RTW

Innovation is the best medicine

Half-Yearly Report and Financial Statements 2022

Contents

Defined terms used in the Half-Yearly Report are defined in the Glossary.

Investing with purpose

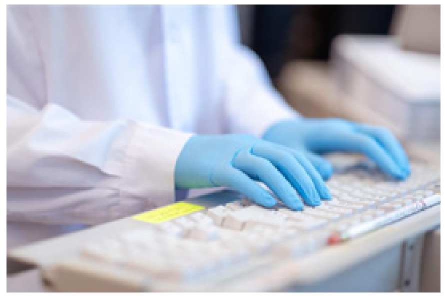
Our mission is to be scientists and entrepreneurs who aspire to change patients' lives through innovation. Our long-term strategy is anchored in identifying sources of transformational innovations by engaging in deep scientific research and a rigorous idea generation process, which is complemented with years of investing, company building, transactional, and legal expertise.

Identify
transformational innovations

We have developed expertise through our comprehensive study of industry and academic efforts in targeted areas of significant innovation.

Engage
deep research and unlocking value

We have developed a repeatable internal process combining technology and manpower to comprehensively cover critical drivers of innovation globally.

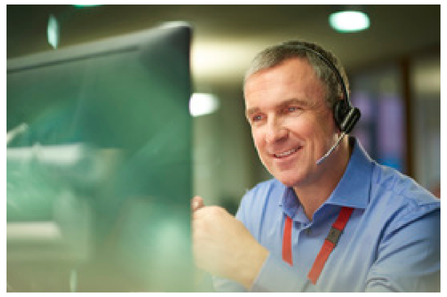


Build
new companies around scalable and sustainable business platforms

We have the capabilities to partner with universities and in-license academic programs, by providing capital and infrastructure to entrepreneurs to advance scientific programs.

Support
full lifecycle investment

A key part of our competitive advantage is the ability to determine at what point in a company's lifecycle we should support the target asset or pipeline.



Financial highlights
30 June 2022

US$265.7M
Ordinary NAV

20.1%
Ordinary NAV growth since Admission

-26.8%
Ordinary NAV per share growth YTD

US$7.6M
In cash/cash equivalents*

US$1.25
NAV per Ordinary Share

-7.1%
Total shareholder return since Admission

-45.7%
Total shareholder return YTD

US$0.97
Price per Ordinary Share**

Portfolio highlights

62%
of NAV invested in core portfolio companies

2
new core portfolio companies added in the period

41
core portfolio companies: 26 privately-held and 15 publicly-listed

28/41
of the core portfolio companies' pipeline products are in clinical stage programs

* Excludes amounts due from brokers.
** The share price has since recovered to US$1.19 at 13 September 2022.

> **The Board expects the Company to continue to achieve a strong performance over the long term and creating value for shareholders.**

Chairman's statement

Positioned for growth

It is with pleasure that I present the 2022 interim results for RTW Venture Fund Limited (the "Company"). The Company was admitted to the London Stock Exchange ("LSE") nearly three years ago on 30 October 2019, and I am pleased to report that, despite a challenging external environment that impacted on our share price and NAV, and those of our competitors throughout the sector, the Company continued to progress well and has recently committed further resources to developing the life science ecosystem in the UK.

H1 2022 Overview

In a record-breaking year for private and public financing activity last year, the Company invested in 21 new companies. Whilst it could have been substantially more, the disciplined and resolute focus on science, fundamentals, and valuation by RTW Investments, LP (the "Investment Manager" or "RTW") provided a balanced approach reflecting an appropriate view of market conditions at the time. It is on this foundation that the Company has continued to deliver on its strategy during the first half of 2022, despite the challenging financing environment, demonstrating a clarity of process and creativity of execution. In particular, the sale of the Company's Mavacamten royalty to Bristol Myers Squibb following the successful completion of its phase three trials, the IPO of Cincor, and the two-part transaction (licensing and equity investment) with Lenz Therapeutics, together demonstrate the breadth of the Company's capabilities.

In the period from 31 December 2021 to 30 June 2022, the Company's NAV declined by 26.8% from US$363.0 million or US$1.71 per Ordinary Share to US$265.7 million or US$1.25 per Ordinary Share. The NAV was significantly impacted by declines in public market valuations, in particular the largest detractor to the NAV was the mark to market share price performance of Rocket (c. -5.3%), which was slightly offset by the private core portfolio (+1.3%), where a realised gain in RTW Royalty Holdings 1, following the successful sale of Mavacamten which was the largest contributor (c. +4.9% of NAV). RTW Venture Fund's share price has declined by 45.7%, while the small-cap heavy Russell 2000 Biotechnology Index declined by 39.1% and the large-cap heavy Nasdaq Biotechnology Index declined by 20.7% for the period. Since admission, the Company's NAV per Ordinary Share has appreciated by 20.1% against a -16.1% decline for the Russell 2000 Biotechnology Index. By any standards, this is a commendable and consistent degree of outperformance and testament to the Investment Manager's robust business model.

> **"We now look ahead with renewed confidence. Public market valuations are at historic lows while innovation remains at an all-time high.**

At the end of the period, the Company had forty-one core portfolio companies, of which twenty-six were privately held and fifteen were publicly listed. All core portfolio companies were initiated as private investments by the Investment Manager. During the first half of 2022, the Company added two portfolio companies, Lenz Therapeutics and Minerals, and exited three portfolio public companies, Athira, Biomea and iTeos. One private portfolio company, Cincor successfully went public this year.

The core portfolio represented c. 62% of NAV at the end of the reporting period. To mitigate any drag on performance due to excess cash awaiting deployment into new private assets, the Company has c. 34% of NAV in a portfolio of listed companies selected by the Investment Manager to be representative of positions which are also held in their other investment funds. The balance of c. 5% of the remaining NAV was held as cash and working capital.

AGM Results, Board Composition and Corporate Brokers Updates

The Company held its Annual General Meeting on 21 June 2022 to consider the audited financial statements, and other matters. The results have been announced to the market and published on the Investment Manager's website https://www.rtwfunds.com/venture-fund/. I am happy to report that all of our AGM resolutions were approved. It is a privilege to continue to serve as Chairman with fellow Guernsey-based Independent Directors, William Scott, and Paul Le Page, who collectively have several decades of experience in the listed Investment Company sector. I am pleased that our fourth Director, Stephanie Sirota, who is a principal and Chief Business Officer of the Investment Manager, will continue to provide our Board with specialist technical insight and demonstrate her personal commitment to the Company. I am also pleased that a resolution was passed to increase the maximum annual amount of remuneration available to be paid to all Directors such that we will have the ability to further grow and diversify our Board.

To further strengthen our work with shareholders, the Board has appointed Merrill Lynch International (BofA Securities) as a corporate broker and financial adviser to the Company alongside J.P. Morgan Cazenove.

Outlook

Over the last eighteen months, the Company's NAV and share price have been significantly impacted by what is, to date, the second worst biotech bear market in history. However, we now look ahead with renewed confidence. Public market valuations are at historic lows while innovation remains at an all-time high. The Investment Manager provides greater detail in its report but, in summary, the valuation metrics of the sector and our portfolio are truly compelling by historic standards with many companies developing great potential therapies trading at a fraction of long-term valuation norms. The recent dislocation of markets has created significant opportunities for skilled investors such as RTW who have the scale of scientific resource and understanding, together with extensive capital markets experience to outpace their less experienced and less-resourced rivals.

The Investment Manager believes that there remains significant demand for reliable capital to support the discovery and development of scientific innovation, 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, based upon its 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 continue to achieve a strong performance over the long term and creating value for shareholders.

On behalf of the Board, I would like to express my gratitude for your continued support and wish you all the best for the remainder of 2022.

William Simpson
Chairman of the Board of Directors
RTW Venture Fund Limited
14 September 2022

Report of the Investment Manager

Executive summary

Given the headwinds being faced by the sector, we are pleased to report that good progress has been made across the portfolio during the period, with the successful IPO of Cincor and two new core portfolio companies added. During the six months to 30 June 2022, the decrease in the NAV of -26.8% compared with -39.1% for the Russell 2000 Biotech index. Performance since inception remained comfortably ahead of both the Nasdaq Biotech and Russell 2000 Biotech benchmarks. Looking ahead, we feel that sentiment across the biotech sector is now beginning to change, supported by the increasing volume of M&A activity, driven in part by the compelling valuations on offer for many attractive companies. We look ahead to the next period with confidence.

Roderick Wong, MD
Managing Partner

> **"We invest in companies developing transformative next-generation therapies and technologies that can significantly improve patients' lives.**

RTW Investments, LP (the "Investment Manager", "us", "we"), a leading global healthcare-focused 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 expertise 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 30 June 2022, c. 31% of NAV was invested in private companies and c. 31% was invested in core public companies. This was approximately the same as 30 June 2021 and 31 December 2021 as disposals and additions have largely offset each other.

We define core public companies as companies that were initially added to our portfolio as private investments, reflecting the key focus of the Company's strategy. Our investment approach is defined as full lifecycle and therefore involves retaining our private investments well beyond their IPO, hence our core portfolio consists of both privately-held and publicly-listed companies, which were private at the time of our initial investment.

Approximately 34% of the Company's NAV is invested in other publicly listed companies in order to mitigate the drag of setting aside cash for future private investments. This portfolio of assets has been carefully selected by us, matching, on a pro-rated basis, the long investments 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.

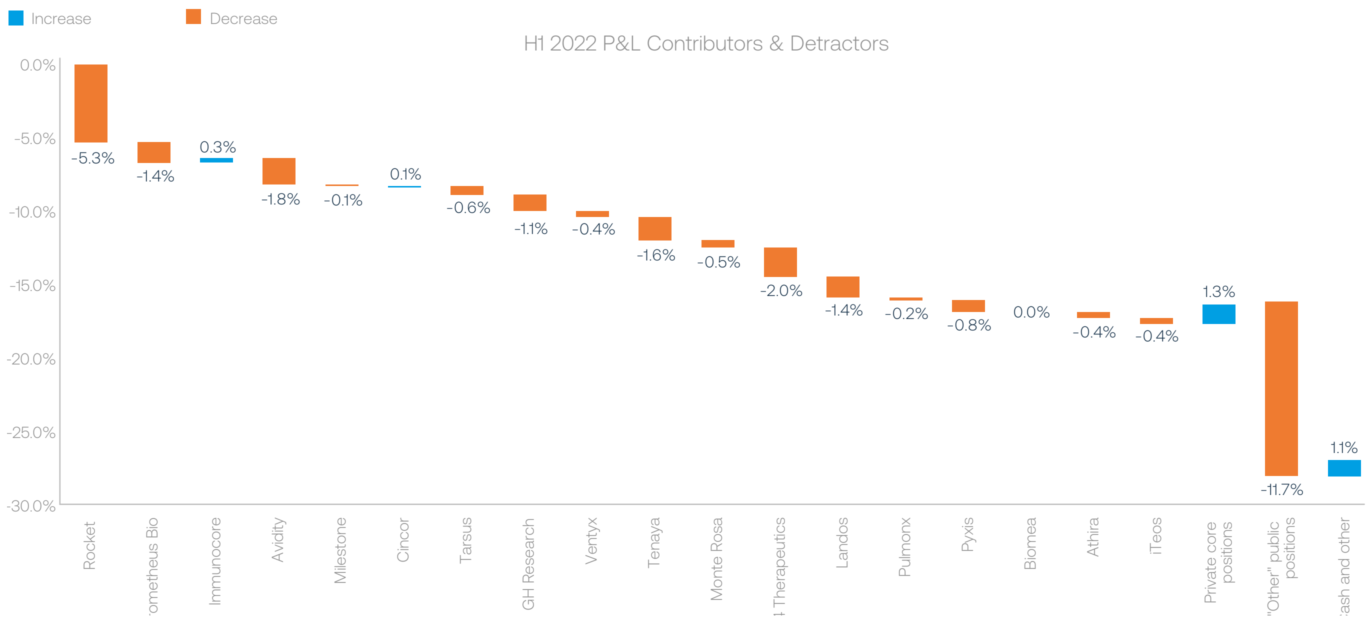
The 26.8% reduction in NAV during the first half of 2022 was largely driven by our public core holdings (-17.6% contribution) with other public positions (-11.7%) making up the rest. This was offset slightly by the core private portfolio, which contributed +1.3% as the realised gain on the sale of Mavacamten in RTW Royalty outweighed our other private portfolio write-downs for the period and the Company's performance fee allocation and expenses, which contributed +1.1% (as the decline in NAV led to a credit to the performance fee accrual). The top contributors to the NAV were RTW Royalty Holding 1 (+4.9%), RTW Royalty Holding 2 (+0.5%), Immunocore (+0.3%) and Cincor (+0.1%). The top detractors were Rocket (-5.3%), Ji Xing (-2.4%), C4 Therapeutics (-2.0%) and Avidity (-2.0%). Please see the next section on performance drivers as of 30 June 2022 for further details on individual names.

Table 1. Financial Highlights

RTW Venture Fund Limited	Interim reporting period (01/01/2022-30/06/2022)	Interim reporting period (01/01/2021-30/06/2021)	Admission (30/10/2019 to 30/06/2022)
Ordinary NAV – start of period	US$363.0 million	US$375.3 million	US$168.0 million
Ordinary NAV – end of period	US$265.7 million	US$397.2 million	US$265.7 million
NAV per Ordinary Share – start of period	US$1.71	US$1.96	US$1.04
NAV per Ordinary Share – end of period	US$1.25	US$1.91	US$1.25
NAV movement per Ordinary Share (%)	**-26.8%**	**-2.6%**	**20.1%**
Price per Ordinary Share – start of period	US$1.78	US$1.88	US$1.04
Price per Ordinary Share – end of period	US$0.97	US$2.05	US$0.97
Share price return (%) (i)	**-45.7%**	**9.0%**	**-6.7%**
Benchmark returns (ii)			
Nasdaq Biotech	-20.7%	8.8%	+11.0%
Russell 2000 Biotech	-39.1%	-3.6%	-16.1%

(i) Total shareholder return is an alternative performance measure.
(ii) Source: Capital IQ.

Figure 1. Performance drivers as of 30 June 2022



Report of the Investment Manager
continued

On listing, the Company's core portfolio included six companies, four of which were developing clinical-stage therapeutics and two medtech companies developing transformative devices. The Company now has 41 core portfolio companies having added two new companies so far in 2022 alongside three disposals by 30 June 2022. Core portfolio companies added in the first half of 2022 are listed below.

Our 2022 new investments include:

Company name	Description	% NAV
Lenz Therapeutics	Clinical stage biopharma company developing treatments for presbyopia	0.5%
Mineralys	Clinical stage biopharma company developing treatments for hypertension	0.4%

As of 30 June 2022, the portfolio was 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.

Figure 2.
Portfolio breakdown, by (A) modality, (B) therapeutic focus, (C) clinical stage and (D) geography as of 30 June 2022

Figure (A). Portfolio companies by modality

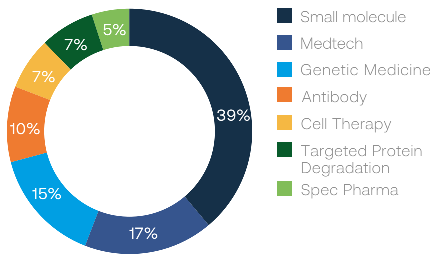


Figure (B). Portfolio companies by therapeutic focus

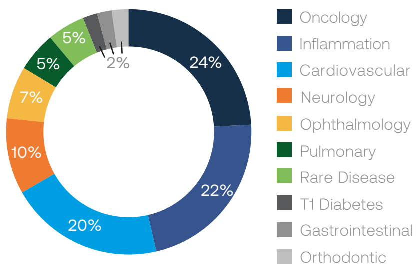


Figure (C). Portfolio companies by clinical stage

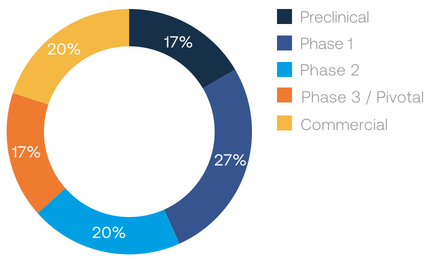
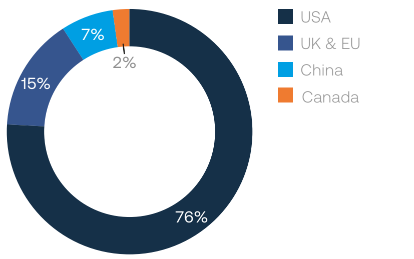


Figure (D). Portfolio companies by geography



Key updates for Core Portfolio Companies during H1 2022:

Clinical

- In January 2022, **Immunocore** received an FDA approval for Kimmtrak (tebentafusp), its first-in-class T cell therapy for the treatment of uveal melanoma.
- In April 2022, **C4 Therapeutics** shared Phase 1 first in human clinical data for its targeted protein degradation program in multiple myeloma that unfortunately had limited efficacy and needs to refine its treatment regimen.
- In May 2022, **Rocket** shared positive top line data for its registrational gene therapy program for Leukocyte Adhesion Deficiency-I (LAD-I), a rare genetic disorder of immunodeficiency in young children.
- In May 2022, **Tarsus** shared positive data in the second Phase 3 trial for their blepharitis demodex treatment. The company is expecting to file a New Drug Application ("NDA") with the FDA by the end of 2022.
- In June 2022, **Beta Bionics** shared results of the multi-center randomized Insulin-Only Bionic Pancreas Pivotal Trial for Type 1 diabetes patients at the American Diabetes Association ("ADA") conference. The trial met key endpoints and showed consistent mean HbA1c reductions across various patient subgroups.

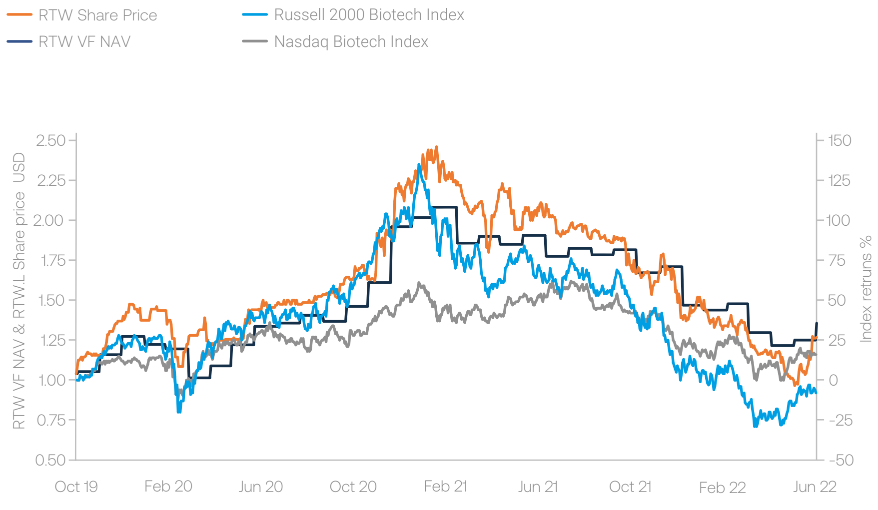
Financing

- In January 2022, **Cincor** announced the pricing of its IPO at US$16.00 per share, raising US$193.6 million and beginning to trade on Nasdaq Global Market under ticker "CINC".
- In January 2022, **Magnolia Medical** raised US$46 million in a follow-on cross-over round where RTW served as a co-lead investor. Ovid Amadi, PhD, Senior Analyst at RTW joins Magnolia Medical's Board of Directors.
- In February 2022, the Company and other affiliated funds of the Investment Manager participated in a follow-on Series C financing round in **Beta Bionics**.
- In April 2022, **Ji Xing** announced an exclusive licensing agreement with Lenz Therapeutics to develop and commercialize LNZ100 and LNZ101 for the treatment of presbyopia in Greater China. As a part of the transaction, Lenz Therapeutics has also become the latest addition to the Company's portfolio.
- In April 2022, Mavacamten, the underlying asset of RTW **Royalty Holding 1** received FDA approval in April and the Company subsequently sold its stake in the royalty to Bristol Myers Squibb for a significant gain.
- In June 2022, the Company and other affiliated funds of the Investment Manager participated in Series B financing round in **Mineralys Therapeutics**, a clinical-stage biopharma working on hypertension.

Portfolio performance and updates

The Company's NAV has outperformed its biotech benchmarks since admission on 30 October 2019, returning +20% vs. +11% and -16% for the Nasdaq Biotechnology Index and the Russell 2000 Biotechnology Index, respectively. However, the Company's share price has returned -7% since admission after a -46% return during the first half of 2022 compared with -21% for the Nasdaq Biotechnology Index and -39% for the Russell 2000 Biotechnology Index. Having traded at an average premium to NAV of c.+10% from admission to 31 December 2021, the shares fell to a discount in 2022, which increased in June alongside many of our peers with a wave of de-risking.

Figure 3. RTW NAV per Ordinary Share vs. RTW.L Share Price and Benchmarks as of 30 June 2022



Source: Capital IQ

Report of the Investment Manager
continued

Table 2. Performance of all private and core public portfolio investments since inception as of 30 June 2022

Portfolio Holding	Initial Investment	Valuation Date	MOC*	XIRR*	Holding Period (yrs)
Inivata ^	24/12/2020	18/06/2021	2.6	635.5%	0.5
Prometheus Biosciences	30/10/2020	30/06/2022	3.6	132.5%	1.7
RTW Royalty Holdings 1	13/11/2020	30/06/2022	3.4	131.8%	1.6
HSAC 2	17/07/2020	30/06/2022	4.4	117.6%	2.0
Iteos Therapeutics ^	24/03/2020	17/03/2022	3.6	108.2%	2.0
Frequency Therapeutics	17/07/2019	23/03/2021	2.8	85.3%	1.7
Athira Pharma ^	29/05/2020	30/06/2022	1.6	56.8%	2.1
Cincor Pharma	22/09/2021	30/06/2022	1.4	52.7%	0.8
Prometheus Laboratories	31/12/2020	30/06/2022	1.6	35.5%	1.5
Immunocore	13/08/2019	30/06/2022	1.8	26.6%	2.9
RTW Royalty Holdings 2	05/05/2021	30/06/2022	1.3	25.6%	1.2
Milestone Pharma	23/07/2020	30/06/2022	1.5	25.3%	1.9
Ventyx Biosciences	26/02/2021	30/06/2022	1.3	22.7%	1.3
Magnolia Medical	02/07/2021	30/06/2022	1.1	22.0%	1.0
Avidity Biosciences	08/11/2019	30/06/2022	1.6	19.7%	2.6
Encoded Therapeutics	12/06/2020	30/06/2022	1.4	19.5%	2.0
Pulmonx Corporation	17/04/2020	30/06/2022	1.4	16.3%	2.2
Ji Xing Pharmaceuticals	10/02/2020	30/06/2022	1.1	7.9%	2.4
Visus Therapeutics	26/01/2021	30/06/2022	1.1	5.3%	1.4
Tarsus Pharma	24/09/2020	30/06/2022	1.0	2.4%	1.8
Nikang Therapeutics	09/09/2020	30/06/2022	1.0	1.3%	1.8
Lenz Therapeutics	13/04/2022	30/06/2022	1.0	0.0%	0.2
Mineralys Therapeutics	01/06/2022	30/06/2022	1.0	0.0%	0.1
Neurogastrx	25/06/2021	30/06/2022	1.0	-1.4%	1.0
Artiva Biotherapeutics	23/02/2021	30/06/2022	1.0	-1.5%	1.3
C4 Therapeutics	02/06/2020	30/06/2022	0.9	-2.9%	2.1
Numab Therapeutics	07/05/2021	30/06/2022	1.0	-3.2%	1.1
Ancora Heart	20/01/2021	30/06/2022	1.0	-3.5%	1.4
Beta Bionics	28/06/2019	30/06/2022	0.9	-5.8%	3.0
Monte Rosa Therapeutics	12/03/2021	30/06/2022	0.9	-5.9%	1.3
Nuance Biotech	07/12/2020	30/06/2022	0.9	-9.1%	1.6
Biomea Fusion ^	23/12/2020	24/01/2022	0.9	-10.2%	1.1
Orchestra Biomed	28/06/2019	30/06/2022	0.8	-10.4%	3.0
Artios Pharma	27/07/2021	30/06/2022	0.9	-12.9%	0.9
Third Harmonic Bio	17/12/2021	30/06/2022	0.9	-14.4%	0.5
GH Research Ireland	09/04/2021	30/06/2022	0.8	-15.9%	1.2
Umoja Biopharma	09/06/2021	30/06/2022	0.8	-16.9%	1.1
Lycia Therapeutics	02/09/2021	30/06/2022	0.9	-17.0%	0.8
Swift Health Systems	27/08/2021	30/06/2022	0.8	-18.3%	0.8
Acelyrin	20/10/2021	30/06/2022	0.9	-19.6%	0.7
RTW Holdings LLC (Yarrow)	14/05/2021	30/06/2022	0.8	-23.1%	1.1
Kyverna	09/11/2021	30/06/2022	0.8	-23.3%	0.6
Alcyone Therapeutics	08/06/2021	30/06/2022	0.8	-24.3%	1.1
Tenaya Therapeutics	17/12/2020	30/06/2022	0.5	-40.3%	1.5
Landos Biopharma	09/08/2019	30/06/2022	0.2	-45.0%	2.9
Pyxis Oncology	08/03/2021	30/06/2022	0.2	-70.8%	1.3
		AVERAGE	**1.3**	**25.1%**	**1.5**

* Alternative Performance Measure
^ Exited the position

Table 3. Performance of Rocket Pharmaceutical from admission to 30 June 2022

	Share price at admission	Share price at 30 June 2022	Share price return %
Rocket Pharmaceutical	US$14.00	US$13.76	-1.8%*

Table 4. NAV capital breakdown as of 30 June 2022

Portfolio grouping	% of NAV
Core private	31.1%
Core public	30.7%
"Other" public	33.5%
Cash, due to/from brokers, other (including liabilities such as other payables and accrued expenses)	4.7%
Total	**100.0%**

As of 30 June 2022, our top five holdings in the "other public" portfolio were:

— 3.6% of NAV in Argenx (ticker: "ARGX"), a commercial stage multi-pipeline immunology company
— 2.1% in Cytokinetics ("CYTK"), a biopharma company developing treatments for cardiovascular conditions
— 2.1% in Stoke Therapeutics ("STOK"), a biotech company developing RNA-based treatments for severe genetic diseases
— 1.8% in PMV Pharma ("PMVP"), a targeted oncology company
— 1.7% in PTC Therapeutics ("PTCT"), a biotech company developing therapies for rare genetic diseases

We expect to deploy the capital invested into "other public" assets into private companies as the new opportunities arise.

Report of the Investment Manager
continued

Table 5. Overview of core portfolio companies' valuations as of 30 June 2022

Portfolio Company	% of Company's net assets	Private*/ Public**	Company's % shareholding	Valuation of Company's investment in US$	YTD P&L
Rocket	11.5%	Public	<5%	32,538,657	-19,083,355
Ji Xing	8.6%	Private	<10%	24,451,819	-8,810,584
RTW Royalty Holdings 2	5.1%	Private	<20%	14,474,522	1,909,963
Prometheus Biosciences	4.7%	Public	<5%	13,208,394	-5,088,468
Immunocore	4.2%	Public	<1%	12,034,341	990,229
Avidity	3.6%	Public	<5%	10,171,421	-6,468,268
Beta Bionics	2.0%	Private	<5%	5,673,324	-727,103
NiKang	1.5%	Private	<5%	4,359,087	-285,203
Alcyone	1.4%	Private	<5%	4,054,228	-1,047,061
Milestone	1.3%	Public	<5%	3,772,913	-245,699
Cincor ***	1.2%	Public	<1%	3,329,206	470,448
Tarsus	1.1%	Public	<5%	3,161,080	-2,058,518
GH Research	1.1%	Public	<1%	3,061,056	-4,094,699
Ventyx	1.1%	Public	<1%	2,993,293	-1,577,526
Encoded	1.0%	Private	<1%	2,881,595	-1,355,620
Ancora	1.0%	Private	<1%	2,754,042	-166,090
Umoja	0.9%	Private	<1%	2,669,948	-722,993
Magnolia	0.9%	Private	<5%	2,589,231	281,518
Orchestra	0.9%	Private	<1%	2,471,736	-499,292
Tenaya	0.9%	Public	<1%	2,469,892	-5,743,368
Visus	0.8%	Private	<5%	2,237,667	-114,651
Monte Rosa	0.6%	Public	<1%	1,782,461	-1,981,537
Numab Therapeutics	0.6%	Private	<1%	1,642,139	-51,026
Neurogastrx	0.6%	Private	<1%	1,597,646	-23,656
Nuance	0.5%	Private	<1%	1,526,120	-245,089
Lenz Therapeutics	0.5%	Private	<1%	1,471,248	0
C4 Therapeutics	0.5%	Public	<1%	1,360,533	-7,384,455
Acelyrin	0.5%	Private	<1%	1,306,017	-165,167
Kyverna	0.5%	Private	<1%	1,292,043	-237,970
Third Harmonic	0.5%	Private	<1%	1,277,017	-110,821
Mineralys	0.4%	Private	<1%	1,034,231	0
Lycia	0.3%	Private	<1%	969,864	-161,435
Landos	0.3%	Public	<5%	925,765	-5,179,019
Artiva	0.3%	Private	<1%	919,286	-259,242
InBrace	0.3%	Private	<1%	740,211	-137,470
Artios	0.2%	Private	<1%	681,351	-92,966
Pulmonx	0.2%	Public	<1%	525,982	-852,261
Yarrow	0.2%	Private	<5%	463,044	-101,644
Prometheus Labs	0.1%	Private	<1%	207,885	75,904
Pyxis	0.0%	Public	<1%	94,669	-2,739,518
RTW Royalty Holdings 1	0.0%	Private	<10%	23,391	17,937,954

* Valuations for private portfolio companies on a fair value basis as of 30 June 2022.

** The valuations of public positions have been calculated using their market capitalization as at the Latest Practicable Date.

*** 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. The valuation policy also includes Level 1 securities purchased at or after portfolio company IPO.

Table 6. RTW representation on portfolio companies' boards

Portfolio Company*	RTW representative on the board
Alcyone	Piratip Pratumsuwan
Ji Xing	Rod Wong, Peter Fong
Magnolia	Ovid Amadi
Nikang	Rod Wong
Rocket	Rod Wong, Gotham Makker, Naveen Yalamanchi
Visus	Tony Nguyen
Yarrow	Rod Wong, Peter Fong, Gotham Makker

* In aggregate this represented 23% of the NAV of the company at 30 June 2022

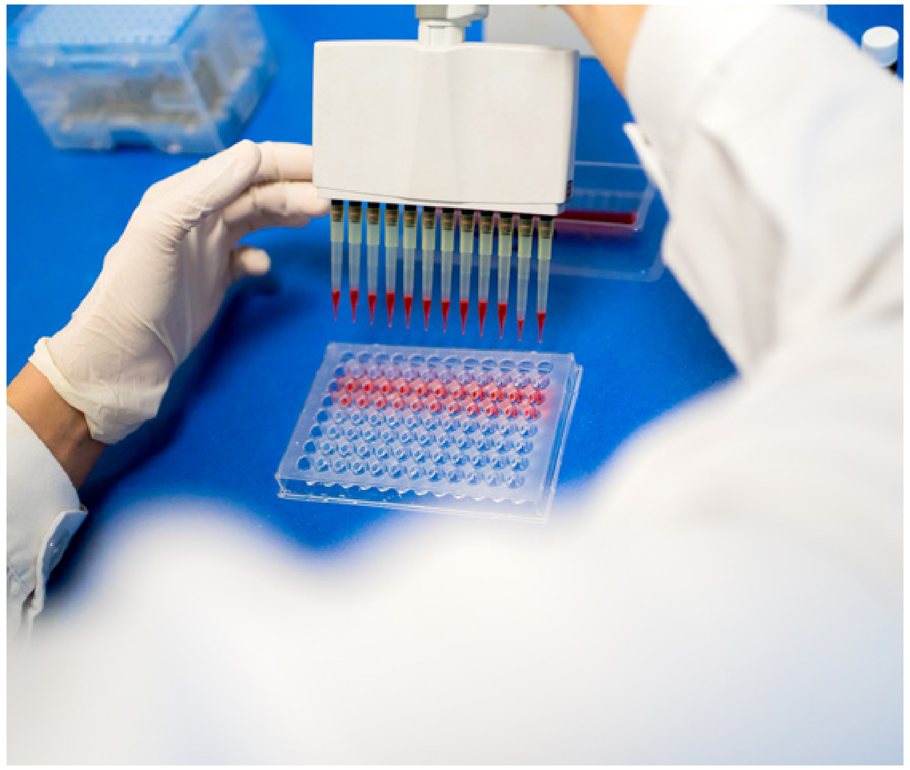
Summary of top fifteen core portfolio companies as of 30 June 2022:

As of 30 June 2022, the Company's portfolio included forty-one 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 the top fifteen portfolio companies at the end of the reporting period.

Table 7. RTW Venture Fund core portfolio – Top fifteen positions as of 30 June 2022

Portfolio Company	Description	Public/Private	Clinical stage	Expected upcoming catalyst	% NAV
Rocket	Gene therapy platform company for rare paediatric diseases. Four clinical programs for Fanconi anaemia, Danon, LAD, and PKD	Public: "RCKT"	Phase 2	Q3 2022	11.50%
Ji Xing	NewCo focused on acquiring rights from innovative therapies in the West for development and commercialization in China	Private	Phase 3	Series D; H2 2022	8.60%
RTW Royalty Holdings 2	Royalty as a part of RTW-Urogen deal	Private	NA	–	5.10%
Prometheus Biosciences	Precision medicine company focused on IBD, a chronic inflammatory disease of GI tract; lead antibody program against TL1A	Public: "RXDX"	Phase 1	Q4 2022	4.70%
Immunocore	T-cell receptor therapy company focused on oncology and infectious disease. Lead program for uveal melanoma	Public: "IMCR"	Commercial	Q3 2022	4.20%
Avidity	Antibody conjugated RNA medicines company. Lead program for myotonic dystrophy, a degenerative disease with no therapy	Public: "RNA"	Phase 1	Q3 2022	3.60%
Beta Bionics	Closed-loop pancreatic system for automated and autonomous delivery of insulin	Private	Pivotal	–	2.00%
NiKang	Biotech using a structure-based design to develop innovative small molecules against promising molecular targets in oncology	Private	Phase 1	–	1.50%
Alcyone	Gene therapy platform company developing therapies for CNS diseases	Private	Preclinical	–	1.40%
Milestone	Clinical stage company developing interventions for tachycardias	Public: "MIST"	Phase 3	H2 2022	1.30%
Cincor	Clinical stage biopharma developing next-gen treatments for cardio-renal diseases	Public: "CINC"	Phase 2	Q3 2022	1.20%
Tarsus	Clinical stage biotech developing first-in-class therapeutics for ophthalmic conditions	Public: "TARS"	Registrational	NDA H2 2022	1.10%
GH Research	Clinical stage biotech developing therapies to manage mental disease	Public: "GHRS"	Phase 2	–	1.10%
Ventyx	Clinical stage biotech advancing a promising immunology pipeline for autoimmune and inflammatory diseases	Public: "VTYX"	Phase 1	–	1.10%
Encoded	Gene therapy company developing treatments for rare paediatric CNS disorders	Private	Preclinical	–	1.00%
Aggregate of the rest of the core portfolio companies include: Acelyrin, Ancora, Artios, Artiva, Athira, Biomea, C4 Therapeutics, Frequency, InBrace, Invivata, iTeos, Kyverna, Landos, Lenz Therapeutics, Lycia, Magnolia, Mineralys, Monte Rosa, Neurogastrx, Nuance, Numab Therapeutics, Orchestra, Prometheus Labs, Pulmonx, Pyxis, RTW Royalty Holdings, Tenaya, Third Harmonic, Umoja, Visus					12.40%

Report of the Investment Manager
continued



Sector review and outlook

The Russell 2000 Biotech Index declined -39.1% in the first half of 2022, bringing the total decline to c. -70% from the peak in February 2021. This bear market now significantly surpasses all prior falls, in both depth and duration, except for the bursting of the genomics bubble in 2000-2002. Stage one of the bear market was almost entirely related to sector specific issues in 2021 (i.e. a lack of a permanent commissioner at the FDA, which was still consumed by COVID-19; and a risk of a detrimental drug pricing reform package at that time proposed in the Build Back Better Bill). Stage two of the bear market in 2022 has been largely driven by broader macro factors including inflation, interest rates and general risk aversion brought on by the war in Ukraine.

We thought sector valuations presented a very attractive opportunity at the start of the year; now they look even more attractive at crisis-like levels. Price-to-Sales (for the Nasdaq Biotechnology Index, the broadest sector index) has fallen to 4.5x, which is equal to the spring of 2009, the trough of the Global Financial Crisis.

What is more, the smaller companies, where we generally invest, have been marked down furthest. Given the lack of revenues in this space, we use cash multiples to assess valuations. As of 30 June 2022, 65% of the sub-US$10bn market cap companies are trading at less than 2x their net cash and a record 34% are trading at less than the net cash on their balance sheets. For perspective, less than 10% of our public (core and other) portfolio is trading at less than 1x and c. 20% are trading at between one and two times.

The main cause behind the distress in smaller companies are newly public companies after a record 108 IPOs in the sector last year. Most of these companies are now trading at significantly below their IPO prices and many are trading below their net cash. New issuances in the sector have plummeted in number this year with just thirteen IPOs so far. This sounds terrible, but it is much better than the Global Financial Crisis when there were just three IPOs in 2008 and four in 2009. Despite the significant drop, there are still 82% more public biopharma companies than there were in 2015.

However, the sector is relatively well funded. Average cash balances currently stand at about US$235m, which is roughly double the level in 2015, just before the last significant sector fall. That said, burn rates have also doubled, so the runways are the same at about 2.9 years. Private financings are also down and the mix within it has changed significantly as large new vintages are supporting early-stage rounds, but there is a significant lack of funding activity beyond that. We have been keeping our powder dry so far this year in case this presents a significant opportunity in the coming months.

The key question is, will the number of challenged small companies prevent a recovery for the sector as participants deal with the clean-up? We do not think so because the sum of negative enterprise value companies amounts to only 3% of the total market cap of sub-US$25bn companies. In other words, from a financial perspective, the bad ideas have been written down and are no longer financially material. However, whilst it may not matter for the sector as a whole, it may well matter for some healthcare funds. In theory, the firms that should be better positioned through this period are ones that are selective stock-pickers with a focus on mid cap post proof of concept opportunities (i.e. those that are not weighed down by the challenges of supporting young, struggling companies), with sufficient capital to finance and bandwidth to selectively invest more in their high conviction names. In addition, we believe that syndicate partners and positioning on a company's cap table will be increasingly important in the new environment.

Before returning to the positives, it is important to highlight the impact of the recent US drug pricing reform that formed part of the recently passed Inflation Reduction Act. The overall deal is palatable and is largely similar to that negotiated last year. However, in the Investment Manager's opinion, the proposal for a reduced pricing window before government negotiation starts for small molecules is too short. Over the long term, this will act as a significant disincentive for small molecule development, similar to the situation in antibiotics about ten years ago. That is why there are so few new antibiotics on the market now. Unfortunately, some disease areas can only be addressed by small molecules and that will be a significant loss for those patient populations, especially given how productive targeted oncology has become. However, the reality is that no one will notice the drugs that they do not have.

In the short and medium term, the impact will likely be limited to a handful of pharma and large cap biotech companies which have very large, successful products that are sold into the Medicare population. For smaller biotech companies, the impact will only be felt in companies that have high expectations for product sales to the Medicare population. Crucially, though, the reform bites in 2026, just as the patent cliffs for large cap pharma companies also appear, adding further to their revenue challenges. This can only be addressed by M&A. So, while the Inflation Reduction Act will likely have a small hit to sector sentiment, it will also likely accelerate M&A.

The good news is that we have already started to see a significant acceleration of M&A activity. In fact, the second quarter saw the highest number of M&A deals in a quarter since Q2 2018 with fourteen deals in total (nine public, five private). Furthermore, it has been heavily rumoured, that Seagen may be acquired by a major pharma company. If the deal happens, then over 15% of the total market cap of companies smaller than US$25bn (i.e. the likely sellers to large pharma) will have been acquired in just a few months. This is very significant, and we think it can re-catalyze the start of the virtuous cycle (especially seen in the context of the c. 3% of distressed small caps that might be written off).

The risk-reward asymmetry on a sector level and most importantly for our portfolio and opportunities we are diligencing keeps us optimistic and team morale remains strong. With our leadership team having lived through several such periods in the past we are reminded that this bear market too shall pass. We believe that the greatest opportunities are born in corrections like this one, and we are hard at work trying to pick our next several "multi-baggers".

Executing on our strategy

We are scientists and entrepreneurs who aspire to change the lives of patients through innovation, and our mission is at the heart of everything we do. We power the breakthrough therapies that transform the lives of millions. 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.

As a full lifecycle 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 lifecycle. 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.

Our full lifecycle approach and broad offering of financial solutions for investee companies enables us to capture a diverse opportunity set. This was mostly clearly demonstrated in April when we sold our royalty stake in Mavacamten, the underlying asset of RTW Royalty Holding 1 to Bristol Myers Squibb immediately after the drug had achieved the primary endpoint of its phase three trials, achieving a greater than 3x return on our investment in November 2020. We originally acquired the royalty asset as part of a multi-solution transaction with Cytokinetics, a promising mid-stage cardiovascular company, which also included an equity investment, a regional partnering deal with Ji Xing, and future clinical trial funding. It was a ground-breaking transaction because, as a single counterparty we were able to move quickly, simplify and de-risk the execution of a process that would otherwise have taken much longer with the involvement of multiple partners. Under the circumstances, we believe that we are the only investment manager who could have accomplished what we did.

Our global reach continues to expand with new offices opened in London and Shanghai. In China, our own NewCo, Ji Xing, continues to build out its clinical pipelines with the addition of an exclusive licensing agreement with Lenz Therapeutics for their LNZ100 and LNZ101 treatments for presbyopia. As part of the transaction, Lenz Therapeutics also became the latest addition to the Company's portfolio, underlining the value of our multi-asset approach. In London, we have continued to support the development of Immunocore with our participation in a US$140m PIPE (Private Investment in Public Equity) alongside a small handful of other investors in July. As a firm, we have been supporting Immunocore since their series A in 2015, underlining the value of our full lifecycle approach and we are proud to part of a significant UK success story.

From a science perspective, our 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.

We believe there is a significant demand for reliable capital providers, such as us, 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 prospectus guidance, we anticipate two-thirds of the new 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 5 July 2022, **Orchestra BioMed** announced a strategic collaboration, closing of US$110 million private equity financing and plans to list on Nasdaq through merger with RTW-sponsored **Health Sciences Acquisitions Corporation 2**.

On 18 July 2022, the Company alongside other investment vehicles of the Investment Manager participated in a private investment in public equity ("PIPE") financing in **Immunocore** together with Rock Springs Capital and General Atlantic.

RTW Investments, LP
14 September 2022

Statement of Principal Risks and Uncertainties for the Remaining Six Months of the year to 31 December 2022

As described in the Company's annual financial statements for the year ended 31 December 2021, the Company's principal and emerging risks and uncertainties include the following:

- Failure to achieve investment objective;
- Counterparty risk;
- The Investment Manager relies on key personnel;
- Portfolio companies may be subject to litigation;
- Exposure to global political and economic risks;
- Clinical development and regulatory risks;
- Imposition of pricing controls for clinical products and services;
- COVID-19;
- Inflation;
- Availability of capital; and
- Conflict in Ukraine.

The COVID-19 pandemic was considered to be a risk to the global economy when the 31 December 2021 Strategic Report was released although it was diminishing in severity due to the successful vaccine roll-out, and it is expected that the risk to the Company from it will continue to decrease throughout 2022.

Except as above, the Board believes that these risks are unchanged in respect of the remaining six months of the year to 31 December 2022.

Further information in relation to these principal risks and uncertainties may be found on pages 48 to 49 of the Company's annual report and audited financial statements for the year ended 31 December 2021.

These inherent risks associated with investments in the biotech and pharmaceutical sector could result in a material adverse effect on the Company's performance and value of the Ordinary Shares.

Risks are mitigated and managed by the Board through continual review, policy setting and regular reviews of the Company's risk matrix by the Audit Committee to ensure that procedures are in place with the intention of minimising the impact of the above-mentioned risks. The Board carried out a formal review of the risk matrix at the Audit Committee meeting held on 21 June 2022. The Board relies on periodic reports provided by the Investment Manager and Administrator regarding risks that the Company faces. When required, experts will be employed to gather information, including tax advisers and legal advisers.

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

- the unaudited interim financial statements have been prepared in conformity with US generally accepted accounting principles; and
- the interim management report (which includes the Chairman's Statement, Report of the Investment Manager and Statement of Principal Risks and Uncertainties) together with the unaudited interim financial statements include a fair review of the information required by:
  a. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the unaudited interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
  b. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last annual report that could do so.

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.

By order of the Board

William Simpson
Chairman
14 September 2022

Paul Le Page
Director
14 September 2022

Independent Review Report to RTW Venture Fund Limited

Conclusion

We have been engaged by RTW Venture Fund Limited (the "Company") to review the financial statements in the half-yearly financial report for the six months ended 30 June 2022 of the Company, which comprises the unaudited interim statement of assets and liabilities including the unaudited interim condensed schedule of investments, the unaudited interim statements of operations, changes in net assets and cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements in the half-yearly financial report for the period ended 30 June 2022 do not give a true and fair view of the financial position of the Company as at 30 June 2022 and of its financial performance and its cash flows for the six month period then ended, in conformity with U.S generally accepted accounting principles and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Director's responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

The financial statements included in this interim report have been prepared in conformity with U.S generally accepted accounting principles.

In preparing the half-yearly financial report, the directors are responsible for 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.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Scope of review paragraph of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Dermot Dempsey
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey
14 September 2022

Unaudited Interim Statement of Assets and Liabilities as at 30 June 2022 and 31 December 2021
(Expressed in United States Dollars)

	30 June 2022 (unaudited)	31 December 2021 (audited)
ASSETS:		
Investments in securities, at fair value (cost at 30 June 2022: US$255,919,074; cost at 31 December 2021: US$271,421,062)	265,255,409	409,179,507
Derivative contracts, at fair value (cost at 30 June 2022: US$2,614,659; cost at 31 December 2021: US$2,348,062)	22,120,849	10,983,574
Cash and cash equivalents	7,555,421	6,484,057
Due from brokers	18,212,213	12,323,965
Due from investments	2,020,197	-
Receivable from unsettled trades	320,833	200,695
Other assets	70,554	191,565
Total assets	**315,555,476**	**439,363,363**
LIABILITIES:		
Securities sold short, at fair value (proceeds at 30 June 2022: US$14,615,477; proceeds at 31 December 2021: US$9,620,981)	10,678,578	9,318,393
Derivative contracts, at fair value (proceeds at 30 June 2022: US$nil; proceeds at 31 December 2021: US$nil)	6,612,238	3,310,833
Due to brokers	13,385,084	38,019,859
Accrued expenses	871,653	861,545
Payable for unsettled trades	511,401	492,007
Total liabilities	**32,058,954**	**52,002,637**
Total net assets	**283,496,522**	**387,360,726**
Net assets attributable to Ordinary Shares (shares at 30 June 2022: 212,389,138; shares at 31 December 2021: 212,389,138)	**265,697,148**	**363,040,222**
Net assets attributable to Performance Allocation Shares (shares at 30 June 2022: 1; shares at 31 December 2021: 1)	**17,799,374**	**24,320,504**
NAV per Ordinary Share	**1.2510**	**1.7093**

The unaudited interim financial statements of the Company were approved and authorised for issue by the Board of Directors on 14 September 2022 and signed on its behalf by:

William Simpson
Chairman

Paul Le Page
Director

See accompanying notes to the financial statements.

Unaudited Interim Condensed Schedule of Investments as at 30 June 2022
(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				
Consumer Staples		726,224	590,775	0.21
Financials		108,150	106,960	0.04
Healthcare				
Rocket Pharmaceuticals, Inc.	2,364,728	6,223,376	32,538,657	11.48
Others*		136,932,517	117,248,561	41.35
Total United States		**143,990,267**	**150,484,953**	**53.08**
Netherlands				
Healthcare		4,245,216	5,262,529	1.85
Ireland				
Healthcare*		4,099,988	3,061,056	1.08
Canada				
Healthcare		3,841,890	1,067,208	0.38
British Virgin Islands				
Healthcare		226,450	554,404	0.20
Cayman Islands				
Financials		422,961	415,959	0.14
Healthcare		104,050	101,449	0.04
Total Cayman Islands		**527,011**	**517,408**	**0.18**
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	541,205	216,482	454,612	0.16
Bermuda				
Healthcare		260,330	105,954	0.04
Belgium				
Healthcare		202,098	75,698	0.03
Total common stocks		**157,609,732**	**161,583,822**	**57.00**

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

See accompanying notes to the unaudited interim financial statements

Unaudited Interim Condensed Schedule of Investments (continued) as at 30 June 2022
(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*		42,126,153	39,111,635	13.79
China				
Healthcare				
Ji Xing Pharmaceuticals Ltd.	11,362,419	22,448,291	23,997,207	8.46
Other		1,771,209	1,526,120	0.54
Total China		**24,220,130**	**25,523,327**	**9.00**
Switzerland				
Healthcare		1,704,186	1,642,139	0.58
Ireland				
Healthcare		116,545	40,109	0.01
Total convertible preferred stocks		**68,167,014**	**66,317,210**	**23.38**
American depository receipts				
United Kingdom				
Healthcare		7,775,731	12,545,241	4.43
Netherlands				
Healthcare		6,702,178	7,734,835	2.73
Sweden				
Healthcare		601,551	522,941	0.18
Ireland				
Healthcare		893,338	327,685	0.12
Israel				
Healthcare		372,743	193,562	0.07
China				
Healthcare		326,777	37,937	0.01
Singapore				
Healthcare		214,738	27,921	0.01
Total American depository receipts		**16,887,056**	**21,390,122**	**7.55**

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

See accompanying notes to the unaudited interim financial statements.

Unaudited Interim Condensed Schedule of Investments (continued) as at 30 June 2022
(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				
Ireland				
Healthcare				
UroGen Pharma Ltd	11,814,933	11,814,933	14,474,522	5.11
United States				
Healthcare		3,906	23,391	0.01
Total investment in private investment companies		**11,818,839**	**14,497,913**	**5.12**
Convertible bonds				
United States				
Healthcare		1,436,433	1,466,342	0.52
Total convertible bonds		**1,436,433**	**1,466,342**	**0.52**
Total investments in securities, at fair value		**255,919,074**	**265,255,409**	**93.57**

See accompanying notes to the unaudited interim financial statements.

Unaudited Interim Condensed Schedule of Investments (continued) as at 30 June 2022
(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*		17,408,865	6.14
British Virgin Islands			
Healthcare		1,227,423	0.43
Total equity swaps		**18,636,288**	**6.57**
Warrants			
Canada			
Healthcare	1,939,543	2,889,569	1.02
United States			
Healthcare	674,517	594,876	0.21
Cayman Islands			
Financials	599	116	0.00
Total warrants	**2,614,659**	**3,484,561**	**1.23**
Total derivative contracts – assets, at fair value	**2,614,659**	**22,120,849**	**7.80**

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

See accompanying notes to the unaudited interim financial statements.

Unaudited Interim Condensed Schedule of Investments (continued) as at 30 June 2022
(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	13,441,811	9,882,913	3.49
Netherlands			
Healthcare	278,805	210,347	0.07
Cayman Islands			
Financials	96,480	95,991	0.03
Healthcare	46,260	44,536	0.02
Total Cayman Islands	**142,740**	**140,527**	**0.05**
Canada			
Healthcare	170,424	84,310	0.03
Total common stocks	**14,033,780**	**10,318,097**	**3.64**
American depository receipts			
Sweden			
Healthcare	460,857	322,544	0.12
China			
Healthcare	120,840	37,937	0.01
Total American depository receipts	**581,697**	**360,481**	**0.13**
Total securities sold short, at fair value	**14,615,477**	**10,678,578**	**3.77**

Descriptions	Fair Value US$	Percentage of Net Assets %
Derivative contracts – liabilities, at fair value		
Equity swaps		
United States		
Healthcare	4,356,145	1.54
Index	1,907,626	0.67
Total United States	**6,263,771**	**2.21**
Ireland		
Healthcare	199,414	0.07
Israel		
Healthcare	149,053	0.05
Total derivative contracts – liabilities, at fair value	**6,612,238**	**2.33**

See accompanying notes to the unaudited interim financial statements.

Audited 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 American depository receipts		**156,450,124**	**267,436,002**	**69.05**

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

Audited Condensed Schedule of Investments (continued) 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 (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.

See accompanying notes to the unaudited interim financial statements.

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

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 unaudited interim financial statements.

Audited Condensed Schedule of Investments (continued) as at 31 December 2021
(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 unaudited interim financial statements.

Audited Condensed Schedule of Investments (continued) as at 31 December 2021
(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	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 unaudited interim financial statements.

Unaudited Interim Statement of Operations For the six month periods ended 30 June 2022 and 30 June 2021
(Expressed in United States Dollars)

	1 January 2022 to 30 June 2022 (unaudited) US$	1 January 2021 to 30 June 2021 (unaudited) US$
Investment income		
Dividends (net of withholding taxes of US$1,041; 30 June 2021: US$60,607)	603,135	141,416
Interest (net of withholding taxes of US$nil; 30 June 2021: US$nil)	95,611	3,817
Total investment income	**698,746**	**145,233**
Expenses		
Management fees	1,889,306	2,429,491
Research costs	420,054	85,664
Professional fees	378,758	593,053
Administrative fees	160,113	168,213
Interest	132,354	99,528
Audit fees	117,100	118,794
Directors' fees	102,434	108,125
Dividends	2,372	–
Listing fees	–	355,911
Other expenses	146,595	211,881
Total expenses	**3,349,086**	**4,170,660**
Net investment income/(loss)	**(2,650,340)**	**(4,025,427)**
Realised and change in unrealised gain/(loss) on investments, derivatives and foreign currency transactions		
Net realised gain/(loss) on securities and foreign currency transactions	17,933,993	37,276,081
Net change in unrealised gain/(loss) on securities and foreign currency translation	(124,566,690)	(49,705,000)
Net realised gain/(loss) on derivative contracts	(2,150,440)	37,014
Net change in unrealised gain/(loss) on derivative contracts	7,569,273	(1,725,385)
Net realised and unrealised gain/(loss) on investments, derivatives and foreign currency transactions	**(101,213,864)**	**(14,117,290)**
Net increase/(decrease) in net assets resulting from operations	**(103,864,204)**	**(18,142,717)**

See accompanying notes to the unaudited interim financial statements.

Unaudited Interim Statement of Changes in Net Assets For the six month period ended 30 June 2022
(Expressed in United States Dollars)

	Ordinary Share Class Fund US$	Performance Allocation Share Class Fund US$	Total Shareholders' Funds US$
Net assets, beginning of period	**363,040,222**	**24,320,504**	**387,360,726**
Operations			
Net investment income/(loss)	2,650,340		(2,650,340)
Net realised gain/(loss) on securities and foreign currency transactions	17,933,993	–	17,933,993
Net change in unrealised gain/(loss) on securities and foreign currency translation	(124,566,690)	–	(124,566,690)
Net realised gain/(loss) on derivative contracts	(2,150,440)	–	(2,150,440)
Net change in unrealised gain/(loss) on derivative contracts	7,569,273	–	7,569,273
Performance Allocation	6,521,130	(6,521,130)	–
Net change in net assets resulting from operations	**(97,343,074)**	**(6,521,130)**	**(103,864,204)**
Capital transactions			
Issuance of Ordinary Shares (net of issuance cost of US$nil)	–	–	–
Performance Allocation distribution	–	–	–
Net change in net assets resulting from capital transactions	**–**	**–**	**–**
Net change in net assets	**(97,343,074)**	**(6,521,130)**	**(103,864,204)**
Net assets, end of period	**265,697,148**	**17,799,374**	**283,496,522**

See accompanying notes to the unaudited interim financial statements.

Unaudited Interim Statement of Changes in Net Assets For the six month period ended 30 June 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 period	**375,281,126**	**37,330,803**	**412,611,929**
Operations			
Net investment income/(loss)	(4,025,427)	–	(4,025,427)
Net realised gain/(loss) on securities and foreign currency transactions	37,276,081	–	37,276,081
Net change in unrealised gain/(loss) on securities and foreign currency translation	(49,705,000)	–	(49,705,000)
Net realised gain/(loss) on derivative contracts	37,014	–	37,014
Net change in unrealised gain/(loss) on derivative contracts	(1,725,385)	–	(1,725,385)
Performance Allocation	3,634,006	(3,634,006)	–
Net change in net assets resulting from operations	**(14,508,711)**	**(3,634,006)**	**(18,142,717)**
Capital transactions			
Issuance of Ordinary Shares (net of issuance costs of US$183,148)	36,438,617	–	36,438,617
Performance Allocation distribution	–	(4,974,920)	(4,974,920)
Net change in net assets resulting from capital transactions	**36,438,617**	**(4,974,920)**	**31,463,697**
Net change in net assets	**21,929,906**	**(8,608,926)**	**13,320,980**
Net assets, end of period	**397,211,032**	**28,721,877**	**425,932,909**

See accompanying notes to the unaudited interim financial statements.

Unaudited Interim Statement of Cash Flows
For the six month periods ended 30 June 2022 and 30 June 2021
(Expressed in United States Dollars)

	1 January 2022 to 30 June 2022 (unaudited) US$	1 January 2021 to 30 June 2021 (unaudited) US$
Cash flows from operating activities		
Net increase/(decrease) in net assets resulting from operations	(103,864,204)	(18,142,717)
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	(17,933,993)	(37,276,081)
Net change in unrealised (gain)/loss on securities and foreign currency translation	124,566,690	49,705,000
Net realised (gain)/loss on derivative contracts	2,150,440	(37,014)
Net change in unrealised (gain)/loss on derivative contracts	(7,569,273)	1,725,385
Purchases of investments in securities	(74,873,499)	(136,091,082)
Proceeds from sales of investments in securities	102,920,476	90,062,691
Proceeds from securities sold short	18,317,735	6,061,565
Payments for securities sold short	(7,713,126)	(1,453,921)
Proceeds from derivative contracts	909,574	196,652
Payments for derivative contracts	(3,326,611)	(762,605)
Changes in operating assets and liabilities:		
Other assets	121,011	68,866
Due from investments	(2,020,197)	–
(Receivable from)/payable for unsettled trades	(100,744)	361,040
Due to brokers	(24,634,775)	18,855,592
Accrued expenses	10,108	627,597
Net cash provided by/(used in) operating activities (including restricted cash)	**6,959,612**	**(26,099,032)**
Cash flows from financing activities		
Net proceeds from issuance of shares	–	36,438,617
Performance Allocation distribution	–	(4,974,920)
Net cash provided by/(used in) financing activities	**–**	**31,463,697**
Net change in cash and cash equivalents (including restricted cash)	6,959,612	5,364,665
Cash and cash equivalents (including restricted cash), beginning of the period	18,808,022	24,586,452
Cash and cash equivalents (including restricted cash), end of the period	**25,767,634**	**29,951,117**
At 30 June 2022, the amounts categorised in cash and cash equivalents (including restricted cash) include the following:		
Cash and cash equivalents	7,555,421	18,013,748
Due from brokers	18,212,213	11,937,369
Total cash and cash equivalents (including restricted cash)	**25,767,634**	**29,951,117**
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	135,420	141,472

See accompanying notes to the unaudited interim financial statements

Notes to the Unaudited Interim Financial Statements
For the six month period ended 30 June 2022
(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 with the additional ticker symbol: RTWG denoting the Sterling price. The original ticker, RTW, continues to denote the US Dollar price.

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 RTW's 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 is managed by RTW Investments, LP, a Delaware limited partnership, 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 unaudited interim financial statements are expressed in United States Dollars. The unaudited interim 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.

The Directors considered that it is appropriate to adopt a going concern basis of accounting in preparing the unaudited interim 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.

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 30 June 2022 and 31 December 2021, 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 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 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.

Notes to the Unaudited Interim Financial Statements
continued

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

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 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 net asset value 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 indicative 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 and the early development stage of each of the investments, the indicative enterprise value is discounted at an appropriate rate.

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

Where applicable, the indicative enterprise value has been 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 is 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 is allocated to the equity class on either a fully diluted basis or using an option pricing model. The resulting indicative 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 notes

The Company values investments in convertible notes in accordance with the unlisted investments section above. As of 30 June 2022, these investments are all 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 30 June 2022, 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 net asset value of the investment.

Derivative contracts

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 period-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 unaudited interim 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 unaudited interim 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. Realised gains and losses on investment transactions are determined using cost calculated on first in, first out basis.

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 30 June 2022, the Company had cash collateral receivables of US$16,046,021 (31 December 2021: US$12,228,870) (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 unaudited interim financial statements. Income tax and related interest and penalties would be recognised as a tax expense in the unaudited interim 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 related 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.

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 30 June 2022.

Use of estimates

Preparing unaudited interim 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 unaudited interim 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 period.

Notes to the Unaudited Interim Financial Statements
continued

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 30 June 2022:

	Level 1 (unaudited) US$	Level 2 (unaudited) US$	Level 3 (unaudited) US$	Investments measured at net asset value* (unaudited) US$	Total (unaudited) US$
Assets (at fair value)					
Investments in securities					
Common stocks	154,445,057	3,825,062	3,313,703	–	161,583,822
Convertible preferred stocks	40,109	–	66,277,101	–	66,317,210
American depository receipts	21,390,122	–	–	–	21,390,122
Investment in private investment companies	–	–	–	14,497,913	14,497,913
Convertible bonds	–	–	1,466,342	–	1,466,342
Total investments in securities	**175,875,288**	**3,825,062**	**71,057,146**	**14,497,913**	**265,255,409**
Derivative contracts					
Equity swaps	–	18,636,288	–	–	18,636,288
Warrants	–	2,983,971	500,590	–	3,484,561
Total derivative contracts	**–**	**21,620,259**	**500,590**	**–**	**22,120,849**
	175,875,288	**25,445,321**	**71,557,736**	**14,497,913**	**287,376,258**
Liabilities (at fair value)					
Securities sold short					
Common stocks	10,222,106	95,991	–	–	10,318,097
American depository receipts	360,481	–	–	–	360,481
Total securities sold short	10,582,587	95,991	–	–	10,678,578
Derivative contracts					
Equity swaps	–	6,612,238	–	–	6,612,238
Total derivative contracts	**–**	**6,612,238**	**–**	**–**	**6,612,238**
	10,582,587	**6,708,229**	**–**	**–**	**17,290,816**

* 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 2021:

	Level 1 (audited) US$	Level 2 (audited) US$	Level 3 (audited) US$	Investments measured at net asset value* (audited) US$	Total (audited) 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.

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 period ended 30 June 2022, the Company had transfers into Level 2 of US$1,083,096 from Level 3 due to conversion into publicly traded common stocks subject to an unexpired 180-day lock-up as at 30 June 2022 (for the year ended 31 December 2021: US$9,064,760) and transfers into Level 1 of US$nil from Level 3 due to conversion into publicly traded common stocks (for the year ended 31 December 2021: US$20,330,984). During the period ended 30 June 2022, US$nil relating to investment companies measured using net asset value as a practical expedient and which are not categorized in the fair value hierarchy, was transferred out of Level 3 (for the year ended 31 December 2021: US$8,210,689). Transfers between levels are deemed to occur at 30 June and 31 December each period/year.

Notes to the Unaudited Interim Financial Statements
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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 30 June 2022 and 31 December 2021:

	Fair value at 30 June 2022 (unaudited) US$	Valuation techniques	Significant unobservable inputs	Range of inputs
Assets (at fair value)				
Investments in securities				
Convertible preferred stocks	42,965,988	Discounted cash flow; Market approach; and/or option pricing model	WACC	15% - 43%
			Exit revenue multiple	3.0x – 4.0x
			Expected volatility	38% - 128%
			Revenue multiple	2.2x – 2.7x
			Market step-up multiple	0.8x – 1.5x
			Market rate of return	-20%
	2,587,886	Market approach and cost to recreate approach	Market rate of return	-20%
			Recovery rate	50%
	12,840,843	Price of most recent funding round	n/a	n/a
Convertible notes	7,882,384	Discounted cash flow; Market approach; and/or option pricing model	WACC	16%
			Exit revenue multiple	4.0x
			Expected volatility	96% - 128%
			Market rate of return	-10%
			Market step-up multiple	0.8x – 1.2x
Common stocks	1,125,541	Discounted cash flow; Market approach; and/or option pricing model	WACC	16%
			Exit revenue multiple	4.0x
			Expected volatility	45% - 128%
			Revenue multiple	0.2x
			Market step-up multiple	0.8x – 1.2x
			Market rate of return	-20% – -10%
	2,188,162	Probability-weighted expected return method	Expected volatility	45%
Convertible bonds	1,466,342	Market approach and cost to recreate approach	Market rate of return	-20%
			Recovery rate	50%
Total investments in securities	**71,057,146**			

	Fair value at 30 June 2022 (unaudited) US$	Valuation techniques	Significant unobservable inputs	Range of inputs
Assets (at fair value)				
Derivative contracts				
Warrants	2,869	Discounted cash flow; Market approach; and/or option pricing model	WACC	38%
			Exit revenue multiple	3.0x
			Expected volatility	45% - 50%
	192,319	Probability-weighted expected return method	Expected volatility	45%
	305,402	Price of most recent funding round	n/a	n/a
Total derivative contracts	**500,590**			

	Fair value at 31 December 2021 (audited) 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; Market approach; and/or option pricing model	WACC	16% - 38%
			Exit revenue multiple	3.0x – 4.0x
			Expected volatility	40% - 135%
			Market step-up multiple	1.0x – 1.8x
	6,436,740	Price of most recent funding round	n/a	n/a
Common stocks	844,280	Market approach; and/or option pricing model	Expected volatility	60%
			Market step-up 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; Market approach; and/or option pricing model	WACC	38%
			Exit revenue multiple	3.0x
			Expected volatility	45%
Total derivative contracts	**134,008**			

Notes to the Unaudited Interim Financial Statements
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2. Fair value measurements (continued)

The significant unobservable inputs used in the fair value measurements of Level 3 convertible preferred stocks are WACC, exit revenue multiple, market step-up multiple and expected volatility, market rate of return and recovery rate. Increases in the WACC in isolation would result in a lower fair value for the security, and vice versa. Increases in the exit revenue multiple or market step-up multiple, market rate of return or recovery rate in isolation would result in a higher fair value of the security, and vice versa. Increases 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 period ended 30 June 2022 were as follows:

	Balance beginning 1 January 2022 (unaudited) US$	Realised gains/(losses)[(a)] (unaudited) US$	Change in Unrealised gains/(losses)[(a)] (unaudited) US$	Purchases (unaudited) US$	Sales (unaudited) US$	Transfers into/(from) Level 3* (unaudited) US$	Ending balance 30 June 2022 (unaudited) US$
Assets (at fair value)							
Investments in securities							
Convertible preferred stocks	67,177,270	–	(14,924,618)	14,383,822	–	(359,373)	66,277,101
Common stocks	1,943,967	–	1,368,759	977	–	–	3,313,703
Convertible bonds	723,723	–	29,909	1,436,433	–	(723,723)	1,466,342
Total investments in securities	**69,844,960**	**–**	**(13,525,950)**	**15,821,232**	**–**	**(1,083,096)**	**71,057,146**
Derivative contracts							
Warrants	134,008	–	99,984	–	–	266,598	500,590
Total derivative contracts	**134,008**	**–**	**99,984**	**–**	**–**	**266,598**	**500,590**

* Conversions of convertible bonds into convertible preferred stock and convertible preferred stock 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 unaudited interim statement of operations.

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 (audited) US$	Realised gains/(losses) (audited) US$	Change in Unrealised gains/(losses) (audited) US$	Purchases (audited) US$	Sales (audited) US$	Transfers into/(from) Level 3* (audited) US$	Ending balance 31 December 2021 (audited) 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 unrealised gains and losses during the period for assets still held at end of period were as follows:

	30 June 2022 (unaudited) US$	31 December 2021 (audited) US$
Common stocks	1,368,759	497,966
Convertible bonds	29,909	–
Convertible preferred stocks	(14,707,180)	12,873,757
Warrants	99,984	1
Change in unrealised gains and losses during the period for assets still held at period end	**(13,208,528)**	**13,371,724**

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:

	30 June 2022 (unaudited) US$	31 December 2021 (audited) US$
Realised gains	38,153,897	54,163,408
Realised losses	(22,370,344)	(14,532,072)
Net realised gain on securities, derivative contracts and securities sold short	**15,783,553**	**39,631,336**

	30 June 2022 (unaudited) US$	31 December 2021 (audited) US$
Change in unrealised gains	49,444,528	106,379,343
Change in unrealised losses	(166,441,945)	(202,558,485)
Net change in unrealised gain/(loss) on securities, derivative contracts and securities sold short	**(116,997,417)**	**(96,179,142)**

As at 30 June 2022 the Company had commitments (subject to completion of certain parameters) to certain investments totalling US$4,772,722 (31 December 2021: US$2,358,325).

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 30 June 2022, amounts included within due from brokers of US$2,166,192 (31 December 2021: US$95,095) can be used for investment. The Company pledged cash collateral to counterparties to over-the-counter derivative contracts of US$16,046,021 (31 December 2021: US$12,228,870) 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 and counterparties, 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.

Notes to the Unaudited Interim Financial Statements
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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.

4. Derivative contracts (continued)

Volume of derivative activities

The Company considers the average month-end notional amounts during the period, categorised by primary underlying risk, to be representative of the volume of its derivative activities during the period ended 30 June 2022:

	30 June 2022 (unaudited)		31 December 2021 (audited)	
	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	37,411,994	58,990,139	2,347,607	66,149,127
Warrants[a]	3,380,244	–	9,031,998	–
	40,792,238	**58,990,139**	**11,379,605**	**66,149,127**

(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 unaudited interim statement of assets and liabilities and statement of operations

The following tables identify the fair value amounts of derivative instruments included in the unaudited interim statement of assets and liabilities as derivative contracts, categorised by primary underlying risk, at 30 June 2022 and 31 December 2021. The following table also identifies the gain and loss amounts included in the unaudited interim 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 period ended 30 June 2022 and 30 June 2021.

	30 June 2022 (unaudited)			
Primary underlying risk	Derivative assets US$	Derivative liabilities US$	Realised gain/(loss) US$	Change in unrealised gain/(loss) US$
Equity price				
Equity swaps	18,636,288	6,612,238	(2,150,440)	7,759,459
Warrants	3,484,561	–	–	(190,186)
	22,120,849	**6,612,238**	**(2,150,440)**	**7,569,273**

	31 December 2021 (audited)		30 June 2021 (unaudited)	
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	34,571	(1,202,970)
Warrants	3,408,150	–	2,443	(522,415)
	10,983,574	**3,310,833**	**37,014**	**(1,725,385)**

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 30 June 2022 and 31 December 2021, 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 unaudited interim statement of assets and liabilities to enable users of the unaudited interim 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 30 June 2022 and 31 December 2021, the Company held financial instruments and derivative instruments that were eligible for offset in the unaudited interim 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 unaudited interim statement of assets and liabilities. The following table presents the potential effect of netting arrangements for asset derivative contracts presented in the unaudited interim statement of assets and liabilities:

				30 June 2022 (unaudited) Gross amounts not offset in the unaudited interim statement of assets and liabilities		
Description	Gross amounts of recognised assets US$	Gross amounts offset in the unaudited interim statement of assets and liabilities US$	Gross amounts of recognised assets and liabilities US$	Financial instruments[a] US$	Cash collateral received[b] US$	Net amount US$
Equity swaps						
Bank of America Merrill Lynch	11,027,032	–	11,027,032	(1,987,838)	–	9,039,194
Morgan Stanley & Co. LLC	4,146,717	–	4,146,717	(1,821,688)	–	2,325,029
Cowen Financial Products, LLC	3,323,265	–	3,323,265	(2,426,431)	–	896,834
Jeffries & Co.	139,274	–	139,274	(139,274)	–	–
	18,636,288	**–**	**18,636,288**	**(6,375,231)**	**–**	**12,261,057**

				31 December 2021 (audited) Gross amounts not offset in the statement of assets and liabilities		
Description	Gross amounts of recognised assets US$	Gross amounts offset in the statement of assets and liabilities US$	Gross amounts of recognised assets and liabilities US$	Financial instruments[a] US$	Cash collateral received[b] US$	Net amount US$
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**

(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 unaudited interim 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.

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6. Offsetting assets and liabilities (continued)

The following tables present the potential effect of netting arrangements for liability derivative contracts presented in the unaudited interim statement of assets and liabilities as of 30 June 2022 and 31 December 2021:

				30 June 2022 (unaudited) Gross amounts not offset in the unaudited interim statement of assets and liabilities		
Description	Gross amounts of recognised liabilities US$	Gross amounts offset in the unaudited interim statement of assets and liabilities US$	Gross amounts of recognised liabilities US$	Financial instruments[(a)] US$	Cash collateral pledged[(b)] US$	Net amount US$
Equity swaps						
Cowen Financial Products, LLC	2,426,431	–	2,426,431	(2,426,431)	–	–
Bank of America Merrill Lynch	1,987,838	–	1,987,838	(1,987,838)	–	–
Morgan Stanley & Co. LLC	1,821,688	–	1,821,688	(1,821,688)	–	–
Jeffries & Co.	330,539	–	330,539	(139,274)	(191,265)	–
UBS AG	45,742	–	45,742	–	(45,742)	–
	6,612,238	**–**	**6,612,238**	**(6,375,231)**	**(237,007)**	**–**

				31 December 2021 (audited) Gross amounts not offset in the statement of assets and liabilities		
Description	Gross amounts of recognised liabilities US$	Gross amounts offset in the statement of assets and liabilities US$	Gross amounts of recognised liabilities US$	Financial instruments[(a)] US$	Cash collateral pledged[(b)] US$	Net amount US$
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)**	**–**

(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 unaudited interim 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 unaudited interim 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 Portfolio 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 is 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 Unaudited Interim Financial Statements
continued

9. Share capital

During the period ended 30 June 2022 the Company did not issue any Ordinary Shares, as follows:

	30 June 2022 (unaudited) Number of Ordinary Shares	31 December 2021 (audited) Number of Ordinary Shares	30 June 2021 (unaudited) Number of Ordinary Shares
As at 1 January	212,389,138	191,515,735	191,515,735
Issuance of Ordinary Shares	–	20,873,403	16,864,022
As at 30 June/31 December	**212,389,138**	**212,389,138**	**208,379,757**

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 30 June 2022, there is one Performance Allocation Share in issue (31 December 2021: 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 period ended 30 June 2022 amounted to US$1,889,306 (period ended 30 June 2021: US$2,429,491) of which US$nil (31 December 2021: US$nil) was outstanding at the period 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 period ended 30 June 2022 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$6,521,130 in 2022, which is included in Performance Allocation within the Statement of Changes in Net Assets. There was no reallocation of uncrystallized performance allocation back to Ordinary Shareholders related to the Company's performance in the period.

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. For the period ended 30 June 2022, the Board did not approve a cash distribution to the Performance Allocation Share Class Fund (period ended 30 June 2021: US$4,974,920). At the period end the Performance Allocation was US$17,799,374 (31 December 2021: US$24,320,504).

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 served on the board of directors of investments held by the Company during the period ended 30 June 2022 and 31 December 2021:

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

(a) Roderick Wong, Naveen Yalamanchi
(b) Roderick Wong
(c) Roderick Wong, Peter Fong

As at 30 June 2022, the number of Ordinary Shares held by each Director was as follows:

	30 June 2022 (unaudited) Number of Ordinary Shares	31 December 2021 (audited) Number of Ordinary Shares
William Simpson	200,000	150,000
Paul Le Page	103,000	103,000
William Scott	179,381	150,000
Stephanie Sirota	1,000,000	1,000,000

William Simpson added to his holding during the period by purchasing 50,000 Ordinary Shares in the secondary market. William Scott added to his holding during the period by purchasing 29,381 Ordinary Shares in the secondary market.

Roderick Wong is a major shareholder and also a member of the Investment Manager. As at 30 June 2022 he held 29,218,773 (13.76% of the Ordinary Shares in issue) (31 December 2021: 29,218,773, 13.76% of the Ordinary Shares in issue) Ordinary Shares in the Company.

The total Directors' fees expense for the period amounted to US$102,434 (30 June 2021: US$108,125) of which US$48,542 was outstanding at 30 June 2022 (31 December 2021: US$52,761), included within accrued expenses.

Notes to the Unaudited Interim Financial Statements
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11. Administrative services

Elysium Fund Management Limited ("EFML") serves as Administrator to the Company, providing administration, corporate secretarial, corporate governance and compliance services. Morgan Stanley Fund Services USA LLC ("MSFS") serves as the Company's Sub-Administrator. Ocorian Administration (Guernsey) Limited ("OAGL") previously served as the Company's administrator up until 1 February 2021.

During the period ended 30 June 2022, EFML and MSFS charged administration fees of US$49,173 and US$110,940 respectively (period ended 30 June 2021: OAGL charged US$25,045, EFML charged US$46,771 and MSFS charged US$96,397) of which US$6,677 and US$140,940 (31 December 2021: EFML US$8,396, MSFS US$76,053) was outstanding at 30 June 2022, and is included within accrued expenses.

12. Financial highlights

Financial highlights for the six month period ended 30 June 2022, six month period ended 30

June 2021 and year ended 31 December 2021 are as follows:

	30 June 2022 (unaudited)	30 June 2021 (unaudited)	31 December 2021 (audited)
Per Ordinary Share operating performance			
Net Asset Value, beginning of period	US$ 1.71	US$ 1.96	US$ 1.96
Issuance of Ordinary Shares	–	0.01	0.02
Income from investments			
Net investment income/(loss)	(0.01)	(0.02)	(0.04)
Net realised and unrealised gain/(loss) on investments, derivatives and foreign currency transactions	(0.45)	(0.04)	(0.23)
Total from investment operations	(0.46)	(0.06)	(0.27)
Net Asset Value, end of period	**US$ 1.25**	**US$ 1.91**	**US$ 1.71**
Total return			
Total return before Performance Allocation	(26.81)%	(5.13)%	(15.35)%
Performance Allocation (excluding mark-to-market)	- %	2.41 %	2.58 %
Total return after Performance Allocation	**(26.81)%**	**(2.72)%**	**(12.77)%**
Ratios to average net assets*			
Expenses	1.10 %	1.07 %	2.22 %
Performance Allocation	(2.14)%	(0.93)%	(2.11)%
Expenses and Performance Allocation	**(1.04)%**	**0.14 %**	**0.11 %**
Net investment income/(loss)	(0.87)%	(1.03)%	(2.04)%
NAV total return for the period/year	(26.81)%	(5.13)%	(15.35)%

* Ratios are not annualised.

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

These unaudited interim financial statements were approved by the Board of Directors on 14 September 2022. Subsequent events have been evaluated through this date.

Glossary

Defined Terms

"Adjusted Net Asset Value"
the NAV adjusted by deducting the unrealised gains and unrealised losses in respect of private Portfolio Companies;

"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;

"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.;

"C4 Therapeutics" or "C4T"
C4 Therapeutics, Inc.;

"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 closed-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;

"Core portfolio companies"
Include private companies and public companies that were initially added to our portfolio as private investments;

"Corporate Brokers"
being J.P. Morgan Cazenove and Bank of America;

"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 and "Director" means any one of them;

"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 Anaemia"
a rare genetic blood condition in young children;

"FATCA"
the Foreign Account Tax Compliance Act;

Glossary
continued

"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;

"FRC"
the Financial Reporting Council;

"Frequency"
Frequency Therapeutics, Inc.;

"FTC"
the Federal Trade Commission;

"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 in June 2021;

"GH Research"
GH Research PLC;

"Half-Yearly Report"
the Half-Yearly Report and Financial Statements;

"Immunocore"
Immunocore Limited;

"InBrace"
InBrace or Swift Health, Inc.;

"Independent Valuer"
Alvarez & Marsal Valuation Services, LLC;

"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.;

"Ji Xing"
Ji Xing Pharmaceuticals, formerly China New Co;

"Kyverna"
Kyverna Therapeutics, Inc.;

"Landos"
Landos Biopharma, Inc.;

"Latest Practicable Date"
30 June 2022, being the latest practicable date for valuing an asset for inclusion in this report;

"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"
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;

"Notional Ordinary Shares"
Performance Allocation 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;

"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;

"Private Investment in Public Equity" or "PIPE"
is when an institutional or an accredited investor buys stock directly from a public company below market price;

"POI Law"
The Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended;

"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;

"RTW Royalty"
RTW Royalty Holding Company #1 and #2;

"Russell 2000 Biotech"
a stock index of small cap biotechnology and pharmaceutical companies;

"SEC Rule 144"
selling restricted and control securities;

"Small molecule"
a compound that can regulate a biologic activity;

"SPAC"
Special Purpose Acquisition Company;

"Tachycardia"
a heart rhythm disorder;

"Tarsus"
Tarsus, Inc.;

"Tenaya"
Tenaya Therapeutics. Inc.;

"TL1A"
a target for the treatment of inflammation associated with inflammatory bowel disease (IBD);

Glossary
continued

"Type 1 Diabetes" or "T1D"
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;

"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
Available 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$265.7m) 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$1.25) and the NAV per share at the beginning of the period (US$1.71) 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$0.97) and the price per share at the beginning of the period (US$1.78) 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$0.97) and the NAV per share at the end of the period (US$1.25) minus one expressed as a percentage.
Multiple on Invested Capital (MOIC or MOC)	The multiple that measures value that an investment has generated.	A measure to evaluate performance of the realized and unrealized investments.	The ratio between initial capital invested in a portfolio company and current (as of 30 June 2022) value of the investment. It is a gross metric and calculation is performed before fees and incentive.
Extended Internal Rate of Return (XIRR)	The percentage or single rate of return when applied to all transactions in a portfolio company.	A measure of return which is used when multiple investments have been made over time into a portfolio company.	The rate is expressed as a percentage that calculates the returns on the total investment made with increments through a given period (from initial investment date to 30 June 2022).
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

General Company Information

Investment objective and investment policy

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

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" and "RTWG".

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 life sciences 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% of its gross in the biopharmaceutical sector and approximately 20% of its gross assets 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 lifecycle 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 or the acquiring Company where they 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% (or, in the case of Rocket Pharmaceuticals, Inc., 25%) 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).

Leverage and borrowing limits

The Company 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% 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% 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.

RTW

Schedule of Key Service Providers

For the period ended 30 June 2022

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

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Glategny Esplanade
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SEDOL: BKTRRM2 / BNNXVW5
Ticker: RTW / RTWG
LEI: 549300Q7EXQQH6KF7Z84
www.rtwfunds.com/venture-fund

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