk management leadership; risk appetite

Audit Committee
Review and monitor the risk framework

RTW Team
Risk management is integral to the investment process and financial management Implementing and monitoring risk controls; risk reporting

Other advisers
Risk identification; risk reporting

Portfolio companies' management teams
Risk identification and mitigation

Identifying principal risks

We evaluate our principal risks on an ongoing basis and using both top-down and bottom-up inputs. We also continuously assess for future risks that could have a potential impact. During the year the Board and the Investment Manager had ongoing discussions and reviews to consider the current and potential risks of the Company. We were pleased that our principal risks substantially capture our key strategic risks to the success of our business model. The discussions also generated insights into a range of potential emerging risks and has helped to focus attention on additional areas for monitoring by the Board and the Investment Manager.

The RTW team carries out a bottom-up review, considering each of our life science companies and our internal operations, both as a specific exercise and on an ongoing basis through our regular monitoring of our portfolio companies. In doing this we draw on the underlying assessments by the management teams of each of our life science companies. These inputs are brought together in our risk register, which is reviewed by the Audit Committee in detail each year. The principal risks identified by the Board are set out on pages 48 to 49. These have not substantially changed in the last year. The Board also monitors future risks that may arise, including: the longer-term risks of changes to US pharmaceutical drug pricing; US FDA productivity and impact of the COVID-19 pandemic; and potential long-term impact of the COVID-19 pandemic on the biotech sector and portfolio companies.

Risk appetite

The Board is willing to accept a level of risk in managing our business to achieve our strategic goals. As part of the risk framework, the Board reviews the risk appetite in relation to each of the principal risks, and monitors the actual risk against that. Where a risk is approaching or outside the target risk, the Board will consider the actions being taken to manage the risks. The Audit Committee this year carried out a detailed review of the defined risk types, to ensure it continues to reflect the understanding of the Board and accurately reflected the risks we take. Following that review the Audit Committee recommended to the Board that the risk appetite remained appropriate, and the Board has accepted that recommendation.

Principal and Emerging Risks and Uncertainties

Under the FCA's Disclosure Guidance and Transparency Rules the Directors are required to identify the material risks to which the Company is exposed, and the steps taken to mitigate those risks.

The Company has five categories of risks in its risk register namely:

- **Investment Risks**
- **Operational Risks**
- **Governance/Reputational Risks**
- **External Risks**
- **Emerging Risks**

Risk type	Risk description	Risk control measure
Investment **1. Failure to achieve investment objective**	The Company's target return on net assets is not guaranteed and may not be achieved.	The Board will monitor and supervise the Company's performance, compared to the target return, similar investment funds and broader market conditions. Where performance is unsatisfactory, the Board will discuss the appropriate response with the Investment Manager.
Operational **2. Counterparty Risk**	The Company has the potential to be exposed to the creditworthiness of trading counterparties in OTC derivatives contracts, its prime broker in the event of re-hypothecation of its investments and any counterparty where collateral or cash margin is provided or where cash is deposited in the normal course of business.	The Company uses Goldman Sachs, Morgan Stanley and Bank of America Merrill Lynch as prime brokers and Cowen, UBS, Bank of America Merrill Lynch, Goldman Sachs, and Morgan Stanley as ISDA counterparties. To monitor counter party risk, the Investment Manager monitors fluctuations in share prices, percentage changes in daily, monthly, and annual 5-year CDS spreads and S&P credit ratings. If a share price moves up or down in excess of 20%, the trader at the Investment Manager is alerted immediately. In case of an alert, the trader notifies RTW's Chief Compliance Officer. There has been no disruption in operations with the Company's counterparties to date. The Company's bankers are an offshore branch of Barclays Bank PLC and are also included in the Investment Manager's CDS monitoring program.
Governance/ reputational **3. The Investment Manager relies on key personnel**	The Investment Manager relies on the founder of RTW, Roderick Wong M.D. and has a growing team. Roderick Wong is a key figure at the Investment Manager and will be extensively involved in investment decisions.	In the event that Roderick Wong was to no longer work for the Investment Manager or was incapacitated, the Board is able to terminate the Investment Management Agreement within 180 days if a suitable replacement has not been found and would consider whether it was appropriate to wind up the Company and return capital to shareholders, or to appoint a new Investment Manager.
4. Portfolio Companies may be subject to litigation	Portfolio Companies may be subject to product liability claims. Such liability claims would have a direct financial impact and may impact market acceptance even if ultimately rebutted.	The Investment Manager's due diligence process includes considering the risk that innovative therapies may have unforeseen side effects, based on the Investment Manager's extensive sector knowledge and experience, and based on research all published and publicly available information based on safety concerns.
External **5. Exposure to global political and economic risks**	It is anticipated that approximately 75% of investments will be in US companies or licensing agreement with US institutions and 25% of investments will be made outside of the US. The Company's investments will be exposed to foreign exchange, and global political, economic, and regulatory risks.	The Investment Manager has extensive experience transacting across the global healthcare marketplace and will be responsible for identifying relevant events and updating the investment plans appropriately.
6. Clinical Development & Regulatory Risks	New drugs, medical devices and procedures are subject to extensive regulatory scrutiny before approval, and approvals can be revoked.	The Investment Manager's due diligence process includes the likely attitude of regulators towards a potential new therapy. The due diligence will also consider the unmet need of the disease and whether the therapy offers advantages over the current standard of care. In the current COVID-19 pandemic it is possible that the FDA and other clinical regulators globally will prioritise therapies, diagnostics and devices related to this disease which might slow clinical trials.

Risk type	Risk description	Risk control measure
External **7. Imposition of pricing controls for clinical products and services**	Portfolio Company products may be subject to price controls, price gouging claims and other pricing regulation in the US and other major markets; or government healthcare systems may be the major purchasers of the products.	While future political developments cannot be reliably forecast, the Investment Manager's due diligence process includes an assessment of political risk, and the likely acceptability of the investee's pricing intentions.
8. COVID-19	As the global pandemic due to COVID-19 enters its third year, the UK government in common with the US and many other countries has taken steps to remove the restriction that were put in place to limit the transmission of the COVID-19 virus. Whilst the ultimate scope of these measures has been eased by various degrees across geographies, they have had a severe impact on the Global Economy, which Governments and the Central Banks were attempting to offset with both traditional and unconventional fiscal and monetary policy measures. The Company's portfolio will be impacted by any risks emerging from long term changes in the macroeconomic environment.	The Investment Manager has extensive experience transacting across the global healthcare marketplace, and will be responsible for identifying relevant events and updating the investment plans appropriately.
Emerging **9. Inflation**	The unprecedented level of fiscal and monetary stimulus that has been applied to the global economy has caused US inflation to surge to a 40-year high and resulted in sharp falls in the share prices of technology firms without current earnings. This may lead to reduced demand for the Company's shares.	The compounding creation of value through innovation in the biotechnology sector, in which the Investment Manager invests, outweighs the singular and/ or short-term adjustment to valuation levels arising from changes in discount rates as a result of rising inflationary expectations. The Investment Manager holds investments that have current earnings and cash-flows and has a significant exposure to phase 3 products which have a high probability of achieving cash-flows in the near-term.
10. Availability of capital	A record number of Biotech IPOs occurred in 2021 and a record number of companies are trading at <2x than their cash balances, implying that the market believes that not all companies will survive.	The Investment Manager is experienced in identifying potential in companies that have strong fundamentals at attractive valuations that create an asymmetric and attractive risk/reward profile. The Board reviews the financing status of the Company's private portfolio with the manager at each valuation meeting.
11. Ukraine Invasion	The Invasion of Ukraine by Russia has led to the imposition of harsh sanctions on Russia and substantial restrictions on the ability to transact in Russian securities and trade with Russian companies. These sanctions and the corresponding impact on commodity and transport costs have the potential to delay the global economic recovery from Covid-19.	The Investment Manager has confirmed that the Company has no direct or indirect exposure to Russian securities or assets.

Realising a robust and resilient company

Assessing the prospects of the Company
The corporate planning process is underpinned by scenarios that encompass a wide spectrum of potential outcomes. These scenarios are designed to explore the resilience of the Company to the potential impact of significant risks set out below.

The scenarios are designed to be severe but plausible and take full account of the availability and likely effectiveness of the mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks and which would realistically be open to management in the circumstances. In considering the likely effectiveness of such actions, the conclusions of the Board's regular monitoring and review of risk and the Investment Manager's internal control systems, as discussed on page 46, is taken into account.

The Board reviewed the impact of stress testing the quantifiable risks to the Company's cash flows as detailed in risk factors 1-5 in the previous pages and concluded that the Company, would have sufficient working capital to fund its operations in the following extreme scenario:

(1) The Company incurred NAV losses of 39% of NAV over a three-year period ending 28 February 2025.

(2) No new capital was raised.

(3) $110m of private investments were funded from cash and by selling public portfolio investments.

To provide some context for this scenario the worst-case annual losses for the NASDAQ Biotech Index (NBI) in the last 10 years were 8.9% in 2018 and 21.4% in 2016 respectively. The Company's three-year loss scenario exceeds the cumulative impact of both of these worst-case years of 28.3% spread over three years. The annualized volatility of the NBI index for the last 10 years is 25% so an annual loss of 40% or more is only likely to occur every twenty years if the index returns are normally distributed. As there have been no consecutive losing years for the NBI in recent history a cumulative loss of between 28.3% and 40% is therefore assumed to be a reasonable stress test.

The Board considers that this stress testing-based assessment of the Company's prospects is reasonable in the circumstances of the inherent uncertainty involved.

The period over which we confirm longer term viability
Within the context of the corporate planning framework discussed above, the Board has assessed the prospects of the Company over a three-year period ending 28 February 2025. Whilst the Board has no reason to believe the Company will not be viable over a longer period, given the inherent uncertainty involved, the period over which the Board considers it possible to form a reasonable expectation as to the Company's longer term viability, based on the stress testing scenario planning discussed above, is the three year period to February 2025. This period is used for the Investment Manager's business plans and has been selected because it presents the Board and therefore readers of the Annual Report with a reasonable degree of confidence whilst still providing an appropriate longer term outlook.

Confirmation of longer term viability
The Board confirms that it has carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

Based upon the robust assessment of the principal and emerging risks facing the Company and its stress testing-based assessment of the Company's prospects, the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to February 2025.

On behalf of the Board

William Simpson
Chairman
30 March 2022

Engaging with Stakeholders (Section 172)

Section 172 of the Companies Act 2006 applies directly to UK domiciled companies. Nonetheless the AIC Code requires that the matters set out in section 172 are reported on by all companies, irrespective of domicile, provided this does not conflict with local company law.

Section 172 recognises that directors are responsible for acting in a way that they consider, in good faith, is the most likely to promote the success of the Company for the benefit of its shareholders as a whole. In doing so, they are also required to consider the broader implications of their decisions and operations on other key stakeholders and their impact on the wider community and the environment.

Key decisions are those that are either material to the Company or are significant to any of the Company's key stakeholders. The Company's engagement with key stakeholders and the key decisions that were made or approved by the Directors during the year are described below.

Stakeholder group	Methods of engagement	Benefits of engagements
Shareholders The major investors in the Company's shares are set out on page 57. Continued access to capital is vital to the Company's longer term growth objectives, and therefore, in line with its objectives, the Company seeks to maintain shareholder satisfaction through: – Positive risk-adjusted returns – Continuous portfolio updates communication.	The Company engages with its shareholders through the issue of regular portfolio updates in the form of RNS announcements and quarterly factsheets. The Company provides in-depth commentary on the investment portfolio, corporate governance and corporate outlook in its Annual and Interim Reports and financial statements. In addition, the Company, through its brokers and Investment Manager underw and prospective investors to solicit their feedback, understand any areas of concern, and share forward looking investment commentary. The Board receives quarterly feedback from its brokers in respect of their investor engagement and investor sentiment.	In the financial year the Company issued: – 26 portfolio updates by way of RNS – 12 monthly NAV announcements by way of RNS – Fact sheets on a quarterly basis – Annual and Interim Reports. Through its roadshows and broker outreach, the Company has met with 150+ investors/prospective investors.
Service providers The Company does not have any direct employees; however, it works closely with a number of service providers (the Investment Manager, Administrators, secretaries, auditor, third party valuation agent, brokers and other professional advisers). The independence, quality and timeliness of their service provision is critical to the success of the Company.	The Company has identified its key service providers and on an annual basis undertakes a review of performance based on a questionnaire through which it also seeks feedback. Furthermore, the Board and its sub-committees engage regularly with its service providers on a formal and informal basis. The Company will also regularly review all material contracts for service quality and value.	The feedback given by the service providers is used to review the Company's policies and procedures to ensure open lines of communication, and operational efficiency.
Portfolio Companies The Company has currently invested in 42 Portfolio Companies which are set out on page 10.	The Investment Manager engages on a regular basis with its portfolio companies in order to conduct regular on-going due diligence and to meet obligations if the Investment Manager holds a board seat.	Honesty, fairness and integrity of the management teams of the portfolio companies are vital to the long-term success of the Company's investments.
Community & Environment The Company does not have any direct employees.	The Company aims to minimize its environmental footprint.	The Company and the Directors minimise air travel by making maximum use of video conferencing for Company related matters.
Climate change impact	The Company does not anticipate any material impact to its business model from climate change.	
RTW Charitable Foundation RTW Charitable Foundation was created by the Investment Manager so that RTW can apply its work in the community and help patients in instances when there is limited potential for commercial gain.	RTW Charitable Foundation represents an extension of the Investment Manager's mission where its research process helps RTW identify important causes of human suffering, and introduces the firm to individuals and organizations trying to make a difference.	To the research grant recipients, RTW Charitable Foundation offers not only financial support, but also guidance gleaned from RTW's experience in drug development and company building. Beyond research, RTW Charitable Foundation offers support to humanitarian causes, initiatives that raise disease awareness and programs with a direct patient impact.

Environmental, Social and Community Issues

As an investment company, the Company does not have any employees or physical property, and most of its activities are performed by other organisations. Therefore, the Company does not combust fuel and does not have any greenhouse gas emissions to report from its operations, nor does it have direct responsibility for any other emission producing sources.

Responsible Investing

The Board believes that all companies have a duty to consider their impact on the community and the environment. Three of the four Directors, the Administrator, Company Secretary and external auditor are all based in Guernsey and Board meetings are held in Guernsey, thus negating the need for long commutes or flights to/from Board meetings, and thereby minimising the negative environmental impact of travel to/from Board meetings.

The Investment Manager's approach to investment in life sciences companies is comprised of goals and principles that are aligned specifically with our mission to power breakthrough therapies that transform the lives of millions, to find cures for diseases, and improve quality of life. RTW invests in and supports companies developing life-transforming therapies and technologies for patients afflicted with disease and disability. As a guiding principle, we prioritize overall positive impact on patients and long-term meaningful outcomes to society. We believe that staying aligned with RTW's founding principles is the foundation of our success and enables us to make socially conscious and responsible investments in life sciences companies.

RTW Charitable Foundation

RTW has also created the RTW Charitable Foundation so that we can apply our work in the community and help patients in instances when there is limited potential for commercial gain. While improving human health on a global scale is its own fulfilment, RTWCF allows RTW to bring hope to those with the rarest of diseases but whose suffering we find no less affecting.

Governance Report

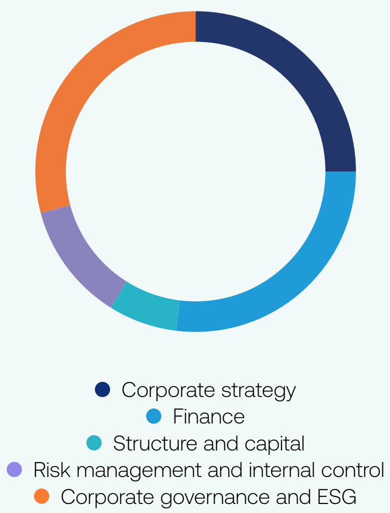
Governance Report

Leaders that are shaping our future

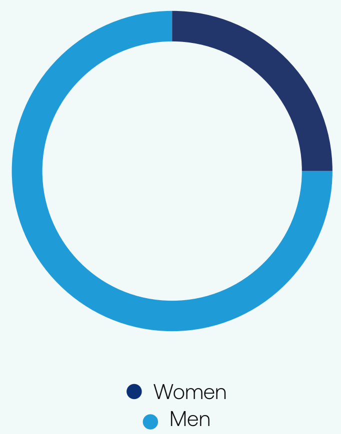
Leadership

The leadership team consists of highly experienced professionals and business experts with profound understanding of the dynamics of the industry, at both a local and international level.

Board meetings and main subjects discussed in 2021



Board diversity



William Simpson

Chairman – Guernsey resident

Biography

William Simpson is the Chairman and an independent director based in Guernsey providing services to investment and other financial services companies. William has over 30 years' experience within the financial services industry. He previously practiced law in the course of which he advised on the establishment of a wide range of investment funds and related matters. William graduated in law from Leeds University and first qualified as an English barrister. William is a member of the Guernsey Bar. William also holds directorships at Ninety One Premier Funds PCC Limited, Handelsbanken Alternatives Fund Limited, AHL Strategies PCC Limited, Man AHL Diversified PCC Limited and Alpha Real Trust Limited.

Date of appointment
2 October 2019

Board meetings attended
7/7

Committee chair
Management Engagement Committee

Committee membership
Audit Committee
Nomination Committee
Remuneration Committee

Paul Le Page

Chairman of the Audit Committee – Guernsey resident

Biography

Paul Le Page is a former Executive Director and Senior Portfolio Manager of FRM Investment Management Limited, a subsidiary of Man Group, and holds non-executive directorships at a number of London Stock Exchange listed investment funds. Mr. Le Page is Audit Committee Chair of Bluefield Solar Income Fund Limited and was previously Audit Committee Chair of UK Mortgages Limited, Thames River Multi Hedge PCC Limited and Cazenove Absolute Equity Limited. Mr. Le Page has 18 years' Audit Committee chair experience within the closed end investment fund sector and has a broad-based knowledge of the global investment industry and product structures. Mr Le Page graduated from University College London and later received an MBA from Heriot Watt University. He originally qualified as a Chartered Engineer and led the development of clinical diagnostic instrumentation and software and robotic sample preparation equipment prior to commencing a career in finance.

Date of appointment
2 October 2019

Board meetings attended
7/7

Committee chair
Audit Committee

Committee membership
Nomination Committee
Remuneration Committee
Management Engagement Committee

William Scott

Chairman of the Nomination and Remuneration Committee – Guernsey resident

Biography

William Scott serves as an independent non-executive director of a number of investment companies and funds. From 2003 to 2004, Mr. Scott worked as Senior Vice President with FRM Investment Management Limited, now part of Man Group. Previously (from 1989–2002), Mr. Scott was a portfolio manager and latterly a director at Rea Brothers (which became part of the Close Brothers group in 1999 and where he was a director of Close Bank Guernsey Limited) and before that Assistant Investment Manager with the London Residuary Body Superannuation Scheme (1987-1989). Mr. Scott graduated from the University of Edinburgh in 1982 and is a Chartered Accountant having qualified with Arthur Young (now EY) in 1987. Mr. Scott also holds the Securities Institute Diploma and is a Chartered Fellow of the Chartered Institute for Securities & Investment. He is also a Chartered Wealth Manager. His other directorships include Axiom European Financial Debt Fund Limited and Worsley Investors Limited, both of which are listed on the Premium Segment of the London Stock Exchange.

Date of appointment
3 October 2019

Board meetings attended
7/7

Committee chair
Nomination Committee
Remuneration Committeee

Committee membership
Audit Committee
Management Engagement Committee

Stephanie A. Sirota

Non-Executive Director – non-UK resident

Biography

Stephanie A. Sirota, serves as a Partner and Chief Business Officer at RTW Investments, LP. Ms. Sirota is responsible for strategy and oversight of the firm's business development, strategic partnerships, communications, and investor relations. Her background in investment banking and expertise in financial markets has helped position the firm as both a partner to life sciences companies and a steward of investors' capital. She also manages RTW's relationships with key partners including banks, academic institutions, corporations, investors, and NGOs and has led the firm's entry into the UK and European markets. Ms. Sirota has a decade of deal experience in financial services. Prior to joining the Investment Manager, from 2006 to 2010, she served as a director at Valhalla Capital Advisors, a macro and commodity investment manager. From 2000 to 2003, Ms. Sirota worked in the New York and London offices of Lehman Brothers, where she advised on various mergers and acquisitions, IPOs, and capital market financing transactions with a focus on cross-border transactions for the firm's global corporate clients. She began her career on the Fixed Income trading desk at Lehman Brothers, structuring derivatives for municipal issuers from 1997 to 1999. Ms. Sirota graduated with honours from Columbia University and also received a Master's Degree from the Columbia Graduate School of Journalism. She has contributed to Fortune Magazine and ABCNews.com and is a supporter of the arts, science, and children's initiatives. She serves as Co-Chairman of the Council of the Phil at the New York Philharmonic and as President of RTW Charitable Foundation. Ms. Sirota serves as Vice President of Corporate Strategy and Corporate Communications of Health Sciences Acquisitions Corporation 2 (HSAC2) and served in the same role at Health Sciences Acquisitions Corporation (HSAC) until December 2019.

Date of appointment
2 October 2019

Board meetings attended
7/7

Report of the Directors

The Directors hereby submit the annual report and audited financial statements for the Company for the year ended 31 December 2021.

Principal activities

Further information on the principal activities of the Company can be found on pages 101 to 102.

Business review

A review of the Company's business and its likely future development is provided in the Chairman's Statement on pages 2 to 3. The underlying investments of the Company are reviewed in the Investment Manager's Report on pages 4 to 15.

Results and distributions

The results of the Company for the year are shown in the audited statement of operations on page 83.

The Net Asset Value of the Company as at 31 December 2021 was US$387.4 million (2020: US$412.6 million).

For the year ended 31 December 2021, the Company recorded a net total return based on NAV per share of -12.8 per cent.

No dividends or distributions were paid during the years ended 31 December 2021 and 31 December 2020. The Company does not anticipate paying any dividends on its Ordinary Shares, as it intends to re-invest proceeds received from Portfolio Company sales or distributions. There have been no material changes in the Company's dividend policy from that disclosed in the prospectus published by the Company on 14 October 2019.

Capital Structure

The Company was incorporated as a limited liability corporation in Delaware on 16 February 2017. The Company was subsequently re-domiciled to Guernsey as a non-cellular company limited by shares under the Companies Law on 2 October 2019 with registered number 66847.

On 30 October 2019, all of the issued Ordinary Shares of the Company were listed and admitted to trading on the Specialist Fund Segment of the LSE under ticker symbol: RTW. On 6 August 2021 the Company successfully completed the migration and was admitted to listing on the Official List of the FCA and to trading on the Premium Segment of the London Stock Exchange plc's Main Market. The application for admission was approved by shareholder vote at the extraordinary general meeting held on 30 July 2021. The Company also introduced an additional market quote for the shares on the LSE denominated in GBP under ticker "RTWG".

There were no changes to the legal form or nature of the Ordinary Shares nor to the reporting currency of the Company's financial statements (which remain in US Dollars).

The Board believes the Premium Segment of the Main Market is the most appropriate platform for the continued growth of the Company by increasing RTW Venture Fund's profile, broadening its shareholder register, adding sterling denomination, and facilitating the Company's eligibility for inclusion in the FTSE UK Index Series.

As at 31 December 2021, the Company's issued share capital was 212,389,138 Ordinary Shares and 1 Performance Allocation Share. There are no shares held in treasury.

Further issues of shares will only be made if the Directors determine such issues to be in the best interests of shareholders and the Company as a whole. Relevant factors in making such determination include net asset performance, share price rating, perceived investor demand and any regulatory restrictions. In the case of further issues of Ordinary Shares (or sales of Ordinary Shares from treasury), such Ordinary Shares will only be issued at prices that are not less than the NAV per Ordinary Share announced as of the end of the immediately preceding month in which such Ordinary Shares are being issued.

Directors' authority to issue shares

Subject to the Company's Articles of Association, the Directors have the power to issue an unlimited number of shares.

Authority to buy back shares

The current authority of the Company to make market purchases of up to 30,586,670 Ordinary Shares (being 14.99 per cent. of the issued Share Capital) as authorised at the AGM of the Company on 22 June 2021. At the AGM scheduled to take place on 21 June 2022, the Board will seek to renew such authority. Any buy back of Ordinary Shares will be made subject to Companies Law and within any guidelines established from time to time by the Board and the making and timing of any buy backs will be at the absolute discretion of the Board and not at the option of the shareholders. Ordinary Shares will only be repurchased at a price which, after repurchase costs, represents a discount to the Net Asset Value per Ordinary Share and where the Directors believe such purchases will enhance shareholder value. Such purchases will also only be made in accordance with the Listing Rules of the UK Listing Authority which provide that the price to be paid must not be more than 5 per cent above the average of the middle market quotations for the Ordinary Shares for the five business days before the shares are purchased unless previously advised to shareholders.

In accordance with the Company's Articles and Companies Law, up to 10 per cent. of the Company's Ordinary Shares may be held as treasury shares. The Company has not held any Ordinary Shares in treasury at any time.

Directors' authority to buy shares

The Company has adopted a share dealing code for the Board and will seek to ensure compliance by the Board with the terms of the share dealing code. The share dealing code is compliant with the UK Market Abuse Regulation.

Relations with shareholders

The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Company's Annual General Meeting provides a forum for shareholders to meet and discuss issues with the Directors of the Company. The Chairman and other Directors are also available to meet with shareholders at other times, if required. In addition, the Company maintains a website which contains comprehensive information (www.rtwfunds.com/venture-fund), including company notifications, share information, financial reports, monthly NAVs, investment objectives and policy, investor contacts and information on the Board and corporate governance.

Further information on relations with shareholders and other stakeholders can be found in Engaging with Stakeholders (Section 172) on page 51.

Annual General Meeting

The Annual General Meeting ("AGM") of the Company will be held on 21 June 2022 at 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX. Details of the resolutions to be proposed at the AGM, together with explanations, appear in the Notices of Meetings which are being sent to shareholders in due course.

Members of the Board, including the Chairman and the Audit Committee Chairman, will be in attendance at the AGM and will be available to answer shareholder questions.

Major Shareholders

As at 31 December 2021 and 29 March 2022, insofar as is known to the Company, the following parties were interested, directly or indirectly, in 5 per cent. or more of the Ordinary Shares in issue:

Shareholder	Shareholding (Ordinary Shares)	% Holding	Nature of Holding
Bluestem Partners, LP	34,093,156	16.05	Direct
Roderick Wong	29,218,773	13.76	Indirect
Ducasse Group Limited	18,361,456	8.65	Direct

Details of the voting rights can be found on page 98.

Shareholdings of the Directors

Directors' shareholdings in the Company are disclosed in the Directors' Remuneration Report.

Directors' appointment, tenure and re-election, and Directors' remuneration

Directors' appointment, tenure and re-election and Directors' remuneration are disclosed in the Directors' Remuneration Report.

Articles of Incorporation

The Company's Articles may only be amended by special resolution of the shareholders and if the amendment affects the rights of the holders of Ordinary Shares, by a separate resolution of such holders only.

Key service providers

Independent auditor

KPMG Channel Islands Limited ("KPMG") have been appointed to serve as the Company's auditor. In such capacity, the auditor is responsible for auditing and expressing an opinion on the financial statements of the Company in accordance with applicable law and auditing standards.

Investment Manager

The Directors are responsible for the determination of the Company's investment policy and have overall responsibility for the Company's business activities. The Company and the Investment Manager have entered into the Investment Management Agreement (as amended, supplemented or modified from time to time), pursuant to which the Investment Manager has been appointed as the Company's investment manager and has been delegated the authority and responsibility to manage the Company's investment portfolio. The fees payable to the Investment Manager are disclosed in Note 10.

Administrator and Sub-Administrator

On 1 February 2021, Elysium Fund Management Limited was appointed as Administrator, taking over the administration, corporate secretarial, corporate governance and compliance services from Ocorian Administration (Guernsey) Limited (see Note 11). Further, from 1 February 2021 Morgan Stanley Fund Services USA LLC was appointed to serve as the Company's Sub-Administrator.

Corporate Brokers

On 11 February 2022, Merrill Lynch International (BofA Securities) was appointed as corporate broker and financial adviser to the Company. BofA Securities and J.P. Morgan Cazenove have been appointed to act as joint brokers for the Company.

Change of control

There are no agreements that the Company considers significant and to which the Company is party that would take effect, alter or terminate upon change of control of the Company following a takeover bid.

Principal and emerging risks and uncertainties

The Company's assets consist of investments in promising therapies and technologies in the pharmaceutical industry. There is inherent uncertainty in the long-term viability of developing biopharmaceutical technologies and whether these technologies can translate scientific theory into commercially viable business opportunities. Its principal and emerging risks are therefore related to the particular circumstances of the businesses in which it is invested. The Company seeks to mitigate these risks through active asset management initiatives and carrying out due diligence work on potential targets before entering into any investments.

Each Director is aware of the risks inherent in the Company's business and understands the importance of identifying, evaluating and monitoring these risks. The Board has adopted procedures and controls that enable it to manage these risks within acceptable limits and to meet all of its legal and regulatory obligations.

The Board considers the process for identifying, evaluating and managing any significant risks faced by the Company on an on-going basis and these risks are reported and discussed at Board meetings. It ensures that effective controls are in place to mitigate these risks and that a satisfactory compliance regime exists to ensure all applicable local and international laws and regulations are upheld. Particular attention has been given to the effectiveness of controls to monitor liquidity risk, asset values and counterparty exposure.

For each material risk, the likelihood and consequences are identified, management controls and frequency of monitoring are confirmed and results reported and discussed at the quarterly Board meetings and through updating of the Company's risk matrix. An extraction of the highest rated risks post mitigation forms the basis of the Principal and Emerging Risks and Uncertainties disclosure in the Strategic Report on pages 48 – 49.

The financial risks of the Company are discussed in Note 8 to the financial statements.

The Company's other risk factors are fully discussed in the Company's prospectus, available on the Company's website (www.rtwfunds.com/venture-fund) and should be reviewed by Shareholders.

Going concern

In forming a view on whether the Company is a going concern, the Directors have considered the following factors:

- A three-year stressed cash-flow forecast prepared by the Investment Manager for the purposes of assessing viability;
- A viability and going concern memorandum from the Investment Manager taking into account the impact of COVID-19 and Russia's invasion of Ukraine on the Company's business model and operations (please see the Longer Term Viability Statement on page 50);
- The Company's ability to raise additional capital both during and after the current financial year-end.

After making enquiries and given the nature of the Company and its investments, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements, and, after due consideration, the Directors consider that the Company is able to continue for the foreseeable future.

On behalf of the Board

William Simpson
Chairman
30 March 2022

Corporate Governance Report

The Board recognises the value of sound corporate governance and, in particular, has regard to the requirements of the UK Code (available from the FRC's website, www.frc.org.uk).

The Company is a registered closed-ended investment scheme pursuant to the POI Law, and the Registered Collective Investment Schemes Rules 2021 issued by the GFSC. The GFSC Code applies to all companies that hold a licence from the GFSC under the regulatory laws or which are registered or authorised as Collective Investment Schemes, which includes the Company. The GFSC has stated in the GFSC Code that companies which report against the UK Code or the AIC Code are deemed to meet the GFSC code, and need take no further action.

The Company's prospectus dated 14 October 2019 stated that the Company will be in compliance with the UK Code. The Company is a member of the AIC and the Board of the Company has accordingly considered, and resolved to follow, the principles and recommendations of the AIC Code (available from the AIC's website, www.theaic.co.uk).

The AIC Code addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company. The Board considers that reporting against the principles and recommendations of the AIC Code (which incorporates the UK Code) provides better information to shareholders whilst meeting the requirements of the GFSC Code.

For the reasons set out in the preamble to the UK Code, the Board considers certain of these provisions are not relevant to the position of the Company as an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no chief executive or any executive directors, employees or internal operations and has therefore not reported further in respect of these provisions.

The Directors recognise the value of the AIC Code and have taken appropriate measures to ensure that the Company has complied and continues to comply, as far as possible given the Company's size and nature of the business, with the AIC Code, except as set out below:

Senior Independent Director – Provision 14 of the AIC Code states a Board should consider appointing one Independent Non-Executive Director to be the Senior Independent Director. Having taken into account its small size and that the Chairman and two of the other three Directors are each similarly independent and non-executive, the Board considers it unnecessary to appoint such a Senior Independent Director. All members of the Board are available to shareholders if they have unresolved concerns.

The Board is aware of the Hampton-Alexander Review target to have 33% of FTSE board positions held by women by 2020 and notes that it currently only achieves 25% female representation. The future growth of the Board will be linked to the growth of the Company's shareholder base as the Board is mindful of the need to manage the Company's fixed costs whilst it is relatively small. Both gender and ethnic diversity factors will be considered by the Board when making any new appointments or replacing current Board members.

The Board and its Committees

The Board monitors developments in corporate governance to ensure the Board remains aligned with best practices, especially with respect to the increased focus on diversity (see the Directors' Remuneration Report).

The Directors of the Company at the date of this report are William Simpson (Chairman and Chair of the Management Engagement Committee), Paul Le Page (Chair of Audit Committee), William Scott (Chair of the Nomination and Remuneration Committee) and Stephanie Sirota. The Board believes the current Board members have the appropriate qualifications, experience and expertise to manage the Company. The Director's biographies can be found on page 54.

The Board meets at least on a quarterly basis. The dates for each scheduled meeting are planned at the beginning of the year and confirmed in writing in accordance with the Company's articles of incorporation. Meetings for urgent issues may be and are convened at short notice if all Directors are informed. In addition to formal Board and/or committee meetings and, to the extent practicable and appropriate, the Directors maintain close contact with each other, the Investment Manager and the Administrator, by email and conference calls, for the purpose of keeping themselves informed about the Company's activities. The Board requires information to be supplied in a timely manner by the Administrator and other advisors in a form and of a quality appropriate to enable it to discharge its duties.

The Board has delegated certain responsibilities to its Audit Committee, Management Engagement Committee and Nomination and Remuneration Committee (together the "Committees"). Given the size and nature of the Board it is felt appropriate that all independent Directors are members of the Committees.

The roles and responsibilities of the Committees are set out in the terms of reference and are summarised below.

Items are discussed and, as appropriate, matters are endorsed, approved or recommended to the Board by the Committees. The chairman of each of the Committees provides the Board with a summary of the main discussion points at the committee meeting and any decisions made by the committee along with any recommendations which require Board approval.

The Board may also delegate certain functions to other parties; in particular the Directors may delegate to the Investment Manager. However, the Directors retain responsibility for exercising overall control and supervision of the Investment Manager. Matters reserved for the Board include, amongst others, approval and oversight of the Company's investment activities by ensuring that the Company has complied with its investment restrictions. The Board also reviews the performance of the Company against its target return (as defined in the Prospectus) and, in light of the current market conditions, considers the strategy taken by the Investment Manager. Approval of the Annual and Interim Reports, announcements, and dividends are also reserved for the Board.

Audit Committee

The Company has an Audit Committee with formally delegated duties and responsibilities within written terms of reference. Further information on the Audit Committee is included in the Report of the Audit Committee on pages 64 to 67.

Management Engagement Committee

The Management Engagement Committee is chaired by William Simpson. The committee currently consists of William Simpson, William Scott and Paul Le Page. The Management Engagement Committee meets at least once a year pursuant to its terms of reference, which are available on the Company's website www.rtwfunds.com/venture-fund.

The Management Engagement Committee provides a formal mechanism for the review of the performance of the Company's advisers, including the Investment Manager. It carries out this review through consideration of a number of objective and subjective criteria and through a review of the terms and conditions of the advisers' appointments with the aim of evaluating performance, identifying any weaknesses and ensuring value for money for the Company's shareholders.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by William Scott. The committee currently consists of William Scott, William Simpson and Paul Le Page. The Nomination and Remuneration Committee meets at least once a year pursuant to its terms of reference, which are available on the Company's website www.rtwfunds.com/venture-fund.

Further information of the Nomination and Remuneration Committee, Board diversity and Directors' remuneration are provided in the Directors' Remuneration Report on pages 62 to 63.

Board meeting attendance

The Board meets at least four times a year, with further ad hoc Board and Board Committee meetings as required. Between meetings, there is regular contact with the Secretary and the Company's Broker, as necessary.

The attendance record of the Directors for the year is set out below:

Director	Scheduled Board Meetings[1]	Audit Committee Meetings	Management Engagement Committee Meetings	Nomination and Remuneration Committee Meetings
William Simpson	7/7	5/5	1/1	1/1
Paul Le Page	7/7	5/5	1/1	1/1
William Scott	7/7	5/5	1/1	1/1
Stephanie Sirota[2]	7/7	n/a	n/a	n/a

(1) Nine ad hoc Board meetings that were held in the year have not been included in this total.

(2) Ms Sirota is not a member of the Audit Committee, Management Engagement Committee or Nomination and Remuneration Committee, however from time to time she is invited to attend and did so during the year.

Board performance and evaluation

In accordance with Provision 26 of the AIC Code, the Board is required to undertake a formal and rigorous evaluation of its performance on an annual basis. Such an evaluation of the performance of the Board as a whole and the Chairman is carried out under the mandate of the Board in the form of self-appraisal questionnaires and a detailed discussion to determine effectiveness and performance in various areas as well as the Directors' continued independence.

The performance and effectiveness of the Directors is assessed annually having regard to the specific responsibilities of each Director as described in their service agreements.

To date, the Board has not engaged in the use of an external facilitator. The Directors believe that the current mix of skills, experience, ages and length of service of the Directors is appropriate to the requirements of the Company. With any new director appointment to the Board, induction training will be provided.

Directors' conflicts of interest

All of the Directors are non-executive. William Simpson and William Scott are directors of a number of funds managed by members of the Man group of companies. Paul Le Page was employed by Man Group until 31 December 2019 and was a director of the investment managers of those funds. None of the Directors were responsible for the appointment of the others, the decision in respect of which was made by an independent party. Having considered the information disclosed above, the Board have concluded that William Simpson, Paul Le Page, and William Scott remain independent under provision 10 of the AIC Code. The Board considers Messrs Simpson, Le Page and Scott as independent of each other and free from any business or other relationship that could materially interfere with the exercise of their independent judgment. The Board when taken as a whole is independent of the Investment Manager. Ms Sirota is a Board representative of the Investment Manager and is therefore not considered independent.

The Chairman of the Board must be independent and is appointed in accordance with the Company's articles of incorporation. Mr Simpson's independence is evaluated annually and he is considered to be independent because he:

- has no direct or indirect current or historical employment with the Investment Manager; and
- has no current directorships in any other entities for which the Investment Manager provides services.

Duties and responsibilities

The Board has overall responsibility for maximising the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring the protection of investors. A summary of the Board's responsibilities is as follows:

- statutory obligations and public disclosure;
- strategic matters and financial reporting;
- risk assessment and management including reporting, compliance, governance, monitoring and control; and
- other matters having a material effect on the Company.

The Board is responsible to shareholders for the overall management of the Company. The Board has adopted a Schedule of Matters Reserved for the Board which sets out the particular duties of the Board, which demonstrates the seriousness with which it takes its fiduciary responsibilities. Such reserved powers include decisions relating to the determination of investment policy and approval of changes in strategy, capital structure, statutory obligations and public disclosure, and entering into any material contracts by the Company.

The Directors have access to the advice and services of the Administrator, which is responsible to the Board for ensuring that Board procedures are followed and that it complies with Companies Law and applicable rules and regulations of the GFSC and the LSE. Where necessary, in carrying out their duties, the Directors may seek independent legal or other professional advice and services at the expense of the Company. As a result of the use of professional service providers and the nature of the Company's operations, the Company does not have any employees.

The Company maintains appropriate Directors' and Officers' liability insurance in respect of legal action against its Directors.

The Board's responsibilities for the Annual Report are set out in the Directors' Responsibilities Statement on page 61. The Board is also responsible for issuing appropriate Interim Reports and other price-sensitive public reports.

The primary focus at Board meetings is to review the Company strategy, investment performance and associated matters such as share price discount/premium management, investor relations, peer group information, gearing and industry issues and to consider recommendations from the Audit Committee and other committees of the Board, as appropriate.

Internal control and financial reporting

The Directors acknowledge that they are responsible for establishing and maintaining the Company's system of internal control and reviewing its effectiveness. Internal control systems are designed to manage rather than eliminate the failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or loss. The Directors review all controls including operations, compliance and risk management. The key procedures which have been established to provide internal control are:

- The Board monitors the actions of the Company and undertakings of any external consultant as appointed by the Company at regular Board meetings and is given frequent updates on developments arising from the operations and strategic direction of the underlying investee companies. The Board has also delegated administration and company secretarial services to the Administrator; however, it retains accountability for all functions it delegates.
- The Board clearly defines the duties and responsibilities of the Company's agents and advisers and appointments are made by the Board after due and careful consideration. The Board monitors the ongoing performance of such agents and advisers and will continue to do so.
- The Administrator maintains a system of internal control on which they report to the Board. The Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator provide sufficient assurance that a sound system of risk management and internal control should, which safeguards shareholders' investment and the Company's assets. An internal audit function specific to the Company is therefore considered unnecessary.

The systems of control referred to above are designed to ensure effectiveness and efficient operation, internal control and compliance with laws and regulations. In establishing the systems of internal control, regard is given to the materiality of relevant risks, the likelihood of costs being incurred and costs of control.

The need for an internal audit function is discussed in the Report of the Audit Committee.

Listing requirements
The Company was a private unlisted investment vehicle throughout 2018 and, until admission to the SFS on 30 October 2019, was not subject to compliance with any corporate governance codes, laws, rules or regulations ordinarily applicable to public companies listed on an EU regulated market.

Following Initial admission to the SFS on 30 October 2019 and subsequent admission to trading on the Premium Segment of the London Stock Exchange, the Company became subject to the Prospectus Rules, the Disclosure Guidance and Transparency Rules (as implemented in the UK through the Financial Services and Markets Act 2000 of the United Kingdom, as amended), the Market Abuse Regulation and the admission and disclosure standards of the London Stock Exchange.

Since admission to the SFS and subsequent admission to trading on the Premium Segment of the London Stock Exchange, the Company has complied with the applicable Listing Rules.

Common Reporting Standard and Tax Reporting Requirements
The Common Reporting Standard formerly the Standard for Automatic Exchange of Financial Account Information, became effective on 1 January 2016. CRS is an information standard for the automatic exchange of information developed by the Organisation for Economic Co-operation and Development. CRS is a measure to counter tax evasion and it builds upon other information sharing legislation, such as FATCA, the UK-Guernsey Intergovernmental Agreement ("UK-Guernsey IGA") for the Automatic Exchange of Information, and the European Union Savings Directive. Under the UK-Guernsey IGA, certain disclosure requirements may be imposed in respect of certain shareholders in the Company who are, or are entities that are controlled by one or more, residents of the United Kingdom. In addition, under FATCA, the Company is required to make certain disclosures and reports to further compliance with the legislation's requirements. It is the Company's policy to comply with applicable requirements under CRS, the UK-Guernsey IGA and FATCA.

AIFMD
The Directors have considered the impact of AIFMD on the Company and its operations. The Company is a non-EU domiciled Alternative Investment Fund and the Investment Manager has been appointed as the Company's non-EU AIFM. As the Company is managed by a non-EU AIFM, only a limited number of provisions of AIFMD apply. The Investment Manager has made the notifications or applications and received, where relevant, approvals for the marketing of the Ordinary Shares to "professional investors" (as defined in AIFMD) in the United Kingdom.

Anti-Bribery and Corruption Policy
The Board has a zero-tolerance approach to instances of bribery and corruption and has reiterated its commitment to carry out business fairly, honestly and openly. Accordingly, it expressly prohibits any Director or associated persons, when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Company. The Investment Manager has also adopted a zero-tolerance approach to instances of bribery and corruption. The Board insists on strict observance with these same standards by its service providers in their activities for the Company and continues to refine its process in this regard.

Criminal Finances Act
The Board has a zero-tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board expects the same of its service providers and will not work with service providers that it knows do not demonstrate the same zero-tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion.

Environment, Employees, Human Rights and Social Matters
The Company has an investment management contract with the Investment Manager. The Company has no employees and all of its Directors are non-executive, with day-to-day activities being carried out by third party service providers. There are therefore no disclosures to be made in respect of its employees. Further, because the Company is a closed-ended investment company with no employees, its environmental impact is minimal. The Board notes that the companies in which the Company invests directly or indirectly may have an environmental, employee, human rights or social impact of which the Board has no visibility or control.

The UK Modern Slavery Act
The Board conducts the business of the Company ethically and with integrity, and has a zero-tolerance policy towards modern slavery in all its forms. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no further disclosures to be made in respect of employees and human rights. The Board notes that the companies in which the Company invests directly or indirectly may have employee, community, human rights or social impacts of which the Board has no visibility or control.

Litigation
So far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Company.

On behalf of the Board

William Simpson
Chairman
30 March 2022

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

The Companies Law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with accounting principles generally accepted in the United States of America and applicable law.

Under the Companies Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless liquidation is imminent.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.rtwfunds.com/venture-fund). Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement
The Directors who hold office at the date of approval of this Director's Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that each Director has taken all the steps he ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that they face;
- the Annual Report and audited financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, position, business model and strategy; and
- the Annual Report and audited financial statements includes information required by the FCA for the purpose of ensuring that the Company complies with the provisions of the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA.

The responsibility statement was approved by the Board of Directors on 30 March 2022 and was signed on behalf of the Board.

On behalf of the Board

William Simpson
Chairman
30 March 2022

Paul Le Page
Director
30 March 2022

Directors' Remuneration Report

The Nomination and Remuneration Committee has been established to consider the appointment and reappointment of Directors and ensure that the Company maintains fair and appropriate remuneration policies and controls. The Nomination and Remuneration Committee comprises all the independent Directors of the Company and is chaired by William Scott.

The Company is not required to present a Directors' Remuneration Report, and this report does not purport to meet all of the requirements of a typical listed UK company's Directors' Remuneration Report, but has been provided as the Directors believe that it may be useful to users of this annual report and financial statements.

The Company has no employees and hence no executive directors. Directors do not have service contracts, but are appointed under letters of appointment, copies of which are available upon request from the Company Secretary and will be available for inspection at the AGM.

Regarding nomination, the Nomination and Remuneration Committee's remit is to review regularly the structure, size and composition of the Board, to give full consideration to succession planning for Directors, to keep under review the leadership needs of the Company and be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.

Board diversity

No specific diversity parameters have been set as the Board believes that all appointments should be made on merit and taken in the context of skills, knowledge and experience required for an effective Board. However, it is the Company's policy to give careful consideration to issues of Board balance and diversity when making new appointments.

The Board believes the current Board members have the appropriate qualifications, experience and expertise to manage the Company. The Director's biographies can be found on page 54.

Tenure policy

Each Director retires at each Annual General Meeting subsequent to his or her election and is eligible for re-election by the Company at such Annual General Meeting.

A Director who retires at an Annual General Meeting may, if willing to continue to act, be elected or re-elected at that meeting. If, at a general meeting at which a Director retires, the Company neither re-elects that Director nor appoints another person to the Board in their place, the retiring Director shall, if willing to act, be deemed to have been re-elected unless at the general meeting it is resolved not to fill the vacancy or unless a resolution for the re-election of the Director is put to the meeting and not passed.

In accordance with the AIC Code, if and when any Director has been in office (or upon re-election would at the end of that term, be in office) for more than nine years, or in the case of the Chairman ten years, the Company will consider whether there is a risk that such Director might reasonably be deemed to have lost independence through such long service.

The Chairman, Mr Le Page and Ms Sirota have been members of the Board since their appointment on 2 October 2019. Mr Scott was appointed on 3 October 2019.

Termination policy

Should a Director not be re-elected by Shareholders, or retires from office under the Articles of Incorporation, the appointment shall be terminated with immediate effect and without compensation.

A Director may resign at any time by notice in writing to the Board in accordance with the Articles of Incorporation.

The Company may terminate a Director's appointment with immediate effect should the Director have:

- Committed any serious breach or (after warning in writing) any repeated or continued material breach of their obligations to the Company; or
- Been guilty of any act of dishonesty, fraud or serious misconduct or any conduct which (in the reasonable opinion of the Board) tends to bring the Director or Company into disrepute.

Succession policy

The Board gives full consideration to succession planning, including the succession of the Chairman and Directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future.

Overboarding policy

To ensure that each Director has sufficient time to meet their responsibilities to the Company, the Board has adopted an overboarding policy which outlines its expectations regarding the time commitments of the Directors.

Should a Director wish to take on an additional external directorship of a London listed, or equivalent, company, or is anticipating a significant increase in time commitment of an existing appointment, details must be provided to the Chairman (or, if the Chairman is taking on the external directorship, the Chairman of the Audit Committee) for approval prior to accepting the external directorship or additional time commitment.

The Director should:

- Confirm that the external directorship or change in time commitment is not in conflict with the Company;
- Provide an estimate of the time commitment required;
- Confirm that they have sufficient surplus capacity to meet their commitments to the Company; and
- Confirm that no commercial conflict of interest is likely to arise or be perceived to arise.

To assist in the Chairman's decision, on an ongoing basis, at each Board meeting, the Directors confirm that they continue to have sufficient time capacity and disclose their other directorships at each quarterly meeting of the Company.

Remuneration policy

The Directors shall be remunerated at such a rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed US$300,000 per annum. However, at the Company's AGM to be held on 21 June 2022, in accordance with Article 28.1.1 of the Company's Articles, shareholder approval is sought to increase the total aggregate amount of Directors' fees that may be paid in any financial year ("Fee Cap") by US$200,000, from US$300,000 to US$500,000 (or the applicable currency equivalent thereof). It is proposed that the increase in the Fee Cap will take effect from the date of the AGM. The current Fee Cap of US$300,000 was approved by shareholders at the time of the IPO of the Company and its listing on the SFS of the LSE in October 2019. The Company has subsequently moved the listing of its shares to the Premium Segment of the Official List. The Board is conscious that it needs to ensure that it has the right skills and experience appointed to the Board to best support the Company's growth and its strategic plans and priorities over coming years. Accordingly, in order to ensure that the Company maintains the ability to pay competitive fees and attract and retain high calibre Directors, the Board is seeking to increase the Fee Cap to US$500,000. The proposed increase would also provide appropriate headroom to accommodate any future market-based adjustments to Directors' fees and increases to the composition of the Board. The Board does not expect to utilise the full amount of the proposed Fee Cap in the short to medium term and there is no intention to adjust the remuneration of existing Board members except where future reviews identify a material change of duties, or benchmarking against comparable investment companies indicates that such changes are appropriate to remain in line with market levels.

In setting the level of each non-executive Director's fee, the Company had regard to: the time commitments expected; the level of skill and experience of each Director; and the current market and levels of companies of similar size and complexity. Following this evaluation, the Board determined that the fees set out in this remuneration policy were appropriate.

Under the terms of their appointments as non-executive Directors, the Directors are entitled to the following annual fees:

William Simpson	GBP50,000
Paul Le Page	GBP40,000
William Scott	GBP35,000
Stephanie Sirota	US$42,000

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, Board or committee meetings or otherwise in connection with the performance of their duties. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company. The Directors do not participate in any discussions relating to their own fee, which is determined by the other Directors.

The Company does not pay any remuneration to the Directors for loss of office.

On termination of the appointment, Directors shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date.

Annual report on remuneration

Service contracts obligations and payment on loss of office

No Director has a service contract with the Company and, as such, no Director is entitled to compensation payments upon termination of their appointment or loss of office.

Total remuneration paid to each Director

During the year ended 31 December 2021 the US Dollar equivalent of Directors' remuneration that was paid was as follows:

	31 December 2021 (US$)	31 December 2020 (US$)
William Simpson	68,941	71,600
Paul Le Page	55,153	57,285
William Scott	48,259	49,990
Stephanie Sirota	42,000	42,000
Total	**214,353**	**220,875**

All of the above remuneration relates to fixed annual fees. The remuneration of each of the Directors other than Ms Sirota is fixed in pounds sterling (as set out in the first table on this page) and the US Dollar equivalent set out above may vary in accordance with fluctuations in the pound/US Dollar exchange rate.

Directors are not eligible for bonuses, share options or long-term incentive schemes or other performance-related benefits. There are no pension arrangements in place for the Directors of the Company. Accordingly, there were no other items in the nature of remuneration, pension entitlements or incentive scheme arrangements which were paid or accrued to the Directors during the year.

Directors' shareholdings in the Company

Directors of the Company and their beneficial interests in the Company as at 31 December 2021 are detailed below:

	Number of Shares		% Holding	% Holding
Director	31 December 2021	31 December 2020	31 December 2021	31 December 2020
William Simpson	150,000	100,000	0.07	0.05
Paul Le Page	103,000	103,000	0.05	0.05
William Scott	150,000	100,000	0.07	0.05
Stephanie Sirota	1,000,000	763,004	0.47	0.40

On behalf of the Board

William Scott
Chairman of the Nomination and Remuneration Committee
30 March 2022

Report of the Audit Committee

Paul Le Page
Chairman of the Audit Committee

"I present the Audit Committee's report for financial year ended 31 December 2021, setting for the Audit Committee's structure, duties, and activities during the reporting period."

Composition

The Audit Committee, chaired by Paul Le Page, operates within clearly defined terms of reference which include all matters indicated by DTR 7.1 and the AIC Code. Its other members are William Simpson and William Scott. The Chairman of the Company is a member of the Audit Committee but does not chair it. His membership of the Audit Committee is considered appropriate due to: the lack of perceived conflict; the small size of the Board; and because the Directors consider that he continues to be independent.

Only independent Directors can serve on the Audit Committee and members of the Audit Committee must have no current links with the Company's external auditor and must be independent of the Investment Manager. The Audit Committee can request the attendance of the Investment Manager, the auditors or any service provider at its meetings.

The Board has taken note of the requirement that at least one member of the Audit Committee should have recent and relevant financial experience and is satisfied that the Audit Committee is properly constituted in that respect, with all members being highly experienced and, in particular one member has a background as a chartered accountant.

The Board has also considered the inclusion of the Company Chairman within the Audit Committee and, having considered that the Chairman is independent and non-executive, believes it appropriate for the Chairman to be a member.

The performance of the chairman of the Audit Committee is reviewed on an annual basis and the membership of the Audit Committee and its terms of reference are kept under regular review.

Responsibilities

The duties of the Audit Committee in discharging its responsibilities include reviewing: the Interim Report; the Annual Report; the valuation of the Company's investment portfolio; the system of internal controls; and the terms of appointment of the external auditor together with their remuneration.

The Audit Committee is the formal forum through which the external auditor reports to the Board of Directors. The objectivity of the external auditor is reviewed by the Audit Committee, which also reviews the terms under which the external auditor is appointed to perform non-audit services and the fees paid to the external auditor or their affiliated firms overseas.

The main duties of the Audit Committee are:

- Giving full consideration and recommending to the Board for approval of the contents of the Interim Report and Annual Report and reviewing the external auditor's report thereon;
- Reviewing the scope, results, cost effectiveness, independence and objectivity of the external auditor;
- Reviewing the draft valuation of the Company's investments prepared by the Investment Manager, and making a recommendation to the Board on the valuation of the Company's investments;
- Reviewing and recommending to the Board for approval of the audit, audit related and non-audit fees payable to the external auditor and the terms of their engagement;
- Reviewing and approving the external auditor's plan for the annual audit and interim review;
- Reviewing the appropriateness of the Company's accounting policies;
- Ensuring the standards and adequacy of the service provider's control systems;
- Reviewing and considering the UK Code, the AIC Code and the FRC Guidance on Audit Committees; and
- Reviewing the risks facing the Company and monitoring the risk matrix.

The Audit Committee is required to report its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

The external auditor is invited to attend the Audit Committee meetings at which the Interim Reports and Annual Reports are considered and at which they have the opportunity to meet with the Audit Committee without representatives of any external consultant as appointed by the Investment Manager being present at least once a year.

Financial reporting

The primary role of the Audit Committee in relation to financial reporting is to review with the Administrator, any external consultant as appointed by the Investment Manager and the external auditor, the appropriateness of the Interim Reports and Annual Reports, concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- material areas in which significant judgements have been applied or there has been discussion with both any external consultant as appointed by the Investment Manager and the external auditor;
- whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- any correspondence from regulators in relation to the Company's financial reporting.

To aid its review, the Audit Committee considers reports from the Investment Manager and any external consultant as appointed by the Investment Manager and also reports from the external auditor on the outcomes of its interim review and annual audit.

Meetings

The Audit Committee meets no less than twice a year in Guernsey, at such other times as the Audit Committee Chairman shall require, and meets the external auditor at least once a year in Guernsey. The Audit Committee met five times in the year ended 31 December 2021.

The matters discussed at these meetings were:

- Review of the terms of reference of the Audit Committee to confirm that they are appropriate to the business of the Audit Committee and the current regulatory environment in which the Company operates;
- Semi-annual reviews of the valuations of the Company's investments;
- Review of the accounting policies and format of the financial statements;
- The relationship with the external auditor;
- Discussion and approval of the fee for the external audit;
- Consideration of the requirement for an internal audit function;
- Consideration of and recommendations to the Board regarding the appointment of third-party service providers and the adequacy of their arrangements; and
- Review of the Company's key risks and internal controls.

Primary area of judgement

The Audit Committee determined that the key risk of misstatement of the Company's financial statements related to the valuation of investment in securities, at fair value, in the context of the judgements necessary to evaluate current fair values.

As outlined in Note 2 to the financial statements of the Company, the total carrying value of the Company's investments in securities at fair value as at 31 December 2021 was US$409.2 million (2020: US$390.8 million), of which US$92.9 million (2020: US$47.2 million) related to private company investments. Market quotations will be available for those financial assets that are listed and traded and have an active market quote.

For private company investments, the value of the Company's investments is based on the value of the relevant underlying investee companies as determined by the Investment Manager. The valuation of the Company's private and restricted investments and the methodology used for the year end valuation and constitution of the Investment Manager's Valuation Committee was discussed with the Investment Manager and with the external auditor at a Board meeting held on 26 January 2022, and the Independent Valuer, as appointed by the Investment Manager, carries out a valuation semi-annually on the private company investments.

The Company values investment in private investment companies using the net asset values provided by the underlying private investment companies as a practical expedient. The Company applies the practical expedient to its private investment companies on an investment-by-investment basis and consistently with the Company's entire position in a particular investment, unless it is probable that the Company will sell a portion of an investment at an amount different from the NAV of the investment.

The Audit Committee has reviewed the valuation papers prepared by the Investment Manager. The Investment Manager confirmed to the Audit Committee that the valuation methodology had been applied consistently during the year. After reviewing the scope and results of the work of the external auditor, the Audit Committee concluded that they had not identified any material errors or inconsistencies.

The external auditor explained the results of its audit work on the valuations, including its challenge of management's underlying projections, the economic assumptions, illiquidity discounts and prices used. On the basis of its audit work, there were no material adjustments proposed to those valuations as approved by the Audit Committee.

Internal audit

The Audit Committee shall consider at least once a year whether there is a need for an internal audit function. Currently, the Audit Committee does not consider there to be a need for an internal audit function, given that there are no employees in the Company and all outsourced functions are with parties who have their own internal controls and procedures.

The Audit Committee worked with the Administrator and the Investment Manager to structure a risk matrix for the Company, which considered the controls applied by the Board, the Investment Manager and key service providers. The matrix has also been reviewed with the Investment Manager in light of the COVID-19 pandemic and was used to form the basis of the Company's principal and emerging risk disclosures in the Strategic Report on page 49.

The Audit Committee has reviewed a COVID-19 impact assessment prepared by the Investment Manager as part of the final review process for this Annual Report.

Appointment of the external auditor

KPMG has been appointed as the statutory external auditor of the Company since the Company re-domiciled to Guernsey on 2 October 2019. The Audit Committee held meetings with KPMG before the start of the audit to discuss formal planning and to discuss any possible issues, along with the scope of the audit and appropriate timetable. Informal meetings have also been held with the Chairman of the Audit Committee in order that the Chairman is kept up to date with the progress of the audit and formal reporting requirement by the Audit Committee.

The objectivity of the external auditor is reviewed by the Audit Committee, which also reviews the terms under which the external auditor may be appointed to perform non-audit services. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the external auditor, with particular regard to any non-audit work that the external auditor may undertake and the level of fees associated to this non-audit work. In order to safeguard external auditor independence and objectivity, the Audit Committee ensures that audit related, non-audit, or advisory services provided by the external auditor do not conflict with its statutory audit responsibilities. Audit related services will generally only cover reviews of interim financial statements and capital raising work. Any non-audit services conducted by the external auditor outside of the reviews of interim financial statements requires the consent of the Audit Committee before being initiated.

The fees paid by the Company to KPMG during the last two years were as follows:

	2021	2020
Audit fee	GBP 168,000	GBP 127,000
Review of interim financial statements	GBP 41,000	GBP 40,000
Other non-audit services[1]	GBP 62,500	–
Total	**GBP 271,500**	**GBP 167,000**

(1) During the year, KPMG was paid a reporting accountant fee for its work on the migration of the Company's shares to the Official List of the FCA and to trading on the Premium Segment of the London Stock Exchange plc's Main Market.

The external auditor may not undertake any work for the Company in respect of the following matters – preparation of the financial statements, preparation of valuations used in financial statements, provision of investment advice, taking management decisions or advocacy work in adversarial situations.

The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to the level of non-audit fees. During the year, KPMG was also engaged as reporting accountant in connection with the Company's migration to the Premium Segment, which is a permissible service under the FRC Ethical Standards for a company's auditor to undertake. The Audit Committee considers KPMG to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit as appropriate safeguards are in place.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee considered:

- audit personnel in the audit plan for the current year;
- a report from the external auditor describing its arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the external auditor.

To assess the effectiveness of the external auditor, the Audit Committee reviewed:

- the external auditor's fulfilment of the agreed audit plan and variations from it;
- reports highlighting the findings that arose during the course of the audit; and
- feedback from the Investment Manager, Administrator, Sub-Administrator, and any external consultant as appointed by the Investment Manager in evaluating the performance of the audit team.

The Audit Committee is satisfied with KPMG's effectiveness and independence as external auditor having considered the degree of diligence and professional scepticism demonstrated by them. Having carried out the review described above and having satisfied itself that the external auditor remains independent and effective, the Audit Committee has recommended to the Board that KPMG be reappointed as external auditor for the year ending 31 December 2022.

Annual Report

The Audit Committee members have each reviewed this Annual Report and earlier drafts of it in detail, comparing its content with their own knowledge of the Company, reporting requirements and shareholder expectations. Formal meetings of the Audit Committee have also reviewed the Annual Report and its content and have received reports and explanations from the Company's service providers about the content and the financial results. The Audit Committee has concluded that the Annual Report, taken as a whole, is fair, balanced and understandable, and that the Board can reasonably and with justification make the statement of Directors' responsibilities on page 61.

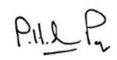
Key activities of the Audit Committee

During the course of the year, the Audit Committee undertook a number of projects in addition to its regular duties, which included reviewing the working capital model required for migrating the Company to the LSE and reviewing a number of the Investment Manager's policies relating to issues such as portfolio liquidity management and allocation of capacity in private investments.

The Audit Committee reviewed the NAV process, following the administrator change, and the process that was used by the administrator to verify the NAV. It also closely reviewed the first NAV that was produced by the new Administrator and Sub-Administrator.

The Audit Committee is currently working with the Investment Manager to summarise the extensive and detailed valuation reporting that it receives to ensure that the Board remains focused on key issues as the portfolio grows.

On behalf of the Audit Committee,



Paul Le Page
Chairman of the Audit Committee
30 March 2022

Financial Statements

Financial Statements

KPMG

Independent Auditor's Report to the Members of RTW Venture Fund Limited

1. Our opinion is unmodified

We have audited the financial statements of RTW Venture Fund Limited (the "Company"), which comprise the statement of assets and liabilities including the condensed schedule of investments as at 31 December 2021, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2021, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in conformity with U.S. generally accepted accounting principles ("US GAAP"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies' Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview

Materiality: financial statements as a whole	$7.7m (2020: $8.3m) Approximately 2% (2020: 2%) of net assets	
Key audit matter		**vs 2020**
Recurring risks	Valuation of investments in securities, at fair value	< >

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2020):

	The risk	Our response
Valuation of investments in securities, at fair value $409,179,507; (2020: $390,790,635) Refer to the Report of the Audit Committee on page 66, the Condensed Schedule of Investments as at 31 December 2021 on pages 75 to 77, note 1 fair value significant accounting policies and note 2 fair value measurements disclosures.	**Basis** The Company's investment portfolio represents the most significant balance on the statement of assets and liabilities and is the principal driver of the Company's net asset value (2021: 106%; 2020: 95%). The investment portfolio is composed of publicly quoted and private unquoted life science investments (together the "Investments"). Publicly quoted life science investments, representing 77% of the fair value of Investments, are valued using third party data sources. Private unquoted life science investments, representing 23% of the fair value of Investments, are valued using recognised valuation methodologies, including option pricing models. The Investment Manager utilises an Independent Valuer to assist them in their determination of the fair value of certain private unquoted life science investments. **Risk:** The valuation of the Company's Investments is considered a significant area of our audit, given that it represents the majority of the net assets of the Company. The valuation risk of the private unquoted life science investments incorporates both a risk of fraud and error given the significance of the estimates and judgements that are involved in the determination of their fair value.	**Our audit procedures included, but were not limited to:** Controls evaluation: We assessed the design and implementation of the Investment Manager s review control in relation to the valuation of private unquoted life science investments. Challenging managements' Investments valuation, including the use of our KPMG valuation specialists, as applicable: For all Investments we assessed the appropriateness of the valuation methodology used to estimate fair value. **Publicly quoted life science investments:** For publicly quoted life science investments, we independently priced 99.6% by fair value to third party data sources. **Private unquoted life science investments:** For a value driven selection of the private unquoted life science investments we performed the following procedures, as applicable: – Obtained and read the valuation memorandums produced by the Investment Manager; – Assessed the objectivity, capabilities and competency of the Independent Valuer. We considered the scope of their engagement and methodology applied by the Independent Valuer in performing their work. We obtained and assessed their findings and considered the impact, if any, on our audit work; – Agreed the price of investments acquired during the year to supporting documentation such as purchase agreements, funding drawdown requests and bank statements. We performed public searches for contradictory or dis-confirming evidence to challenge both the absence or appropriateness of fair value movements; – Considered the participation of third party investors in any funding round either at, or subsequent to, the transaction date; – Assessed and challenged the key assumptions based on available market information and corroborated key inputs to supporting documentation; – Considered market transactions in close proximity to the year-end and assessed their appropriateness as being representative of fair value; and

	The risk (continued)	Our response (continued)
Valuation of investments in securities, at fair value (continued) $409,179,507; (2020: $390,790,635) Refer to the Report of the Audit Committee on page 66, the Condensed Schedule of Investments as at 31 December 2021 on pages 75 to 77, note 1 fair value significant accounting policies and note 2 fair value measurements disclosures.	**Risk:** The valuation of the Company's Investments is considered a significant area of our audit, given that it represents the majority of the net assets of the Company. The valuation risk of the private unquoted life science investments incorporates both a risk of fraud and error given the significance of the estimates and judgements that are involved in the determination of their fair value.	Challenging managements' Investments valuation, including the use of our KPMG valuation specialists, as applicable (continued): – For private investment company life science investments we obtained independent confirmations, from the administrator of those private investment companies, of the net asset values per share and reconciled these to the net asset values used in the Company's valuation. Further we obtained the coterminous audited financial statements for those private investment companies to corroborate the net asset values per share used. We also evaluated the accounting framework and accounting policies applied and considered the impact, if any, of the issued audit opinions therein. Assessing disclosures: – We also considered the Company's financial statement disclosures in relation to the use of estimates and judgements regarding the fair value of investments in securities and the Company's investment valuation policies adopted and the fair value disclosures, in notes 1 and 2 respectively, for conformity with US GAAP.

3. Our application of materiality and an overview of the scope of our audit

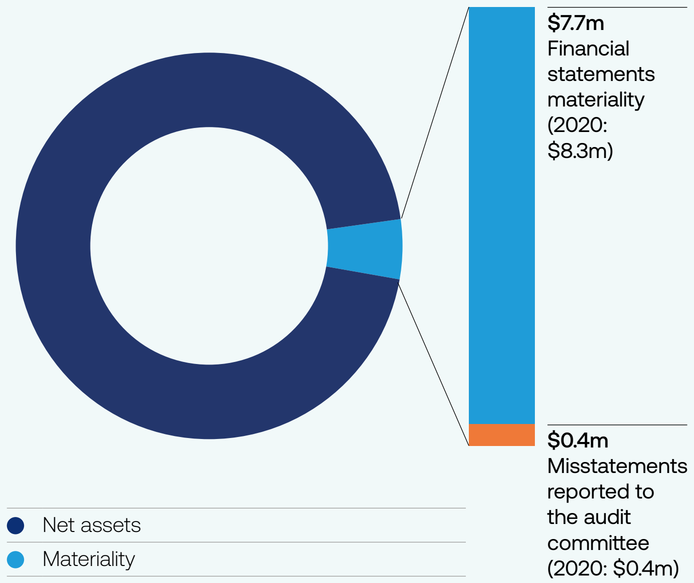
Materiality for the financial statements as a whole was set at $7.7m, determined with reference to a benchmark of net assets of $387.4m, of which it represents approximately 2.0% (2020: 2.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to $5.8m. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $0.4m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Net assets
$387.4m (2020: $412.6m)



4. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period was the availability of capital to meet operating costs and other financial commitments.

Independent Auditor's Report to the Members of RTW Venture Fund Limited
continued

4. Going concern (continued)

We considered whether this risk could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of private unquoted life science investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias.

Further detail in respect of valuation of private unquoted life science investments is set out in the key audit matter section of in this report.

5. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity s procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

7. Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Longer Term Viability Statement (page 50) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Longer Term Viability Statement (page 50) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Longer Term Viability Statement, set out on page 50 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

8. Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

9. We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

10. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 61, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless liquidation is imminent.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor s report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC s website at www.frc.org.uk/auditorsresponsibilities.

11. The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dermot Dempsey.

Dermot Dempsey
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey
30 March 2022

Statement of Assets and Liabilities as at 31 December 2021 and 31 December 2020
(Expressed in United States Dollars)

	2021 US$	2020 US$
Assets:		
Investments in securities, at fair value (cost at 31 December 2021: US$271,421,062; cost at 31 December 2020: US$151,961,275)	409,179,507	390,790,635
Derivative contracts, at fair value (cost at 31 December 2021: US$2,348,062; cost at 31 December 2020: US$1,763,991)	10,983,574	4,713,942
Cash and cash equivalents	6,484,057	4,553,481
Due from brokers	12,323,965	20,032,971
Receivable from unsettled trades	200,695	685,498
Other assets	191,565	124,575
Total assets	**439,363,363**	**420,901,102**
Liabilities:		
Securities sold short, at fair value (proceeds at 31 December 2021: US$9,620,981; proceeds at 31 December 2020: US$4,986,163)	9,318,393	6,672,359
Derivative contracts, at fair value (proceeds at 31 December 2021: US$nil; proceeds at 31 December 2020: US$6,903)	3,310,833	579,782
Due to brokers	38,019,859	361,032
Accrued expenses	861,545	530,070
Payable for unsettled trades	492,007	145,930
Total liabilities	**52,002,637**	**8,289,173**
Total net assets	**387,360,726**	**412,611,929**
Net assets attributable to Ordinary Shares (shares at 31 December 2021: 212,389,138; shares at 31 December 2020: 191,515,735)	**363,040,222**	**375,281,126**
Net assets attributable to Performance Allocation Shares (shares at 31 December 2021: 1; shares at 31 December 2020: 1)	**24,320,504**	**37,330,803**
NAV per Ordinary Share	**1.7093**	**1.9595**

The audited financial statements of the Company were approved and authorised for issue by the Board of Directors on 30 March 2022 and signed on its behalf by:

William Simpson
Chairman

Paul Le Page
Director

See accompanying notes to the financial statements.

Condensed Schedule of Investments as at 31 December 2021
(Expressed in United States Dollars)

Descriptions	Number of Shares	Cost US$	Fair Value US$	Percentage of Net Assets %
Investments in securities, at fair value				
Common stocks				
United States				
Financials		108,150	106,527	0.03
Healthcare				
Prometheus Biosciences, Inc.	740,564	5,396,652	21,850,828	5.64
Rocket Pharmaceuticals, Inc.	2,364,728	6,223,376	51,622,012	13.33
Others*		131,292,813	177,272,154	45.76
Materials		45,415	9,801	0.00
Total United States		**143,066,406**	**250,861,322**	**64.76**
Ireland				
Healthcare		4,099,989	7,155,755	1.85
Netherlands				
Healthcare		3,339,207	4,302,049	1.11
Canada				
Healthcare		4,400,407	2,573,859	0.66
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	541,205	216,482	844,280	0.22
British Virgin Islands				
Healthcare		226,450	689,080	0.18
Cayman Islands				
Financials		422,961	414,583	0.11
Healthcare		104,050	103,530	0.03
Total Cayman Islands		**527,011**	**518,113**	**0.14**
Bermuda				
Healthcare		260,330	262,413	0.07
Belgium				
Healthcare		207,840	146,096	0.04
Switzerland				
Healthcare		106,002	83,035	0.02
Total common stocks		**156,450,124**	**267,436,002**	**69.05**

* No individual investment security or contract constitutes greater than 5 percent of net assets.

See accompanying notes to the financial statements.

Condensed Schedule of Investments as at 31 December 2021 continued (Expressed in United States Dollars)

Descriptions	Number of Shares	Cost US$	Fair Value US$	Percentage of Net Assets %
Investments in securities, at fair value (continued)				
Convertible preferred stocks				
United States				
Healthcare*		35,924,442	39,402,135	10.17
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	10,599,945	14,824,184	24,793,386	6.40
Others		1,771,209	1,771,209	0.46
Total China		**16,595,393**	**26,564,595**	**6.86**
Switzerland				
Healthcare		1,704,186	1,693,165	0.44
Ireland				
Healthcare		116,545	132,819	0.03
Total convertible preferred stocks		**54,340,566**	**67,792,714**	**17.50**
Exchange traded funds				
United States				
Index				
SPDR S&P 500 ETF TRUST	67,579	26,216,888	32,097,322	8.28
Total exchange traded funds		**26,216,888**	**32,097,322**	**8.28**
Investment in private investment companies				
Ireland				
Healthcare		11,814,933	13,068,663	3.37
United States				
Healthcare		8,234,839	10,013,859	2.59
Total investment in private investment companies		**20,049,772**	**23,082,522**	**5.96**

* No individual investment security or contract constitutes greater than 5 percent of net assets.

Descriptions	Cost US$	Fair Value US$	Percentage of Net Assets %
Investments in securities, at fair value (continued)			
American depository receipts			
United Kingdom			
Healthcare	7,368,293	12,033,889	3.11
Netherlands			
Healthcare	3,786,165	3,962,050	1.02
Ireland			
Healthcare	893,338	1,085,120	0.28
Sweden			
Healthcare	438,397	388,133	0.10
Israel			
Healthcare	372,855	308,578	0.08
China			
Healthcare	549,132	202,418	0.05
Singapore			
Healthcare	231,809	67,036	0.02
Total American depository receipts	**13,639,989**	**18,047,224**	**4.66**
Convertible bonds			
United States			
Healthcare	723,723	723,723	0.18
Total convertible bonds	**723,723**	**723,723**	**0.18**
Total investments in securities, at fair value	**271,421,062**	**409,179,507**	**105.63**

See accompanying notes to the financial statements.

Condensed Schedule of Investments as at 31 December 2021 continued
(Expressed in United States Dollars)

Descriptions	Cost US$	Fair Value US$	Percentage of Net Assets %
Derivative contracts – assets, at fair value			
Equity swaps			
United States			
Healthcare		5,442,939	1.41
British Virgin Islands			
Healthcare		2,128,260	0.55
Netherlands			
Healthcare		4,225	0.00
Total equity swaps		**7,575,424**	**1.96**
Warrants			
Canada			
Healthcare	1,939,543	3,077,816	0.79
United States			
Healthcare	407,920	329,865	0.09
Cayman Islands			
Financials	599	469	0.00
Total warrants	**2,348,062**	**3,408,150**	**0.88**
Total derivative contracts – assets, at fair value	**2,348,062**	**10,983,574**	**2.84**

See accompanying notes to the financial statements.

Descriptions	Proceeds US$	Fair Value US$	Percentage of Net Assets %
Securities sold short, at fair value			
Common stocks			
United States			
Healthcare	8,526,920	8,330,314	2.15
Materials	56,309	9,801	0.00
Total United States	8,583,229	8,340,115	2.15
Netherlands			
Healthcare	278,805	324,576	0.09
Cayman Islands			
Financials	96,480	97,018	0.03
Switzerland			
Healthcare	106,146	83,035	0.02
Total common stocks	**9,064,660**	**8,844,744**	**2.29**
American depository receipts			
Sweden			
Healthcare	462,836	388,133	0.10
China			
Healthcare	93,485	85,516	0.02
Total American depository receipts	**556,321**	**473,649**	**0.12**
Total securities sold short, at fair value	**9,620,981**	**9,318,393**	**2.41**

Descriptions	Fair Value US$	Percentage of Net Assets %
Derivative contracts – liabilities, at fair value		
Equity swaps		
United States		
Healthcare	3,223,278	0.83
Ireland		
Healthcare	52,601	0.01
Israel		
Healthcare	34,954	0.01
Total derivative contracts – liabilities, at fair value	**3,310,833**	**0.85**

See accompanying notes to the financial statements.

Condensed Schedule of Investments as at 31 December 2020
(Expressed in United States Dollars)

Descriptions	Number of Shares	Cost US$	Fair Value US$	Percentage of Net Assets %
Investments in securities, at fair value				
Common stocks				
United States				
Healthcare				
Rocket Pharmaceuticals, Inc.	3,089,728	8,131,396	169,440,683	41.07
Others*		97,062,100	176,270,298	42.72
Total United States		105,193,496	345,710,981	83.79
Canada				
Healthcare		3,891,345	2,360,037	0.57
Netherlands				
Healthcare		2,011,065	1,695,645	0.41
Cayman Islands				
Healthcare		749,216	938,398	0.23
British Virgin Islands				
Healthcare		226,450	383,740	0.09
China				
Healthcare		7,325	13,224	0.00
Total common stocks		**112,078,897**	**351,102,025**	**85.09**
Convertible preferred stocks				
United States				
Healthcare*		23,972,095	23,591,822	5.72
United Kingdom				
Healthcare		7,402,614	7,707,415	1.87
Cayman Islands				
Healthcare		6,862,515	6,862,515	1.66
Ireland				
Healthcare		116,545	109,806	0.03
Total convertible preferred stocks		**38,353,769**	**38,271,558**	**9.28**

*No individual investment security or contract constitutes greater than 5 percent of net assets.

See accompanying notes to the financial statements.

Descriptions	Cost US$	Fair Value US$	Percentage of Net Assets %
Investments in securities, at fair value (continued)			
American depository receipts			
Ireland			
Healthcare	1,093,043	1,004,772	0.24
Israel			
Healthcare	422,828	394,447	0.10
Cayman Islands			
Healthcare	12,738	17,833	0.00
Total American depository receipts	**1,528,609**	**1,417,052**	**0.34**
Total investments in securities, at fair value	**151,961,275**	**390,790,635**	**94.71**

Descriptions	Cost US$	Fair Value US$	Percentage of Net Assets %
Derivative contracts – assets, at fair value			
Warrants			
Canada			
Healthcare	1,589,508	2,721,084	0.66
United States			
Healthcare	155,991	209,900	0.05
Total warrants	**1,745,499**	**2,930,984**	**0.71**
Equity swaps			
United States			
Healthcare	13,412	859,586	0.21
British Virgin Islands			
Healthcare	3,873	846,117	0.20
Canada			
Healthcare	1,207	77,255	0.02
Total equity swaps	**18,492**	**1,782,958**	**0.43**
Total derivative contracts – assets, at fair value	**1,763,991**	**4,713,942**	**1.14**

See accompanying notes to the financial statements.

Condensed Schedule of Investments as at 31 December 2020 continued
(Expressed in United States Dollars)

Descriptions	Proceeds US$	Fair Value US$	Percentage of Net Assets %
Securities sold short, at fair value			
Common stocks			
United States			
Healthcare	4,541,074	6,229,135	1.51
Netherlands			
Healthcare	213,386	199,896	0.05
Canada			
Healthcare	58,823	78,292	0.02
Total common stocks	**4,813,283**	**6,507,323**	**1.58**
American depository receipts			
Israel			
Healthcare	149,412	147,203	0.04
Cayman Islands			
Healthcare	23,468	17,833	0.00
Total American depository receipts	**172,880**	**165,036**	**0.04**
Total securities sold short, at fair value	**4,986,163**	**6,672,359**	**1.62**

Descriptions	Proceeds US$	Fair Value US$	Percentage of Net Assets %
Derivative contracts – liabilities, at fair value			
Equity swaps			
United States	6,903	579,782	0.14
Healthcare			
Total derivative contracts – liabilities, at fair value	**6,903**	**579,782**	**0.14**

See accompanying notes to the financial statements.

Statement of Operations For the year ended 31 December 2021 and 31 December 2020
(Expressed in United States Dollars)

	2021 US$	2020 US$
Investment income		
Interest (net of withholding taxes of US$nil 2020: US$nil)	363,673	70,291
Dividends (net of withholding taxes of US$123,894; 2020: US$nil)	294,027	83,814
Total investment income	**657,700**	**154,105**
Expenses		
Management fees	4,813,854	2,912,850
Professional fees	1,070,317	1,068,017
Listing fees	936,615	–
Administrative fees	330,834	233,459
Audit fees	288,254	162,016
Directors' fees	214,353	220,875
Research fees	237,984	130,489
Interest	215,606	73,545
Other expenses	346,867	305,856
Total expenses	**8,454,684**	**5,107,107**
Net investment income/(loss)	**(7,796,984)**	**(4,953,002)**
Realised and change in unrealised gain/(loss) on investments, derivatives and foreign currency transactions		
Net realised gain/(loss) on securities and foreign currency transactions	41,280,297	8,337,422
Net change in unrealised gain/(loss) on securities and foreign currency translation	(99,115,160)	159,009,990
Net realised gain/(loss) on derivative contracts	(1,648,961)	(2,880,680)
Net change in unrealised gain/(loss) on derivative contracts	2,936,018	1,139,850
Net realised and unrealised gain/(loss) on investments, derivatives and foreign currency transactions	**(56,547,806)**	**165,606,582**
Net increase/(decrease) in net assets resulting from operations	**(64,344,790)**	**160,653,580**

See accompanying notes to the financial statements.

Statement of Changes in Net Assets
For the year ended 31 December 2021
(Expressed in United States Dollars)

	Ordinary Share Class Fund US$	Performance Allocation Share Class Fund US$	Total Shareholders' Funds US$
Net assets, beginning of year	**375,281,126**	**37,330,803**	**412,611,929**
Operations			
Net investment gain/(loss)	(7,796,984)	–	(7,796,984)
Net realised gain/(loss) on securities and foreign currency transactions	41,280,297	–	41,280,297
Net change in unrealised gain/(loss) on securities and foreign currency translation	(99,115,160)	–	(99,115,160)
Net realised gain/(loss) on derivative contracts	(1,648,961)	–	(1,648,961)
Net change in unrealised gain/(loss) on derivative contracts	2,936,018	–	2,936,018
Performance Allocation	8,035,379	(8,035,379)	–
Net change in net assets resulting from operations	**(56,309,411)**	**(8,035,379)**	**(64,344,790)**
Capital transactions			
Issuance of Ordinary Shares (net of issuance cost of US$222,883)	44,068,507	–	44,068,507
Performance Allocation distribution	–	(4,974,920)	(4,974,920)
Net change in net assets resulting from capital transactions	**44,068,507**	**(4,974,920)**	**39,093,587**
Net change in net assets	**(12,240,904)**	**(13,010,299)**	**(25,251,203)**
Net assets, end of year	**363,040,222**	**24,320,504**	**387,360,726**

See accompanying notes to the financial statements.

Statement of Changes in Net Assets
For the year ended 31 December 2020
(Expressed in United States Dollars)

	Ordinary Share Class Fund US$	Performance Allocation Share Class Fund US$	Total Shareholders' Funds US$
Net assets, beginning of year	**205,695,869**	**8,691,106**	**214,386,975**
Operations			
Net investment gain/(loss)	(4,953,002)	–	(4,953,002)
Net realised gain/(loss) on securities and foreign currency transactions	8,337,422	–	8,337,422
Net change in unrealised gain/(loss) on securities and foreign currency translation	159,009,990	–	159,009,990
Net realised gain/(loss) on derivative contracts	(2,880,680)	–	(2,880,680)
Net change in unrealised gain/(loss) on derivative contracts	1,139,850	–	1,139,850
Performance Allocation	(32,787,677)	32,787,677	–
Net change in net assets resulting from operations	**127,865,903**	**32,787,677**	**160,653,580**
Capital transactions			
Issuance of Ordinary Shares (net of issuance costs of US$209,676)	41,719,354	–	41,719,354
Performance Allocation distribution	–	(4,147,980)	(4,147,980)
Net change in net assets resulting from capital transactions	**41,719,354**	**(4,147,980)**	**37,571,374**
Net change in net assets	**169,585,257**	**28,639,697**	**198,224,954**
Net assets, end of year	**375,281,126**	**37,330,803**	**412,611,929**

See accompanying notes to the financial statements.

Statement of Cash Flows
For the year ended 31 December 2021 and 31 December 2020
(Expressed in United States Dollars)

	2021 US$	2020 US$
Cash flows from operating activities		
Net increase/(decrease) in net assets resulting from operations	(64,344,790)	160,653,580
Adjustments to reconcile net change in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net realised (gain)/loss on securities and foreign currency transactions	(41,280,297)	(8,337,422)
Net change in unrealised (gain)/loss on securities and foreign currency translation	99,115,160	(159,009,990)
Net realised (gain)/loss on derivative contracts	1,648,961	2,880,680
Net change in unrealised (gain)/loss on derivative contracts	(2,936,018)	(1,139,850)
Purchases of investments in securities	(202,925,739)	(117,412,482)
Proceeds from sales of investments in securities	119,715,056	66,905,737
Proceeds from securities sold short	15,049,848	6,506,635
Payments for securities sold short	(5,416,866)	(2,306,452)
Proceeds from derivative contracts	(784,778)	1,222,986
Payments for derivative contracts	(1,466,746)	(5,785,761)
Changes in operating assets and liabilities:		
Other assets	(66,990)	(118,767)
(Receivable from)/payable for unsettled trades	830,880	(1,072,270)
Due to brokers	37,658,827	361,032
Accrued expenses	331,475	(130,162)
Net cash provided by/(used in) operating activities (including restricted cash)	**(44,872,017)**	**(56,782,506)**
Cash flows from financing activities		
Net proceeds from issuance of shares	44,068,507	41,719,354
Performance Allocation distribution	(4,974,920)	(4,147,980)
Net cash provided by/(used in) financing activities	**39,093,587**	**37,571,374**
Net change in cash and cash equivalents (including restricted cash)	(5,778,430)	(19,211,132)
Cash and cash equivalents (including restricted cash), beginning of the year	**24,586,452**	**43,797,584**
Cash and cash equivalents (including restricted cash), end of the year	**18,808,022**	**24,586,452**
At 31 December 2021, the amounts categorised in cash and cash equivalents (including restricted cash) include the following:		
Cash and cash equivalents	6,484,057	4,553,481
Due from brokers	12,323,965	20,032,971
Total cash and cash equivalents (including restricted cash)	**18,808,022**	**24,586,452**
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	250,980	84,698

See accompanying notes to the financial statements.

Notes to the Financial Statements
For the year ended 31 December 2021
(Expressed in United States Dollars)

1. Nature of operations and summary of significant accounting policies

RTW Venture Fund Limited (the "Company"), is a publicly listed Guernsey non-cellular company limited by shares. It was originally incorporated in the State of Delaware, United States of America, and re-domiciled into Guernsey under the Companies Law on 2 October 2019 with registration number 66847 on the Guernsey Register of Companies. On 30 October 2019, all of the issued Ordinary Shares of the Company were listed and admitted to trading on the Specialist Fund Segment of the London Stock Exchange under ticker symbol: RTW. Subsequently, on 6 August 2021, the Company's Ordinary Shares were admitted to trading on the Premium Segment of the London Stock Exchange under ticker symbol RTWG.

The Company seeks to use equity capital (from the net proceeds of any share issuance or, where appropriate, from the net proceeds of investment divestments or other related profits) to provide seed and additional growth capital to the private investments. To mitigate cash-drag, the uninvested portion is invested across public stocks largely replicating the public stock portfolios of the Investment Manager's (as defined below) existing US-based funds. The Company focuses on creating, building, and supporting world-class life sciences, biopharmaceutical and medical technology companies. The Company's investment objective is to generate attractive risk-adjusted returns through investments in securities, both equity and debt, long and short, of companies with a focus on the pharmaceutical sector.

Pursuant to an investment management agreement, the Company appointed RTW Investments, LP, a Delaware limited partnership (the "Investment Manager"), to provide the Company with discretionary portfolio management, risk management services and certain other services. The Investment Manager is an investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940.

Basis of presentation

The financial statements are expressed in United States Dollars. The financial statements which give a true and fair view and have been prepared in conformity with US generally accepted accounting principles ("US GAAP") and are in compliance with the Companies (Guernsey) Law, 2008. The Company is an investment company and follows the accounting and reporting guidance in Financial Accounting Standards Board's ("FASB") Accounting Standards Codification Topic 946, Financial Services – Investment Companies.

Although the Company was in a net current liability position as at 31 December 2021, the Directors considered that it is appropriate to adopt a going concern basis of accounting in preparing the financial statements. In reaching this assessment, the Directors have considered a wide range of information relating to present and future conditions including the balance sheets, future projections, cash flows and the longer-term strategy of the business.

The COVID-19 pandemic continues to be a risk to the global economy, and, although the impact of COVID-19 continues to be seen across the world, the implications for financial markets has begun to reduce, with equity volatilities improving. Although impeded by the discovery of the new Omicron variant in the fourth quarter of 2021, overall indices were in a better position than at the start of 2021.

Like the majority of companies, COVID-19 has had an impact on the Company's operations but, at the height of the lockdowns in Guernsey and the United States, the Investment Manager, Administrator and Sub-Administrator demonstrated that they were able to work remotely without any significant negative impact on the Company's operations.

While the ongoing implications of COVID-19 are still unknown, as of year-end, the movements in the market are encouraging but, should another new variant lead to further lockdowns this could change again. However, in part due to the successful vaccine roll-out, there is light at the end of the COVID-19 pandemic tunnel, and it is expected that the risk to the Company from it will continue to decrease throughout 2022.

Although the COVID-19 pandemic could have a negative impact on investment valuations and on the volatility of investment valuations, it does not impact the ability of the Company to continue as a going concern. The impact of the COVID-19 pandemic is changing but the Directors consider that the Company is well placed to deal with challenges arising from the COVID-19 pandemic.

Cash and cash equivalents (including restricted cash)

Cash represents cash deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost plus accrued interest, which approximates fair value. Cash equivalents are held for the purpose of meeting short-term liquidity requirements, rather than for investment purposes. As at 31 December 2021 and 31 December 2020, the Company had no cash equivalents.

Restricted cash is subject to a legal or contractual restriction by third parties as well as a restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used. The Company considers cash pledged as collateral for securities sold short, cash collateral posted with counterparties for derivative contracts and further amounts due from brokers to be restricted cash, as outlined in Note 3.

Fair value – definition and hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the 'exit price') in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation techniques. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company.

Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorised into three levels based on the inputs as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgement.
- Level 2 – Valuations based on inputs, other than quoted prices included in Level 1, that are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments in private investment companies measured using net asset value ("NAV") as a practical expedient are not categorized in the fair value hierarchy.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgement. Those estimated values do not necessarily represent the amounts that may be ultimately realised due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgement

Notes to the Financial Statements
continued

1. Nature of operations and summary of significant accounting policies (continued)

exercised by the Company in determining fair value is greatest for investments categorised in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many investments. This condition could cause an investment to be reclassified to a lower level within the fair value hierarchy.

Fair value – valuation techniques and inputs

Investments in securities and securities sold short

Listed investments

The Company values investments in securities including exchange traded funds and securities sold short that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their closing sales price as of the valuation date. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorised in Level 1 of the fair value hierarchy. Securities traded on inactive markets or valued by reference to similar instruments or where a discount may be applied are categorised in Level 2 or 3 of the fair value hierarchy. A discount for lack of marketability based on the 180 day restriction period under SEC Rule 144 is applied for investments that the Company purchases prior to an IPO and that subsequently begin trading on the NASDAQ national market.

Unlisted investments

Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Investment Manager. As part of their valuation process, the Investment Manager engages an Independent Valuer to challenge their assessed fair value on certain unlisted investments. The Investment Manager's unlisted investment valuation policy applies to techniques consistent with the IPEV Guidelines.

The valuation techniques applied are either a market based approach, an income approach such as discounted cash flows, or where available, a NAV practical expedient approach. The IPEV Guidelines recognise that the price of a recent transaction, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. Consideration is given to the facts and circumstances as at the subsequent measurement date including changes in the market and/or performance of the investee company. Milestone analysis is used where appropriate to incorporate operational progress at the investee company level. In addition, a trigger event such as a subsequent round of financing by the investee company would influence the market technique used to calibrate fair value at the measurement date.

The market approach utilizes guideline public companies relying on projected revenues to derive an indicated enterprise value. Due to the nature of the investments, being in the early stages of development, the projected revenues are used as a proxy for stable state revenue. A selected multiple is then applied based on the observed market multiples of the guideline public companies. To reflect the risk associated with the achievement of the projected revenues, the early development stage of each of the investments and the indicated enterprise value is discounted at an appropriate rate.

The income approach utilizes the discounted cash flow method. Projected cash flows for each investment were discounted to determine an assumed enterprise value.

Where applicable, the indicated enterprise value was determined using a back-solve model based on the pricing of the most recent round of financing. The internal rate of return for each investment was compared to the selected venture capital rate applied in the market approach to assess the reasonableness of the indicated value implied by each financing round. The derived enterprise value was allocated to the equity class on either a fully diluted basis or using an option pricing model. The resulting indicated value on a per share basis is then multiplied by the number of shares to derive the fair market value.

American depository receipts

The Company values investments in American depositary receipts that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last reported sales price as of the valuation date. These investments are categorised in Level 1 of the fair value hierarchy.

Convertible bonds

Convertible bonds are recorded at fair value using valuation techniques based on observable inputs. These instruments are generally categorised in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, convertible bonds are categorised in Level 3 of the fair value hierarchy.

Convertible preferred stock

The Company values Level 1 investments in convertible preferred stock that are listed on a national securities exchange at their closing sales price as of the valuation date. Level 3 investments in convertible preferred stock are valued in accordance with the unlisted investments section above. As of 31 December 2021, these investments are categorised in Level 1 and Level 3 of the fair value hierarchy.

Investment in private investment companies

The Company values investment in private investment companies using the net asset values provided by the underlying private investment companies as a practical expedient. The Company applies the practical expedient to its private investment companies on an investment-by-investment basis and consistently with the Company's entire position in a particular investment, unless it is probable that the Company will sell a portion of an investment at an amount different from the NAV of the investment.

Equity swaps

Equity swaps may be centrally cleared or traded on the over-the-counter market. The fair value of equity swaps is calculated based on the terms of the contract and current market data, such as changes in fair value of the reference asset. The fair value of equity swaps is generally categorised in Level 2 of the fair value hierarchy.

Warrants

Warrants that are listed on major securities exchanges are valued at their last reported sales price as of the valuation date. The fair value of over-the-counter ("OTC") warrants is determined using the Black-Scholes option pricing model, a valuation technique that follows the income approach. This pricing model takes into account the contract terms (including maturity) as well as multiple inputs, including time value, implied volatility, equity prices, interest rates and currency rates. Warrants are categorised in all levels of the fair value hierarchy.

Fair value – valuation processes

The Company establishes valuation processes and procedures to ensure that the valuation techniques are fair and consistent, and valuation inputs are supportable. The Company designates the Investment Manager's Valuation Committee to oversee the entire valuation process of the Company's investments. The Valuation Committee comprises various members of the Investment Manager, including those separate from the Company's portfolio management and trading functions, and reports to the Board.

The Valuation Committee is responsible for developing the Company's written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies.

The Investment Manager's Valuation Committee meets on a monthly basis or more frequently, as needed, to determine the valuations of the Company's Level 3 investments. Valuations determined by the Valuation Committee are required to be supported by market data, third-party pricing sources, industry-accepted pricing models, counterparty prices or other methods they deem to be appropriate, including the use of internal proprietary pricing models.

The Company periodically tests its valuations of Level 3 investments by performing back-testing. Back-testing involves the comparison of sales proceeds of those investments to the most recent fair values reported and, if necessary, uses the findings to recalibrate its valuation procedures.

On a regular basis, the Company engages the services of a third-party valuation firm, the Independent Valuer, to perform an independent review of the valuation of the Company's Level 3 investments and may adjust its valuations based on the recommendations from the Investment Manager's Valuation Committee.

Translation of foreign currency

Assets and liabilities denominated in foreign currencies are translated into United States Dollar amounts at the year-end exchange rates. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into United States Dollar amounts on the transaction date. Adjustments arising from foreign currency transactions are reflected in the statement of operations.

The Company does not isolate that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held. Such fluctuations are included in net realised and change in unrealised gain/(loss) on securities, derivatives and foreign currency transactions in the statement of operations.

Reported net realised gain/(loss) from foreign currency transactions arise from sales of foreign currencies; currency gains or losses realised between the trade and settlement dates on securities transactions; and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Company's books and the United States Dollar equivalent of the amounts actually received or paid.

Net change in unrealised gain/(loss) from foreign currency translation of assets and liabilities arises from changes in the fair values of assets and liabilities, other than investments in securities at the end of the period, resulting from changes in exchange rates.

Investment transactions and related investment income

Investment transactions are accounted for on a trade date basis. For the year ended 31 December 2020, realised gains and losses on investment transactions were determined using cost calculated on a first in, first out basis. However, with effect from 1 January 2021, realised gains and losses on investment transactions have been calculated on a specific identification method. The change in accounting policy was made in order to achieve a more favorable tax outcome for shareholders. It is impracticable to determine the cumulative effect of applying the change in accounting policy through retrospective application on prior periods owing to the change in Administrator during the year, hence the change was made prospectively as of the earliest date practicable, 1 January 2021. Note that, following the change, there is no effect on either the Company's net assets as at 31 December 2021 or net increase/(decrease) in net assets resulting from operations for the year then ended and the Directors are of the opinion that any retrospective application of this change would not be material to the prior period reported results.

Dividends are recorded on the ex-dividend date and interest is recognised on the accrual basis.

Withholding taxes on foreign dividends have been provided for in accordance with the Company's understanding of the applicable country's rules and rates.

Offsetting of amounts related to certain contracts

Amounts due from and to brokers are presented on a net basis, by counterparty, to the extent the Company has the legal right to offset the recognised amounts and intends to settle on a net basis.

The Company has elected not to offset fair value amounts recognised for cash collateral receivables and payables against fair value amounts recognised for derivative positions executed with the same counterparty under the same master netting arrangement. At 31 December 2021, the Company had cash collateral receivables of US$12,228,870 (31 December 2020: US$5,191,837) (see Note 3) with derivative counterparties under the same master netting arrangement.

Income taxes

The Company is exempt from taxation in Guernsey and is charged an annual exemption fee of £1,200. The Company will only be liable to tax in Guernsey in respect of income arising or accruing from a Guernsey source, other than from a relevant bank deposit. It is not anticipated that such Guernsey source taxable income will arise.

The Company is managed so as not to be resident in the UK for UK tax purposes and as a foreign limited partnership for US tax purposes and provides full tax reporting for its US shareholders.

The Company recognises tax benefits of uncertain tax positions only where the position is more likely than not to be sustained assuming examination by a tax authority based on the technical merits of the position. In evaluating whether a tax position has met the recognition threshold, the Company must presume the position will be examined by the appropriate taxing authority and that taxing authority has full knowledge of all relevant information. A tax position meeting the more likely than not recognition threshold is measured to determine the amount of benefit to recognise in the Company's financial statements. Income tax and related interest and penalties would be recognised as a tax expense in the statement of operations if the tax position was deemed to meet the more likely than not threshold.

The Investment Manager has analysed the Company's tax positions and has concluded no liability for unrecognised tax benefits should be recorded in relation to uncertain tax positions. Further, management is not aware of any tax positions for which it is reasonably possible the total amounts of unrecognised tax benefits will significantly change in the next twelve months.

Prior to re-domiciliation the Company did not record a provision for US federal, state, or local income taxes because the participating members reported their share of the Company's income or loss on their income tax returns. The Company files an income tax return in the US federal jurisdiction, and may have to file income tax returns in various US states and foreign jurisdictions. Generally, the Company was subject to income tax examinations by major taxing authorities for the tax period since inception. Based on its analysis, the Company determined that it had not incurred any liability for unrecognised tax benefits as of 31 December 2021 or 31 December 2020.

Notes to the Financial Statements
continued

2. Fair value measurements (continued)

Use of estimates

Preparing financial statements in accordance with US GAAP requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, including the fair value of investments, and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

New accounting pronouncements

There were no new accounting pronouncements required to be adopted by the Company during the year.

2. Fair value measurements

The Company's assets and liabilities recorded at fair value have been categorised based upon a fair value hierarchy as described in the Company's significant accounting policies in Note 1.

The following table presents information about the Company's assets and liabilities measured at fair value as of 31 December 2021:

	Level 1 US$	Level 2 US$	Level 3 US$	Investments measured at net asset value*	Total US$
Assets (at fair value)					
Investments in securities					
Common stocks	249,490,511	16,001,524	1,943,967	–	267,436,002
Convertible preferred stocks	615,444	–	67,177,270	–	67,792,714
Exchange traded funds	32,097,322	–	–	–	32,097,322
Investment in private investment companies	–	–	–	23,082,522	23,082,522
American depository receipts	18,047,224	–	–	–	18,047,224
Convertible bonds	–	–	723,723	–	723,723
Total investments in securities	**300,250,501**	**16,001,524**	**69,844,960**	**23,082,522**	**409,179,507**
Derivative contracts					
Equity swaps	–	7,575,424	–	–	7,575,424
Warrants	6,576	3,267,566	134,008	–	3,408,150
Total derivative contracts	**6,576**	**10,842,990**	**134,008**	**–**	**10,983,574**
	300,257,077	**26,844,514**	**69,978,968**	**23,082,522**	**420,163,081**
Liabilities (at fair value)					
Securities sold short					
Common stocks	8,844,744	–	–		8,844,744
American depository receipts	473,649	–	–		473,649
Total securities sold short	**9,318,393**	**–**	**–**		**9,318,393**
Derivative contracts					
Equity swaps	–	3,310,833	–		3,310,833
Total derivative contracts	**–**	**3,310,833**	**–**		**3,310,833**
	9,318,393	**3,310,833**	**–**		**12,629,226**

* The Company's investment in private investment companies that are valued at their net asset value are not categorized within the fair value hierarchy.

The following table presents information about the Company's assets and liabilities measured at fair value as of 31 December 2020:

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Assets (at fair value)				
Investments in securities				
Common stocks	307,923,358	34,091,286	9,087,381	351,102,025
Convertible preferred stocks	109,806	–	38,161,752	38,271,558
American depository receipts	1,417,052	–	–	1,417,052
Total investments in securities	**309,450,216**	**34,091,286**	**47,249,133**	**390,790,635**
Derivative contracts				
Warrants	75,917	2,721,084	133,983	2,930,984
Equity swaps	–	1,782,958	–	1,782,958
Total derivative contracts	**75,917**	**4,504,042**	**133,983**	**4,713,942**
	309,526,133	**38,595,328**	**47,383,116**	**395,504,577**
Liabilities (at fair value)				
Securities sold short				
Common stocks	6,507,323	–	–	6,507,323
American depository receipts	165,036	–	–	165,036
Total securities sold short	**6,672,359**	**–**	**–**	**6,672,359**
Derivative contracts				
Equity swaps	–	579,782	–	579,782
Total derivative contracts	**–**	**579,782**	**–**	**579,782**
	6,672,359	**579,782**	**–**	**7,252,141**

Transfers between Levels 2 and 3 generally relate to whether significant relevant observable inputs are available for the fair value measurements in their entirety. See Note 1 for additional information related to the fair value hierarchy and valuation techniques and inputs. For the year ended 31 December 2021, the Company had transfers into Level 2 of US$9,064,760 from Level 3 due to conversion into publicly traded common stocks subject to an unexpired 180-day lock-up as at 31 December 2021 (2020: US$9,002,481) and transfers into Level 1 of US$20,330,984 from Level 3 due to conversion into publicly traded common stocks (2020: US$4,999,996). During the year ended 31 December 2021, US$8,210,689 (2020: US$nil) relating to investment companies measured using NAV as a practical expedient and which are not categorized in the fair value hierarchy, was transferred out of Level 3. Transfers between levels are deemed to occur at year end.

Notes to the Financial Statements
continued

2. Fair value measurements (continued)

The following tables summarise the valuation techniques and significant unobservable inputs used for the Company's investments that are categorised within Level 3 of the fair value hierarchy as of 31 December 2021 and 31 December 2020:

	Fair value at 31 December 2021 US$	Valuation techniques	Significant unobservable inputs	Range of inputs
Assets (at fair value)				
Investments in securities				
Convertible preferred stocks	60,740,530	Discounted cash flow;	WACC	16% – 38%
		Market approach;	Exit revenue multiple	3.0x – 4.0x
		and/or option pricing model	Expected volatility	40% – 135%
			market up step multiple	1.0x – 1.8x
	6,436,740	Price of most recent funding round	n/a	n/a
Common stocks	844,280	market approach;	Expected volatility	60%
		and/or option pricing model	market up step multiple	1.1x – 1.7x
	1,099,687	Price of most recent funding round	n/a	n/a
Convertible bonds	723,723	Price of most recent funding round	n/a	n/a
Total investments in securities	**69,844,960**			
Derivative contracts				
Warrants	133,983	Price of most recent funding round	n/a	n/a
	25	Discounted cash flow;	WACC	38%
		Market approach;	Exit revenue multiple	3.0x
		and/or option pricing model	Expected volatility	45%
Total derivative contracts	**134,008**			

	Fair value at 31 December 2020 US$	Valuation techniques	Significant unobservable inputs	Range of inputs
Assets (at fair value)				
Investments in securities				
Convertible preferred stocks	20,777,728	Price of most recent funding round	n/a	n/a
	17,384,024	Discounted cash flows, option pricing model	WACC	28%–42%
			Exit revenue multiple	4x
			Expected volatility	50%–80%
Common stocks	8,741,068	Price of most recent funding round	n/a	n/a
	346,313	Discounted cash flows, option pricing model	Expected volatility	95%
Total investments in securities	**47,249,133**			
Derivative contracts				
Warrants	133,983	Price of most recent funding round	n/a	n/a
Total derivative contracts	**133,983**			

The significant unobservable inputs used in the fair value measurements of Level 3 convertible preferred stocks are WACC, exit revenue multiple, and expected volatility. Increases in the WACC in isolation would result in a lower fair value for the security, and vice versa. Increases in the exit multiple in isolation would result in a higher fair value of the security, and vice versa. A change in volatility in isolation could result in a higher or lower fair value for the security.

The table on the following page presents additional information about Level 3 assets and liabilities measured at fair value. Both observable and unobservable inputs may be used to determine the fair value of positions that the Company has classified within the Level 3 category. As a result, the unrealised gains and losses for assets and liabilities within the Level 3 category may include changes in fair value that were attributable to both observable and unobservable inputs

Changes in Level 3 assets and liabilities measured at fair value for the year ended 31 December 2021 were as follows:

	Balance beginning 1 January 2021 US$	Realised gains/ (losses)[(a)] US$	Change in Unrealised gains/(losses)[(a)] US$	Purchases US$	Sales US$	Transfers into/ (from) Level 3* US$	Ending balance 31 December 2021 US$
Assets (at fair value)							
Investments in securities							
Convertible preferred stocks	38,161,752	1,440,394	13,226,721	46,075,180	(2,331,033)	(29,395,744)	67,177,270
Common stocks	9,087,381	–	502,587	564,688	–	(8,210,689)	1,943,967
Convertible bonds	–	–	–	723,723	–	–	723,723
Total investments in securities	**47,249,133**	**1,440,394**	**13,729,308**	**47,363,591**	**(2,331,033)**	**(37,606,433)**	**69,844,960**
Derivative contracts							
Warrants	133,983	–	1	24	–	–	134,008
Total derivative contracts	133,983	–	1	24	–	–	134,008

* Conversions of preferred stock into common stock.

Changes in Level 3 assets and liabilities measured at fair value for the year ended 31 December 2020 were as follows:

	Balance beginning 1 January 2020 US$	Realised gains/ (losses)[(a)] US$	Change in Unrealised gains/(losses)[(a)] US$	Purchases US$	Sales US$	Transfers into/ (from) Level 3* US$	Ending balance 31 December 2020 US$
Assets (at fair value)							
Investments in securities							
Convertible preferred stocks	26,064,551	–	(640,023)	28,972,718	(3,000,004)	(13,235,490)	38,161,752
Convertible notes	–	–	–	762,640	–	(762,640)	–
Common stocks	–	–	125,210	8,966,519	–	(4,348)	9,087,381
Total investments in securities	**26,064,551**	**–**	**(514,813)**	**38,701,877**	**(3,000,004)**	**(14,002,478)**	**47,249,133**
Derivative contracts							
Warrants	–	–	–	133,983	–	–	133,983
Total derivative contracts	–	–	–	**133,983**	**–**	**–**	**133,983**

* Conversions of preferred stock and convertible notes into common stock.

(a) Realised and unrealised gains and losses are included in net realised and change in unrealised gain/(loss) on investments, derivatives and foreign currency transactions in the statement of operations.

Changes in Level 3 unrealised gains and losses during the year for assets still held at year end were as follows:

	2021 US$	2020 US$
Convertible preferred stocks	12,873,757	(640,023)
Common stocks	497,966	125,210
Change in unrealised gains and losses during the year for assets still held at year end	**13,371,723**	**(514,813)**

Total realised gains and losses and unrealised gains and losses in the Company's investment in securities, derivative contracts and securities sold short are made up of the following gain and loss elements:

	2021 US$	2020 US$
Realised gains	54,163,408	17,159,030
Realised losses	(14,532,072)	(11,702,288)
Net realised gain on securities, derivative contracts and securities sold short	**39,631,336**	**5,456,742**

	2021 US$	2020 US$
Change in unrealised gains	106,379,343	218,626,449
Change in unrealised losses	(202,558,485)	(58,476,609)
Net change in unrealised gain/(loss) on securities, derivative contracts and securities sold short	**(96,179,142)**	**160,149,840**

As at 31 December 2021, the Company had commitments (subject to completion of certain parameters) to certain of its investments totaling US$2,358,325.

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continued

3. Due to/from brokers
Due to/from brokers includes cash balances held with brokers and collateral on derivative transactions. Amounts due from brokers may be restricted to the extent that they serve as deposits for securities sold short or cash posted as collateral for derivative contracts.

At 31 December 2021, amounts included within due from brokers of US$95,095 (31 December 2020: US$14,841,134) can be used for investment. The Company pledged cash collateral to counterparties to over-the-counter derivative contracts of US$12,228,870 (31 December 2020: US$5,191,837) which is included in due from brokers.

In the normal course of business, substantially all of the Company's securities transactions, money balances, and security positions are transacted with the Company's prime brokers, Goldman Sachs & Co. LLC, Cowen Financial Products, LLC, UBS AG, Bank of America Merrill Lynch, Morgan Stanley & Co. LLC, Jeffries & Co. and J.P. Morgan Securities, LLC. The Company is subject to credit risk to the extent any broker with which it conducts business is unable to fulfil contractual obligations on its behalf. The Company's management monitors the financial condition of such brokers and does not anticipate any losses from these counterparties.

4. Derivative contracts
In the normal course of business, the Company utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Company's derivative activities and exposure to derivative contracts are classified by the primary underlying risk, equity price risk and foreign currency exchange rate risk. In addition to its primary underlying risk, the Company is also subject to additional counterparty risk due to the inability of its counterparties to meet the terms of their contracts.

Warrants
The Company may receive warrants from its portfolio companies upon an investment in the debt or equity of a portfolio company. The warrants provide the Company with exposure and potential gains upon equity appreciation of the portfolio company's share price.

The value of a warrant has two components: time value and intrinsic value. A warrant has a limited life and expires on a certain date. As time to the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an "in the money" warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the Company to lose its entire investment in a warrant.

The Company is exposed to counterparty risk from the potential failure of an issuer of warrants to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Company is the fair value of the contracts and the purchase price of the warrants. The Company considers the effects of counterparty risk when determining the fair value of its investments in warrants.

Equity swap contracts
The Company is subject to equity price risk in the normal course of pursuing its investment objectives. The Company may enter into equity swap contracts either to manage its exposure to the market or certain sectors of the market, or to create exposure to certain equities to which it is otherwise not exposed.

Equity swap contracts involve the exchange by the Company and a counterparty of their respective commitments to pay or receive a net amount based on the change in the fair value of a particular security or index and a specified notional amount.

Volume of derivative activities
The Company considers the average month-end notional amounts during the year, categorised by primary underlying risk, to be representative of the volume of its derivative activities during the year ended 31 December 2021:

	31 December 2021		31 December 2020	
	Long exposure	Short exposure	Long exposure	Short exposure
Primary underlying risk	Notional amounts US$	Notional amounts US$	Notional amounts US$	Notional amounts US$
Equity price				
Equity swaps	2,347,607	–	5,756,513	7,117,933
Warrants[(a)]	9,031,998	66,149,127	1,487,443	–
	11,379,605	**66,149,127**	**7,243,956**	**7,117,933**

(a) Notional amounts presented for warrants are based on the fair value of the underlying shares as if the warrants were exercised at each respective month end date.

Impact of derivatives on the statement of assets and liabilities and statement of operations
The following tables identify the fair value amounts of derivative instruments included in the statement of assets and liabilities as derivative contracts, categorised by primary underlying risk, at 31 December 2021 and 31 December 2020. The following table also identifies the gain and loss amounts included in the statement of operations as net realised gain/(loss) on derivative contracts and net change in unrealised gain/(loss) on derivative contracts, categorised by primary underlying risk, for the year ended 31 December 2021 and 31 December 2020.

4. Derivative contracts (continued)

	31 December 2021			
Primary underlying risk	Derivative assets US$	Derivative liabilities US$	Realised gain/(loss) US$	Change in unrealised gain/(loss) US$
Equity price				
Equity swaps	7,575,424	3,310,833	(1,651,404)	3,061,415
Warrants	3,408,150	–	2,443	(125,397)
	10,983,574	**3,310,833**	**(1,648,961)**	**2,936,018**

	31 December 2020			
Primary underlying risk	Derivative assets US$	Derivative liabilities US$	Realised gain/(loss) US$	Change in unrealised gain/(loss) US$
Equity price				
Equity swaps	1,782,958	579,782	–	1,185,485
Warrants	2,930,984	–	(2,880,680)	(45,635)
	4,713,942	**579,782**	**(2,888,680)**	**1,139,850**

5. Securities lending agreements
The Company has entered into securities lending agreements with its prime brokers. From time to time, the prime brokers lend securities on the Company's behalf. As of 31 December 2021 and 31 December 2020, no securities were loaned and no collateral was received.

6. Offsetting assets and liabilities
The Company is required to disclose the impact of offsetting assets and liabilities represented in the statement of assets and liabilities to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognised assets and liabilities. These recognised assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of setoff criteria: the amounts owed by the Company to another party are determinable, the Company has the right to offset the amounts owed with the amounts owed by the other party, the Company intends to offset and the Company's right of setoff are enforceable by law.

As of 31 December 2021 and 31 December 2020, the Company held financial instruments and derivative instruments that were eligible for offset in the statement of assets and liabilities and are subject to a master netting arrangement. The master netting arrangement allows the counterparty to net applicable collateral held on behalf of the Company against applicable liabilities or payment obligations of the Company to the counterparty. These arrangements also allow the counterparty to net any of its applicable liabilities or payment obligations they have to the Company against any collateral sent to the Company.

As discussed in Note 1, the Company has elected not to offset assets and liabilities in the statement of assets and liabilities. The following table presents the potential effect of netting arrangements for asset derivative contracts presented in the statement of assets and liabilities:

				31 December 2021 Gross amounts not offset in the statement of assets and liabilities		
Description	Gross amounts of recognised assets	Gross amounts offset in the statement of assets and liabilities	Gross amounts of recognised assets and liabilities	Financial instruments[(a)]	Cash collateral received[(b)]	Net amount
Equity swaps						
Cowen Financial Products, LLC	5,777,357	–	5,777,357	(1,532,754)	–	4,244,603
Bank of America Merrill Lynch	1,396,737	–	1,396,737	(1,190,091)	–	206,646
Morgan Stanley & Co. LLC	306,560	–	306,560	(77,393)	–	229,167
Jeffries & Co.	78,710	–	78,710	(78,710)	–	–
UBS AG	16,060	–	16,060	(16,060)	–	–
	7,575,424	**–**	**7,575,424**	**(2,895,008)**	**–**	**4,680,416**

Notes to the Financial Statements
continued

6. Offsetting assets and liabilities (continued)

Description	Gross amounts of recognised assets	Gross amounts offset in the statement of assets and liabilities	Gross amounts of recognised assets and liabilities	31 December 2020 Gross amounts not offset in the statement of assets and liabilities: Financial instruments[a]	Cash collateral received[b]	Net amount
Equity swaps						
Cowen Financial Products, LLC	1,487,760	–	1,487,760	(296,372)	–	1,191,388
UBS AG	323,371	–	323,371	(60,876)	–	262,495
Bank of America Merrill Lynch	32,659	–	32,659	(32,659)	–	–
	1,843,790		**1,843,790**	**(389,907)**	**–**	**1,453,883**

(a) Amounts related to master netting agreements (e.g. ISDA), determined by the Company to be legally enforceable in the event of default and if certain other criteria are met in accordance with applicable offsetting accounting guidance but were not offset due to management's accounting policy election.

(b) Amounts related to master netting agreements and collateral agreements determined by the Company to be legally enforceable in the event of default, but certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the statement of assets and liabilities. If this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

The following tables present the potential effect of netting arrangements for liability derivative contracts presented in the statement of assets and liabilities as of 31 December 2021 and 31 December 2020:

Description	Gross amounts of recognised liabilities	Gross amounts offset in the statement of assets and liabilities	Gross amounts of recognised liabilities	31 December 2021 Gross amounts not offset in the statement of assets and liabilities: Financial instruments[a]	Cash collateral pledged[b]	Net amount
Equity swaps						
Cowen Financial Products, LLC	1,532,754	–	1,532,754	(1,532,754)	–	–
Bank of America Merrill Lynch	1,190,091	–	1,190,091	(1,190,091)	–	–
Jeffries & Co.	406,977	–	406,977	(78,710)	(328,267)	–
UBS AG	103,618	–	103,618	(16,060)	(87,558)	–
Morgan Stanley & Co. LLC	77,393	–	77,393	(77,393)	–	–
	3,310,833	**–**	**3,310,833**	**(2,895,008)**	**(415,825)**	**–**

Description	Gross amounts of recognised liabilities	Gross amounts offset in the statement of assets and liabilities	Gross amounts of recognised liabilities	31 December 2020 Gross amounts not offset in the statement of assets and liabilities: Financial instruments[a]	Cash collateral pledged[b]	Net amount
Equity swaps						
Cowen Financial Products, LLC	296,372	–	296,372	(296,372)	–	–
UBS AG	60,876	–	60,876	(60,876)	–	–
Bank of America Merrill Lynch	284,370	–	284,370	(32,659)	–	251,711
	641,618	**–**	**641,618**	**(389,907)**	**–**	**251,711**

(a) Amounts related to master netting agreements (e.g. ISDA), determined by the Company to be legally enforceable in the event of default and if certain other criteria are met in accordance with applicable offsetting accounting guidance but were not offset due to management's accounting policy election.

(b) Amounts related to master netting agreements and collateral agreements determined by the Company to be legally enforceable in the event of default, but certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the statement of assets and liabilities. If this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

7. Securities sold short

The Company is subject to certain inherent risks arising from its investing activities of selling securities short. The ultimate cost to the Company to acquire these securities may exceed the liability reflected in these financial statements.

8. Risk factors

Some underlying investments may be deemed to be a highly speculative investment and are not intended as a complete investment program. The Company is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in the Company and who have a limited need for liquidity in their investment. The following risks are applicable to the Company:

Market risk

Certain events particular to each market in which Portfolio Companies conduct operations, as well as general economic and political conditions, may have a significant negative impact on the operations and profitability of the Company's investments and/or on the fair value of the Company's investments. Such events are beyond the Company's control, and the likelihood they may occur and the effect on the Company cannot be predicted. The Company intends to mitigate market risk generally by investing in LifeSci Companies in various geographies.

Portfolio Company products are subject to regulatory approvals and actions with new drugs, medical devices and procedures being subject to extensive regulatory scrutiny before approval, and approvals can be revoked.

The market value of the Company's holdings in public Portfolio Companies could be affected by a number of factors, including, but not limited to; a change in sentiment in the market regarding the public Portfolio Companies, the market's appetite for specific asset classes, and the financial or operational performance of the public Portfolio Companies.

The size of investments in public Portfolio Companies or involvement in management may trigger restrictions on buying or selling securities. Laws and regulations relating to takeovers and inside information may restrict the ability of the Company to carry out transactions, or there may be delays or disclosure requirements before transactions can be completed.

Equity prices and returns from investing in equity markets are sensitive to various factors, including but not limited to; expectations of future dividends and profits, economic growth, exchange rates, interest rates, and inflation.

Biotech/healthcare companies

The Portfolio Companies are biotechnology companies. Biotech companies are generally subject to greater governmental regulation than other industries at both the state and federal levels. Changes in governmental policies may have a material effect on the demand for or costs of certain products and services.

Any failure by a Portfolio Company to develop new technologies or to accurately evaluate the technical or commercial prospects of new technologies could result in it failing to achieve a growth in value and this could have a material adverse effect on the Company's financial condition.

Portfolio Companies may not successfully translate promising scientific theory into a commercially viable business opportunity. Further, the Companies' therapies in development may fail clinical trials and therefore no longer be viable.

Portfolio Company products are subject to intense competition and there are many factors that will affect whether the new therapies released by the Portfolio Companies gain market share against competitors and existing therapies.

Portfolio Companies may be newer small and mid-size LifeSci Companies. These companies may be more volatile and have less experience and fewer resources than more established companies.

Concentration risk

The Company may not make an investment or a series of investments in a Portfolio Company that result in the Company's aggregate investment in such Portfolio Company exceeding 15 per cent. of the Company's gross assets, save for Rocket for which the limit will be 25 per cent. as stated in the Company's prospectus. Each of these investment restrictions will be calculated as at the time of investment. As such, it is possible that the Company's portfolio may be concentrated at any given point in time, potentially with more than 15 per cent. of gross assets held in one Portfolio Company as Portfolio Companies increase or decrease in value following such initial investment. The Company's portfolio of investments may also lack diversification among LifeSci Companies and related investments.

Concentration of credit risk

In the normal course of business, the Company maintains its cash balances in financial institutions, which at times may exceed US federal or UK insured limits, as applicable. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfil contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

Counterparty risk

The Company invests in equity swaps and takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty, the risk of settlement default, and generally, the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

In an effort to mitigate such risks, the Company will attempt to limit its transactions to counterparties which are established, well capitalised and creditworthy.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial commitments as they fall due. The Company's unquoted investments may have limited or no secondary market liquidity so the Investment Manager maintains a sufficient balance of cash and market quoted securities which can be sold if needed to meet its commitments.

The Company's investments in quoted securities may also be subject to sale restrictions on listing and when the Investment Manager is subject to close periods or privy to confidential information by virtue of their active involvement in the management of portfolio companies.

Derivative transactions may not be liquid in all circumstances, such that in volatile markets it may not be possible to close out a position without incurring a loss. The illiquidity of the derivatives markets may be due to various factors, including congestion, disorderly markets, limitations on deliverable supplies, the participation of speculators, government regulation and intervention, and technical and operational or system failures.

Foreign exchange risk

The Company will make investments in various jurisdictions in a number of currencies and will be exposed to the risk of currency fluctuations that may materially adversely affect, amongst other things, the value of the Portfolio Company or the Company's investment in such Portfolio Company, or any distributions received from the Portfolio Company. Under its investment policy, the Company does not intend to enter into any securities or financially engineered products designed to hedge portfolio exposure or mitigate portfolio risk as a core part of its investment strategy.

Notes to the Financial Statements
continued

9. Share capital

During the year the Company issued 20,873,403 Ordinary Shares, as follows:

	2021 Number of Ordinary Shares	2020 Number of Ordinary Shares
As at 1 January	191,515,735	161,544,695
Issuance of Ordinary Shares	20,873,403	29,971,040
As at 31 December	**212,389,138**	**191,515,735**

Ordinary Shares carry the right to receive all income of the Company attributable to the Ordinary Shares and to participate in any distribution of such income made by the Company. Such income shall be divided pari passu among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.

Ordinary Shares shall carry the right to receive notice of and attend and vote at any general meeting of the Company, and at any such meeting on a show of hands, every holder of Ordinary Shares present in person (includes present by attorney or by proxy or, in the case of a corporate member, by duly authorised corporate representative) and entitled to vote shall have one vote, and on a poll, subject to any special voting powers or restrictions, every holder of Ordinary Shares present in person or by proxy shall be entitled to one vote for each Ordinary Share, or fraction of an Ordinary Share, held.

The Performance Allocation Amount will be allocated to the Performance Allocation Share Class Fund. All Performance Allocation Shares are held by RTW Venture Performance, LLC. As at 31 December 2021, there is one Performance Allocation Share in issue (31 December 2020: one).

Performance Allocation Shares shall carry the right to receive, and participate in, any dividends or other distributions of the Company available for dividend or distribution. Performance Allocation Shares shall not be entitled to receive notice of, to attend or to vote at general meetings of the Company.

Management Shares shall not be entitled to receive, and participate in, any dividends or other distributions of the Company available for dividend or distribution. Management Shares shall be entitled to receive notice of, to attend or to vote at general meetings of the Company. Upon admission the Management shares of the Company were compulsorily redeemed by the Directors for nil consideration.

For all share classes, subject to compliance with the solvency test set out in the Companies Law, the Board may declare and pay such annual or interim dividends and distributions as appear to be justified by the position of the Company. The Board may, in relation to any dividend or distribution, direct that the dividend or distribution shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or reserves of any nature as approved by the Company.

10. Related party transactions

Management Fee

The Investment Manager receives a monthly management fee, in advance, as of the beginning of each month in an amount equal to 0.104% (1.25% per annum) of the net assets of the Company (the "Management Fee"). For purposes of determining the Management Fee, private investments will be valued at the fair value. The Management Fee will be prorated for any period that is less than a full month. The Management Fees charged for the year amounted to US$4,813,854 (31 December 2020: US$2,912,850) of which US$nil (31 December 2020: US$nil) was outstanding at the year end.

Performance Allocation

The Articles provide that in respect of each Performance Allocation Period, the Performance Allocation Amount shall be allocated to the Performance Allocation Share Class Fund, subject to the satisfaction of a hurdle condition.

The Performance Allocation Amount relating to the Performance Allocation Period is an amount equal to:

((A-B) x C) x 20 per cent.

where:

A is the Adjusted Net Asset Value per Ordinary Share on the Calculation Date, adjusted by:

adding back (i) the total net Distributions (if any) per Ordinary Share (whether paid, or declared but not yet paid) during the Performance Allocation Period; and (ii) any accrual for the Performance Allocation for the current Performance Allocation Period reflected in the Net Asset Value per Ordinary Share; and deducting any accretion in the Net Asset Value per Ordinary Share resulting from either the issuance of Ordinary Shares at a premium or the repurchase or redemption of Ordinary Shares at a discount during the Performance Allocation Period;

B is the Adjusted Net Asset Value per Ordinary Share at the start of the Performance Allocation Period; and

C is the time weighted average number of Ordinary Shares in issue during the Performance Allocation Period.

The Hurdle Amount represents an 8 per cent. annualised compounded rate of return in respect of the Adjusted Net Asset Value per Ordinary Share from the start of the initial Performance Allocation Period through the then current Performance Allocation Period.

The Performance Allocation Share Class Fund can elect to receive the Performance Allocation Amount in Ordinary Shares; cash; or a mixture of the two, subject to a minimum 50% as Ordinary Shares. The Performance Allocation Share Class Fund entered into a letter agreement dated 21 April 2020, pursuant to which the Performance Allocation Share Class Fund agreed to defer distributions of the Company's Ordinary Shares that would otherwise be distributed to the Performance Allocation Share Class Fund no later than 30 business days after the publication of the Company's audited annual financial statements. Under that letter agreement, such Ordinary Shares shall be distributed to the Performance Allocation Share Class Fund at such time or times as determined by the Board of Directors of the Company.

The Company will increase or decrease the amount owed to the Performance Allocation Share Class Fund based on its investment exposure to the Company's performance had such Performance Ordinary Shares been so issued. The Performance Allocation Amount for the year ended 31 December 2021 includes the residual, undistributed Performance Allocation Amounts from prior years that were previously converted into a total of 14,228,208 Notional Ordinary Shares. These Notional Ordinary Shares are subject to market risk alongside the Ordinary Shares and incurred a mark-to-market loss of US$3,559,670 in 2021. Additionally, there was a reallocation of the uncrystallized performance allocation back to Ordinary Shareholders of US$4,475,709 related to the Company's performance in the year. Together with the Notional Ordinary Shares mark-to-market loss of US$3,559,670, the total period to date performance allocation reversal is US$8,035,379, which is incorporated into the value of the 31 December 2021 Performance Allocation balance of US$24,320,504.

Until the Company makes a distribution of Ordinary Shares to the Performance Allocation Share Class Fund, the Company will have an unsecured discretionary obligation to make such distribution at such time or times as the Board of Directors of the Company determines. RTW Venture Performance, LLC has agreed to the deferral of the distributions of the Company's Ordinary Shares in connection with its own tax planning. The Company does not believe that the deferral of such distributions to the Performance Allocation Share Class Fund will have any negative effects on holders of the Company's Ordinary Shares.

The Investment Manager is a member of the Performance Allocation Share Class Fund, and will therefore receive a proportion of the Performance Allocation Amount. In May 2021, the Board approved a cash distribution of US$4,974,920 to the Performance Allocation Share Class Fund (31 December 2020: US$4,147,980). At the year end the Performance Allocation was US$24,320,504 (31 December 2020: US$37,330,803).

The Investment Manager is also refunded any research costs incurred on behalf of the Company.

One of the Directors of the Company, Stephanie Sirota, is also a partner and the Chief Business Officer of the Investment Manager. The following table represents the number of related parties who served on the board of directors of investments held by the Company during the year ended 31 December 2021 and 31 December 2020:

Investments	Partners	Employees
Rocket	Two[a]	One
HSAC2 Holdings II	Two[a]	One
Ji Xing	One[b]	One
RTW Royalty (#1)	–	One
RTW Royalty (#2)	–	One
Yarrow Biotechnology	One[b]	One

(a) Roderick Wong, Naveen Yalamanchi
(b) Roderick Wong.

As at 31 December 2021, the number of Ordinary Shares held by each Director was as follows:

	2021 Number of Ordinary Shares	2020 Number of Ordinary Shares
William Simpson	150,000	100,000
Paul Le Page	103,000	103,000
William Scott	150,000	100,000
Stephanie Sirota	1,000,000	763,004

William Simpson added to his holding during the year by purchasing 50,000 Ordinary Shares in the Company's share issuance programme at a premium to NAV. Stephanie Sirota added to her holding during the year by purchasing 236,996 Ordinary Shares in the Company's share issuance programme at a premium to NAV. William Scott added to his holding during the year by purchasing 50,000 Ordinary Shares in the Company's share issuance programme at a premium to NAV.

Roderick Wong is a major shareholder and also a member of the Investment Manager. As at 31 December 2021, he held 29,218,773 (13.76% of the Ordinary Shares in issue) (31 December 2020: 27,286,368, 14.25% of the Ordinary Shares in issue) Ordinary Shares in the Company.

The total Directors' fees expense for the year amounted to US$214,353 (31 December 2020: US$220,875) of which US$52,761 was outstanding at 31 December 2021 (31 December 2020: US$53,136), included within accrued expenses.

11. Administrative services

On 1 February 2021, Elysium Fund Management Limited ("EFML") was appointed as Administrator, taking over the administration, corporate secretarial, corporate governance and compliance services from Ocorian Administration (Guernsey) Limited ("OAGL"). Further, from 1 February 2021 Morgan Stanley Fund Services USA LLC ("MSFS") was appointed to serve as the Company's Sub-Administrator.

During the year EFML and MSFS charged administration fees of US$107,767 and US$223,067 respectively (2020: OAGL charged US$233,459) of which US$8,396 and US$76,053 (2020: US$51,947 was outstanding to OAGL) was outstanding at 31 December 2021, and is included within accrued expenses.

Notes to the Financial Statements
continued

12. Financial highlights
Financial highlights for the year ended 31 December 2021 and 31 December 2020 are as follows:

	2021	2020
Per Ordinary Share operating performance		
Net Asset Value, beginning of year	US$ 1.96	US$ 1.27
Issuance of Ordinary Shares	0.02	0.02
Income from investments		
Net investment income/(loss)	(0.04)	(0.03)
Net realised and unrealised gain/(loss) on investments, derivatives and foreign currency transactions	(0.23)	0.70
Total from investment operations	(0.27)	0.67
Net Asset Value, end of year	**US$ 1.71**	**US$ 1.96**
Total return		
Total return before Performance Allocation	(15.35)%	62.35%
Performance Allocation	2.58%	(8.46)%
Total return after Performance Allocation	**(12.77)%**	**53.89%**
Ratios to average net assets*		
Expenses	2.22%	2.11%
Performance Allocation	(2.11)%	13.56%
Expenses and Performance Allocation	**0.11%**	**15.67%**
Net investment income/(loss)	(2.04)%	(2.05)%
NAV total return for the year	**(15.35)%**	**62.35%**

* The Company's annualised ongoing charges ratio is 1.78%, calculated in accordance with the AIC recommended methodology, which excludes non-recurring costs and uses the average NAV in its calculation.

Financial highlights are calculated for Ordinary Shares. An individual shareholder's financial highlights may vary based on participation in new issues, different Performance Allocation arrangements, and the timing of capital share transactions. Net investment income/loss does not reflect the effects of the Performance Allocation.

13. Subsequent events
On 6 January 2022, CinCor announced pricing of its US$193.6 million IPO, by offering 12.1 million shares at US$16.00 per share. The shares began trading on Nasdaq Global Market on 7 January 2022 under ticker "CINC".

These financial statements were approved by the Board of Directors and available for issuance on 30 March 2022. Subsequent events have been evaluated through this date.

General company information
Investment Objective and Investment Policy

The Company
RTW Venture Fund Limited is a company that was incorporated as a limited liability corporation in the State of Delaware, United States of America on 16 February 2017, with the name "RTW Special Purpose Fund I, LLC", and re-domiciled into Guernsey under the Companies Law on 2 October 2019 with registration number 66847 on the Guernsey Register of Companies.

The Company is registered with the Guernsey Financial Services Commission ("GFSC") as a Registered Closed-ended Collective Investment Scheme and is an investment company limited by shares. The registered office of the Company is 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX.

On 30 October 2019, the issued Ordinary Shares of the Company were listed and admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange. The ISIN of the Company's ordinary shares is GG00BKTRRM22 and trades under the ticker symbol "RTW".

The Company's Ordinary Shares were admitted to trading on the Premium Segment of the London Stock Exchange with effect from 6 August 2021.

Investment Objective
The Company seeks to achieve positive absolute performance and superior long-term capital appreciation, with a focus on forming, building, and supporting world-class life sciences, biopharmaceutical and medical technology companies. It intends to create a diversified portfolio of investments across a range of businesses, each pursuing the development of superior pharmacological or medical therapeutic assets to enhance the quality of life and/or extend patient life.

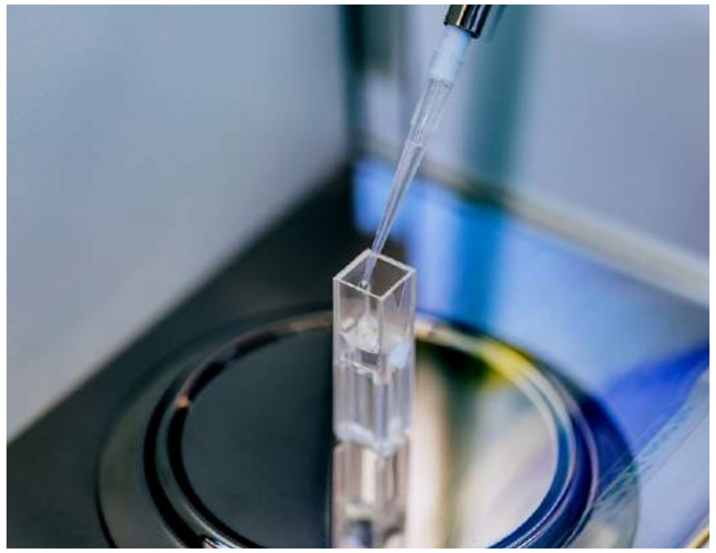
Investment Policy
The Company seeks to achieve its investment objective by leveraging RTW Investments, LP's (the "Investment Manager") data-driven proprietary pipeline of innovative assets to invest in LifeSci Companies:

- across various geographies (globally);
- across various therapeutic categories and product types (including but not limited to genetic medicines, biologics, traditional modalities such as small molecule pharmaceuticals and antibodies, and medical devices);
- in both a passive and active capacity and intends, from time to time, to take a controlling or majority position with active involvement in a Portfolio Company to assist and influence its management. In those situations, it is expected that the Investment Manager's senior executives may serve in temporary executive capacities; and
- by participation in opportunities created by the Investment Manager's formation of companies de novo when a significant unmet need has been identified and the Company is able to build a differentiated, sustainable business to address said unmet need.

The Company expects to invest approximately 80 per cent. of its gross assets in the investments to be made in the biopharmaceutical sector and approximately 20 per cent. of its gross assets in the investments to be made in the medical technology sector.

The Company's portfolio will reflect its view of the most compelling opportunities available to the Investment Manager, with an initial investment in each privately held Portfolio Company **("Private Portfolio Company")** expected to start in a low single digit per cent. of the Company's gross assets and grow over time, as the Company may, if applicable, participate in follow-on investments and/or continue holding the Portfolio Company as it becomes publicly-traded. It is intended certain long-term holds will increase in size and may represent between five and ten per cent. or greater of the Company's gross assets.

The Company anticipates deploying one-third of its capital toward early-stage and de novo company formations (including newly formed entities around early-stage academic licenses and commercial stage corporate assets) and two-thirds of its capital in mid- to late-stage ventures.



The Company may choose to invest in Portfolio Companies listed on a public stock exchange **("Public Portfolio Companies")** depending on market conditions and the availability of appropriate investment opportunities. Equally, as part of a full-life cycle investment approach, it is expected that Private Portfolio Companies may later become Public Portfolio Companies. Monetisation events such as IPOs and reverse mergers will not necessarily represent exit opportunities for the Company. Rather, the Company may decide to retain all or some of its investment in such Portfolio Companies where they continue to meet the standard of diligence set by the Investment Manager. The Company is not required to allocate a specific percentage of its assets to Private Portfolio Companies or Public Portfolio Companies.

The Company also intends, where appropriate, to invest further in its Portfolio Companies, supporting existing investments throughout their lifecycle. The Company may divest its interest in Portfolio Companies in part or in full when the risk–reward trade-off is deemed to be less favourable.

From time to time, the Company may seek opportunities to optimise investing conditions, and to allow for such circumstances, the Company will have the ability to hedge or enter into securities or derivative structures in order to enhance the risk-reward position of the portfolio and its underlying securities.

Investment restrictions
The Company will be subject to the following restrictions when making investments in accordance with its investment policy:

- the Company may not make an investment or a series of investments in a Portfolio Company that result in the Company's aggregate investment in such Portfolio Company exceeding 15 per cent. (or, in the case of Rocket Pharmaceuticals, Inc., 25 per cent.) of the Company's gross assets at the time of each such investment;
- the Company may not make any direct investment in any tobacco company and not knowingly make or continue to hold any Public Portfolio Company investments that would result in exposure to tobacco companies exceeding one per cent. of the aggregate value of the Public Portfolio Companies from time to time.

Each of these investment restrictions will be calculated as at the time of investment. In the event that any of the above limits are breached at any point after the relevant investment has been made (for instance, upon successful realisation of economic and/or scientific milestones or as a result of any movements in the value of the Company's gross assets), there will be no requirement to sell or otherwise dispose of any investment (in whole or in part).

General company information
Investment Objective and Investment Policy continued

Leverage and borrowing limits
The Company will have no leverage as at the date of Admission but may use conservative leverage in the future in order to enhance returns and maximise the growth of its portfolio, as well as for working capital purposes, up to a maximum of 50 per cent. of the Company's net asset value at the time of incurrence. Any other decision to incur indebtedness may be taken by the Investment Manager for reasons and within such parameters as are approved by the Board. There are no limitations placed on indebtedness incurred in the Company's underlying investments.

Capital deployment
The Company anticipates that it will initially, upon Admission and upon any subsequent capital raises, invest up to 80 per cent. of available cash in Public Portfolio Companies that have been diligenced by the Investment Manager and represent holdings in other portfolios managed by the Investment Manager, subsequently rebalancing the portfolio between Public Portfolio Companies and Private Portfolio Companies as opportunities to invest in the latter become available.

Cash management
The Company's uninvested capital may be invested in cash instruments or bank deposits pending investment in Portfolio Companies or used for working capital purposes.

Hedging
As described above, the Company may seek opportunities to optimise investing conditions, and to allow for such circumstances, there will be no limitations placed on the Company's ability to hedge or enter into securities or derivative structures in order to enhance the risk-reward position of the portfolio and its underlying securities.

On an ongoing basis, the Company does not intend to enter into any securities or financially engineered products designed to hedge portfolio exposure or mitigate portfolio risk as a core part of its investment strategy, but may enter into hedging transactions to hedge individual positions or reduce volatility related to specific risks such as fluctuations in foreign exchange rates, interest rates, and other market forces.

Glossary

Defined Terms

"Adjusted Net Asset Value"	the NAV adjusted by deducting the unrealised gains and unrealised losses in respect of private Portfolio Companies;
"Acelyrin"	Acelyrin. Inc.;
"Administrator"	means Elysium Fund Management Limited;
"AIC"	the Association of Investment Companies;
"AIC Code"	the AIC Code of Corporate Governance dated February 2019;
"AIFM"	means Alternative Investment Fund Manager;
"AIFMD"	the Alternative Investment Fund Managers Directive;
"Alcyone"	Alcyone Therapeutics, Inc.;
"Ancora"	Ancora Heart, Inc.;
"Annual General Meeting" or "AGM"	the annual general meeting of the shareholders of the Company;
"Annual Report"	the Annual Report and audited financial statements;
"Antibody"	a large Y-shaped blood protein that can stick to the surface of a virus, bacteria, or receptor on a cell;
"Antibody-Oligonucleotide Conjugates" or "AOC"	molecules that combine structures of an antibody and an oligo;
"Artios"	Artios Pharma, Inc.;
"Artiva"	Artiva Biotherapeutics, Inc.;
"Athira"	Athira Pharma, Inc.;
"Autoimmune diseases"	conditions, where the immune system mistakenly attacks a body tissue;
"Avidity"	Avidity Biosciences, Inc.;
"Beta Bionics"	Beta Bionics, Inc.;
"Biomea"	Biomea Fusion, Inc.;
"BLA" or "Biological License Application"	a request for permission to introduce, or deliver for introduction, a biologic product into interstate commerce;
"C4 Therapeutics" or "C4T"	C4 Therapeutics, Inc.;
"Cardiac myosin"	a target of the treatment development for a cardiovascular condition;
"Cardiovascular disease"	conditions affecting heart and vascular system;
"CinCor"	CinCor Pharma, Inc.;
"Clinical stage" or "clinical trial"	a therapy in development goes through a number of clinical trials to ensure its safety and efficacy. The trials in human subjects range from Phase 1 to Phase 3. All studies done prior to clinical testing in human subjects are considered preclinical;
"Companies Law"	the Companies (Guernsey) Law, 2008 (as amended);
"Company" or "RTW Venture Fund Limited"	RTW Venture Fund Limited is a company incorporated in and controlled from Guernsey as a close-ended Investment Company. The Company has an unlimited life and is registered with the GFSC as a Registered Closed-ended Collective Investment Scheme. The registered office of the Company is 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 3JX;
"Company's Articles"	means the Company's Articles of Incorporation;
"Corporate Brokers"	being Barclays and J.P. Morgan Cazenove, until February 2022, when BofA Securities was appointed and Barclays ceased to act for the Company;
"Crohn's Disease"	a condition, in which a part(s) of digestive tract is inflamed;
"CRS"	Common Reporting Standard;
"Danon Disease"	a rare genetic heart condition in children, predominantly boys;
"Directors" or "Board"	the directors of the Company as at the date of this document, or who served during the reporting period, and "Director" means any one of them;
"Dravet Syndrome"	a type of rare paediatric epilepsy;
"DTR"	Disclosure Guidance and Transparency Rules of the UK's FCA;
"Encoded"	Encoded Therapeutics, Inc.;
"EU" or "European Union"	the European Union first established by the treaty made at Maastricht on 7 February 1992;
"Fanconi Anemia"	a rare genetic blood condition in young children;
"FATCA"	the Foreign Account Tax Compliance Act;
"FCA"	the Financial Conduct Authority;
"FCA Rules"	the rules or regulations issued or promulgated by the FCA from time to time and for the time being in force (as varied by any waiver or modification granted, or guidance given, by the FCA);
"FDA"	the US Food and Drug Administration;
"FDA Breakthrough Device Designation"	a process designed to facilitate the development and expedite the review of the device that provides a more effective treatment or diagnosis of life-threatening or irreversibly debilitating human disease or conditions;
"FDA Breakthrough Drug Designation"	a process designed to expedite the development and review of drugs which may demonstrate substantial improvement over available therapy;
"FDA Fast Track designation"	a process designed to facilitate the development and expedite the review of drugs to treat serious conditions and fill an unmet medical need;
"FRC"	the Financial Reporting Council;

Glossary
continued

"Gene therapy"	a biotechnology that uses gene delivery systems to treat or prevent a disease;
"Genetic Medicine"	an approach to treat or prevent a disease using gene therapy or RNA medicines;
"GFSC"	the Guernsey Financial Services Commission;
"GFSC Code"	the GFSC Finance Sector Code of Corporate Governance as amended February 2016;
"GH Research"	GH Research PLC;
"HCM" or "Hypertrophic cardiomyopathy"	a cardiovascular disease characterized by an abnormally thick heart muscle;
"Immunocore"	Immunocore Limited;
"InBrace"	InBrace or Swift Health, Inc.;
"Independent Valuer"	Alvarez & Marsal Valuation Services, LLC;
"Infantile Malignant Osteopetrosis" or "IMO"	a rare genetic bone disease in young children, manifesting in an increased bone density;
"Inivata"	Inivata Ltd;
"Interim Report"	the interim (half-yearly) report and financial statements;
"Investigational New Drug" or "IND"	the FDA's investigational New Drug program is the means by which a pharmaceutical company obtains permission to start human clinical trials;
"Investment Manager"	RTW Investments, LP, also referred to as RTW;
"IPEV Guidelines"	the International Private Equity and Venture Capital Valuation Guidelines;
"IPO"	an initial public offering;
"IRR"	internal rate of return;
"ISDA"	International Swaps and Derivatives Association;
"iTeos"	iTeos Therapeutics, Inc.;
"JIXING"	Ji Xing Pharmaceuticals, formerly China New Co;
"Kyverna"	Kyverna Therapeutics, Inc.;
"Landos"	Landos Biopharma, Inc.;
"Lentiviral vector or "LVV"	based gene therapy – a type of viral vector used to deliver a gene;
"Leukocyte adhesion deficiency" or "LAD-I"	a rare genetic disorder of immunodeficiency in young children;
"LifeSci Companies"	companies operating in the life sciences, biopharmaceutical, or medical technology industries;
"Listing Rules"	the listing rules made under section 73A of the Financial Services and Markets Act 2000 (as set out in the FCA Handbook), as amended;
"London Stock Exchange" or "LSE"	London Stock Exchange plc;
"LSE"	London Stock Exchange's main market for listed securities;
"Lycia"	Lycia Therapeutics, Inc.;
"Magnolia Medical" or "Magnolia"	Magnolia Medical Technologies, Inc.;
"Medtech"	medical technology sector within healthcare;
"Milestone"	Milestone Pharmaceuticals, Inc.;
"MOC"	Multiple on capital is the ratio of realised and unrealised gains divided by the acquisition cost of an investment;
"Monte Rosa"	Monte Rosa Therapeutics, Inc.;
"Myotonic Dystrophy"	a genetic condition that affects muscle function;
"NASDAQ Biotech"	a stock market index made up of securities of NASDAQ-listed companies classified according to the Industry Classification Benchmark as either the Biotechnology or the Pharmaceutical industry;
"Net Asset Value" or "NAV"	the value of the assets of the Company less its liabilities, calculated in accordance with the valuation guidelines laid down by the Board;
"Neurogastrx"	Neurogastrx, Inc.;
"NewCo"	a new company;
"NiKang"	Nikang Therapeutics, Inc;
"Non-core portfolio assets"	investments made in public companies as a part of cash management strategy;
"Notional Ordinary Shares"	Performance Ordinary Shares, in which receipt of such shares has been deferred;
"Nuance"	Nuance Pharma;
"Numab"	Numab Therapeutics, Inc.;
"Official List"	the official list of the UK Listing Authority;
"Oligonucleotides" or "Oligos"	a short DNA or RNA molecules that have a wide range of applications in genetic testing and research;
"Oncology"	a therapeutic area focused on diagnosis, prevention and treatment of cancer;
"Ophthalmic conditions"	conditions affecting the eye;
"Orchestra BioMed" or "Orchestra"	Orchestra BioMed, Inc.:
"Ordinary Shares"	the Ordinary Shares of the Company;
"Performance Allocation Amount"	an allocation connected with the performance of the Company to be allocated to the Performance Allocation Share Class Fund in such amounts and as such times as shall be determined by the Board;
"Performance Allocation Period"	the First Performance Allocation Period and/or a subsequent Performance Allocation Period, as the context so requires;
"Performance Allocation Share Class Fund"	a class fund for the Performance Allocation Shares to which the Performance Allocation will be allocated;
"Performance Allocation Shares"	performance allocation shares of no-par value in the capital of the Company;
"Performance Allocation Shareholder"	the holder of Performance Allocation Shares;
"POI Law"	The Protection of Investors (Bailiwick of Guernsey) Law, 2020
"Portfolio Companies"	Private and public companies included into the portfolio;
"Premium Segment"	Premium Segment of the Main Market of the LSE;
"Prometheus"	Prometheus Biosciences, Inc.;
"Prospectus"	the prospectus of the Company, most recently updated on 14 October 2019 and available on the Company's website (www.rtwfunds.com/venture-fund);
"Pulmonary conditions"	pathologic conditions that affect lungs;
"Pulmonx"	Pulmonx Corporation;
"Pyruvate Kinase Deficiency" or "PKD"	a rare genetic disorder affecting red blood cells;
"Pyxis"	Pyxis Oncology, Inc.;
"Rare disease"	a disease that affects a small percentage of the population;
"Registrar"	Link Market Services (Guernsey) Limited;
"RNA medicines"	a type of biotechnology that uses RNA to treat a disease;
"Rocket Pharmaceuticals" or "Rocket"	Rocket Pharmaceuticals, Inc.;
"RTW"	RTW Investments, LP, also referred to as the Investment Manager;
"RTWCF"	RTW Charitable Foundation;
"RTW Royalty"	RTW Royalty Holding Company;
"Russell 2000 Biotech"	a stock index of small cap biotechnology and pharmaceutical companies;
"SEC Rule 144"	selling restricted and control securities;
"SFS"	Specialist Fund Segment of the London Stock Exchange;
"Small molecule"	a compound that can regulate a biologic activity;
"Tachycardia"	a heart rhythm disorder;
"Tarsus"	Tarsus, Inc.;
"Tenaya"	Tenaya Therapeutics. Inc.;
"Third Harmonic Bio"	Third harmonic Bio, Inc.
"TIGIT"	a target for a checkpoint antibody development in immune-oncology;
"TL1A"	a target for the treatment of inflammation associated with inflammatory bowel disease (IBD);
"Type 1 Diabetes" or "TD1"	a type of insulin resistance;
"Total shareholder return"	a measure of shareholders' investment in a company with reference to movements in share price and dividends paid over time;
"UK"	United Kingdom;
"UK Code"	the UK Corporate Governance Code 2018 published by the Financial Reporting Council in July 2018;
"Ulcerative Colitis"	an inflammatory bowel disease that causes sores in the digestive tract;
"Umoja"	Umoja Biopharma. Inc.;
"US"	the United States of America;
"US GAAP"	US Generally Accepted Accounting Principles;
"Uveal melanoma"	a type of eye cancer;
"Valuation Committee"	Valuation Committee of the Investment Manager;
"Ventyx"	Ventyx Biosciences, Inc.;
"Visus"	Visus Therapeutics, Inc.;
"WACC"	weighted average cost of capital;
"XIRR"	an internal rate of return calculated using irregular time intervals.
"Yarrow"	Yarrow Biotechnology, Inc.

Alternative Performance Measures unaudited

APM	Definition	Purpose	Calculation
Cash	Cash held by the Company's Bankers, Prime Broker and an ISDA counterparty.	A measure of the Company's liquidity, working capital and investment level.	Cash and cash equivalents, Due from brokers less Due to brokers on the Statement of Assets & Liabilities.
NAV per Ordinary share	The Company's NAV divided by the number of Ordinary Shares.	A measure of the value of one Ordinary Share.	The net assets attributable to Ordinary Shares on the statement of financial position (US$363.0m) divided by the number of Ordinary Shares in issue (212,389,138) as at the calculation date.
Price per share	The Company's closing share price on the London Stock Exchange for a specified date.	A measure of the supply and demand for the Company's shares.	Extracted from the official list of the London Stock Exchange.
NAV Growth	The percentage increase(decrease) in the NAV per Ordinary Share during the reporting period.	A key measure of the success of the Investment Manager's investment strategy.	The quotient of the NAV per share at the end of the period (US$1.71) and the NAV per share at the beginning of the period (US$1.96) minus one expressed as a percentage.
Share price growth/Total Shareholder Return	The percentage increase(decrease) in the price per share during the reporting period.	A measure of the return that could have been obtained by holding a share over the reporting period.	The quotient of the price per share at the end of the period (US$1.78) and the price per share at the beginning of the period (US$1.88) minus one expressed as a percentage. The measure excludes transaction costs.
Share Price Premium (Discount)	The amount by which the Ordinary Share price is higher/lower than the NAV per Ordinary Share, expressed as a percentage of the NAV per Ordinary Share.	A key measure of supply and demand for the Company's shares. A premium implies excess demand versus supply and vice versa.	The quotient of the price per share at the end of the period (US$1.78) and the NAV per share at the end of the period (US$1.71) minus one expressed as a percentage.
Ongoing charges ratio	The recurring costs that the Company has incurred during the period excluding performance fees and one off legal and professional fees expressed as a percentage of the Company's average NAV for the period.	A measure of the minimum gross profit that the Company needs to produce to make a positive return for shareholders.	Calculated in accordance with the AIC methodology detailed on the web link below. https://www.theaic.co.uk/sites/default/files/documents/AICOngoingChargesCalculationMay12.pdf

Ongoing Charges	2021 US$	2020 US$
Fees to Investment Manager	4,813,854	2,912,850
Legal and professional fees	1,070,317	1,068,017
Listing fees	936,615	–
Administration fees	330,834	233,459
Director's remuneration	214,353	220,875
Audit fees	288,254	162,016
Ongoing expenses	800,457	509,890
Total expenses	**8,454,684**	**5,107,107**
Non-recurring expenses	(1,176,627)	(18,331)
Total ongoing expenses	**7,278,057**	**5,088,776**
Average NAV	408,929,032	241,755,741
Annualised Ongoing charges (using AIC methodology)	**1.78 %**	**2.10 %**

AIFMD Disclosures unaudited

Report on remuneration and quantitative remuneration disclosure

Under the Alternative Investment Fund Managers Directive ('AIFMD'), we are required to make disclosures relating to remuneration of staff working for the Investment Manager for the year to 31 December 2021.

Amount of remuneration paid

The Investment Manager paid the following remuneration to staff in respect of the financial year ending on 31 December 2021 in relation to work on the Company.

	2021 US$'000	2020 US$'000
Fixed remuneration	590	451
Variable remuneration	1,004	962
Total remuneration	1,594	1,413
Number of beneficiaries	56	36

The amount of the aggregate remuneration paid (or to be paid) by the Investment Manager to its partners which has been attributed to the Company in respect of the financial year ending on 31 December 2021 was US$33.6 million (2020: US$21.3 million). The amount of the total remuneration paid by the Investment Manager to members of its staff whose actions have a material impact on the risk profile of the Company which has been attributed to the Company in respect of financial year ending on 31 December 2021 was US$29.6 million (2020: US$18.9 million).

Leverage

The Company may employ leverage and borrow cash, up to a maximum of 50 per cent. of the NAV at the time of incurrence, in accordance with its stated investment policy. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject. For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its net asset value, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure. Using the methodologies prescribed under AIFMD, the leverage of the Company is detailed in the table below:

	Commitment leverage as at 31 December		Gross leverage as at 31 December	
	2021	2020	2021	2020
Leverage ratio	129%	102%	129%	102%

Other risk disclosures

The risk disclosures relating to risk framework and risk profile of the Company are set out in note 8 to the Financial Statements on page 97 and the principal risks and uncertainties on pages 48 to 49.

Pre-investment disclosures

AIFMD requires certain information to be made available to investors in an Alternative Investment Fund ('AIF') before they invest and requires that material changes to this information be disclosed in the Annual Report of the AIF. There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure.

Schedule of Key Service Providers

Board of Directors
William Simpson (Chairman)
Paul Le Page (Chairman of Audit Committee)
William Scott
Stephanie Sirota

Investment Manager and AIFM
RTW Investments, LP
40 10th Avenue
Floor 7
New York
NY 10014
United States of America

Registered office*
1st Floor, Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

Administrator and Company Secretary
Elysium Fund Management Limited**
1st Floor, Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 3JX

Sub-Administrator
Morgan Stanley Fund Services USA LLC**
1585 Broadway
New York
NY 10036
United States of America

Registrar
Link Market Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey
GY2 4LH

Independent Valuer
Alvarez & Marsal Valuation Services LLC
600 Madison Avenue
8th Floor
New York
NY 10022
United States of America

Guernsey advocates to the Company
Carey Olsen (Guernsey) LLP
PO Box 98
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

UK Legal advisers to the Company
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG

Corporate brokers and financial advisers
Merrill Lynch International (BofA Securities)***
2 King Edward Street
London
EC1A 1HQ

J.P. Morgan Cazenove
25 Bank Street
Canary Wharf
London
E14 5JP

Independent auditor
KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WR

Principal Bankers
Barclays Bank PLC, Guernsey Branch
Le Marchant House,
Le Truchot,
St Peter Port
Guernsey
GY1 3BE

Prime Broker
Goldman Sachs & Co. LLC
200 West Street
29th Floor
New York
NY 10282
United States of America

Website: www.rtwfunds.com/venture-fund

Identifiers:

ISIN: GG00BKTRRM22

SEDOL: BKTRRM2 / BNNXVW5

Ticker: RTW / RTWG

LEI: 549300Q7EXQQH6KF7Z84

* on 1 February 2021, the registered office address of the Company changed from PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY

** appointed on 1 February 2021, after Ocorian Administration (Guernsey) Limited resigned on 31 January 2021.

*** on 11 February 2022, Merrill Lynch International (BofA Securities) was appointed as a corporate broker and financial adviser to the Company.