RTW Investments

KEY INFORMATION DOCUMENT

PURPOSE

This document provides you with key information about this investment product It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

Product: RTW Venture Fund Limited
PRIIP Manufacturer: RTW Investments, LP

ISIN: GG00BKTRRM22
Listing: London Stock Exchange
Website: www.rtwfunds.com
Telephone number for more information: 646-343-9283
Document valid as at: October 14, 2019
Competent Authority: The FCA

You are about to purchase a product that is not simple and maybe difficult to understand.

WHAT IS THE PRODUCT?

Type

The Company was incorporated as a Delaware limited liability corporation on 16 February 2017. The Company subsequently re-domiciled to Guernsey on October 2, 2019 and is now a non-cellular closed-ended investment company limited by shares with registration number 66847. The Company does not have a fixed life.

The Company is an alternative investment fund or "AIF" for the purpose of the AIFM Directive and is externally managed by RTW Investments, LP (the "**Investment Manager**"), its AIFM.

Objectives

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 techonology companies ("**LifeSci 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 will seek to achieve its investment objective by leveraging the Investment Manager's data-driven proprietary pipeline of innovative assets to invest in LifeSci Companies:

- across various geographies (primarily the US, Europe, and China);
- across various therapeutic categories and product types (including but not limited to genomic medicines, biologics, traditional modalities such as small molecule pharmaceuticals and antibodies, and medical devices); and
- 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.

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

The Company's portfolio will reflect the most compelling opportunities available to the Investment Manager, with an initial investment in each privately-held portfolio company ("**Private Portfolio Company**") expected to be between five and ten per cent. of the Company's gross assets at the time of the investment.

At the time of the Company's initial investments in portfolio companies following admission of the Company's shares to the Specialist Fund Segment, 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 Company**") 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. of the Company's gross assets at the time of each such investment, save for Rocket Pharmaceuticals for which the limit will be 30 per cent.;
- the Company may not make an investment in a Portfolio Company that would cause the Company's holding to exceed 150 per cent. of the total issued share capital of that Portfolio Company;
- 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, other than for the Seed Assets which will be calculated as at the time of the re-domiciliation of the Company. 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 any investment (in whole or in part).

Intended retail investor

Ordinary shares in the Company ("**Ordinary Shares**") are intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment. Investors should be:

- Able to evaluate the metrics and risks of an investment in the Company, including the underlying assets of the Company.
- Able to bear the risk of loss of up to 100% of your investment, and to accept volatility in the price of the ordinary shares.

- Able to hold for an extended period, as the Company's investment objective is to achieve long-term capital appreciation and there may be limited liquidity in the ordinary shares

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: (a) the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; (b) an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom, and (c) as the Ordinary Shares will be admitted to the Specialist Fund Segment, the Specialist Fund Segment is intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the the Ordinary Shares and determining appropriate distribution channels.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk Indicator

The risk indicator assumes you keep the Product for 5 years. The actual risk can vary significantly if you redeem at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 5 out 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

Performance Scenarios

Investment of $10,000				
Scenarios		**1 year**	**3 years**	**5 years Recommended holding period**
Stress Scenario	**What you might get back after costs**	**$3,288**	**$3,314**	**$1,803**
	Average Return each year	-67.12%	-30.80%	-29.01%
Unfavourable Scenario	**What you might get back after costs**	**$7,671**	**$6,848**	**$6,588**
	Average Return each year	-23.29%	-11.86%	-8.01%
Moderate Scenario	**What you might get back after costs**	**$10,661**	**$12,103**	**$13,741**
	Average Return each year	6.61%	6.57%	6.56%
Favourable Scenario	**What you might get back after costs**	**$14,791**	**$21,357**	**$28,612**
	Average Return each year	47.91%	28.78%	23.40%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest in $10,000 from the outset. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get back will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

As a shareholder of the Company, you will not be entitled to compensation from the Financial Services Compensation Scheme or any other compensation scheme in the event that the Company were unable to pay any dividends or other returns it may elect to pay from time to time, or if it were unable to pay amounts due to you on a winding-up. No guarantee scheme applies to an investment in the Company.

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WHAT ARE THE COSTS?

Costs over time

The Reduction in Yield (RIY) shows what the impact the total costs you pay may have on your investment return. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest $10,000. The figures are estimates and may change in the future.

Investment of $10,000 Scenarios	if you cash in after 1 year	if you cash in after 3 years	if you cash in after 5 years
Total Costs	**$497**	**$1,740**	**$3,387**
Reduction in Yield (RIY) per year	4.97%	4.97%	4.97%

Composition of Costs

The table shows the impact of each year of the different types of costs on the investment return that you might get at the end of the recommended holding period.

This table shows the impact on return per year over 5 years			
One-off costs	**Entry costs**	0.00%	The impact of the costs you pay when entering your investment. (This is the most you could pay and could pay less). The impact of costs already included in the price.
	Exit costs	0.00%	The impact of costs of exiting your investment when it matures.
Ongoing costs	**Portfolio transaction costs**	0.00%	The impact of the costs of us buying and selling underlying investments for the Product.
	Other ongoing costs	1.56%	The impact of the costs that we take each year for managing your investment.
Incidental costs	**Performance fees**	3.41%	The impact of the performance fee. We take these from your investment if the Product outperforms its benchmark.
	Carried interests	0.00%	The impact of carried interests.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: 5 years

This period is specified for the purposes of this document only and reflects that ordinary shares in the Company are a long-term product. This product has no required minimum holding period. Investors can sell their investment on the London Stock Exchange on any day which is a dealing day on the London Stock Exchange. The Company is not obliged to acquire any of the Company’s shares. No fees or penalties are payable to the Company on sale of your investment but you may be required to pay fees or commissions to any person arranging the sale on your behalf.

HOW CAN I COMPLAIN?

If you have any complaints about the product or conduct of the product manufacturer, you may lodge your complaint with the Company's investment manager, on 646-343-9280. This information is also available on the Company's website at https://www.rtwfunds.com/venture-fund. If you have a complaint about a person who is advising on, or selling, the product you should pursue that complaint with the relevant person in the first instance.

OTHER RELEVANT INFORMATION

Further documentation, including the Company's annual and semi-annual reports and regulatory disclosures, is available on the Company's website at https://www.rtwfunds.com/venture-fund. This documentation is made available in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority, the Alternative Investment Fund Managers Directive (2011/61/EU) and the Prospectus Regulation (2017/1129).