

RTW Investments, LLC

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This Brochure provides information about the qualifications and business practices of RTW Investments, LLC. If you have any questions about the contents of this Brochure, please contact us at (646) 597-6980 or email sl@rtwfunds.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

RTW Investments, LLC is a registered investment adviser. Registration as an investment adviser does not imply that RTW Investments, LLC or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an Investment Adviser provide you with information about which you can determine to hire or retain an Investment Adviser.

Additional information about RTW Investments, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

There have been no material changes to this Brochure since our previous Annual Updating Amendment filed on March 20, 2014.

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Item 4: Advisory Business

RTW Investments, LLC (hereinafter “we”, “RTW” or the “Firm”) is a Delaware limited liability company founded by Dr. Roderick Wong in February of 2010. Dr. Roderick Wong serves as RTW’s Managing Partner and Chief Investment Officer. RTW provides discretionary advisory services to: RTW Master Fund, Ltd (the “**Master Fund**”); RTW Offshore Fund One, Ltd (the “**Offshore Fund**”) and RTW Onshore Fund One, LP (the “**Onshore Fund**”). The Onshore and Offshore Funds invest a substantial portion of their assets in the Master Fund. Unless specified, from hereinafter the Master Fund, Offshore Fund and Onshore Fund will each be referred to as a “**Fund**” or collectively as the “**Funds**”.

The Funds are managed pursuant to the objectives specified in the materials by which each Fund offers its ownership interests to investors. RTW does not tailor its services to individual client needs and the Funds’ investors do not have the right to specify, restrict, or influence the Funds’ investment objectives or any investment or trading decisions.

As of December 31, 2014 RTW had \$292,114,161 of regulatory assets under management, all of which were managed on a discretionary basis.

Item 5: Fees and Compensation

RTW will receive an annual management fee of 2.00% or 1.25% to be collected monthly in advance (0.16% or .10%, respectively, to be collected per month). The Master Fund will be responsible for the management fee paid to RTW. At the sole discretion of RTW, we may elect to reduce, waive, or calculate differently the management fee with respect to limited partners that are affiliates, employees, partners of RTW, or strategic partners of the Firm.

RTW Fund Group GP, LLC (the “**General Partner**”) will receive an incentive allocation based on the net profits of the Master Fund between 15% and 20% including unrealized gains and losses.

Management fees and performance allocations are deducted from the Master Fund’s account through administrator instruction.

RTW is responsible for all overhead expenses. All other expenses are paid by the Funds and include: the Management Fee; the Funds’ legal, compliance, administrator, audit (including custody audit expenses, if any) and accounting expenses (including third party accounting services); organizational expenses; investment expenses such as commissions, research fees and expenses (including research-related travel); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank services fees; Fund-related insurance costs; Directors’ fees and expenses; the Offshore Fund’s share of the Master Fund’s expenses and any other expenses reasonably related to the purchase, sale or transmittal of the Funds’ assets.

RTW and its employees do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

From time to time RTW may participate in side letter arrangements with investors of the Fund. RTW always acts in the best interest of the client. For additional information surrounding this policy please contact the Chief Compliance Officer (“**CCO**”).

Item 6: Performance-Based Fees and Side-By-Side Management

At the end of each fiscal year, the General Partner will receive an incentive allocation from the Master Fund between 15 - 20% of the net profits (including unrealized gains and losses). Under the modified loss carry forward provision, if a Common Share has a net loss allocable to it during any fiscal year and during a subsequent fiscal year there is a net profit allocable to such Common Share, the regular incentive allocation will be reduced by 50% (the "Modified Incentive Allocation") until subsequent cumulative net profits offset an amount equal to 250% of the previously allocated net losses. When calculating the incentive allocation at the Master Fund level, the management fee and all items of income and expense at the Fund level will be taken in to consideration.

Performance-based allocation arrangements may create an incentive for the Firm to recommend investments which may be riskier or more speculative than those which would be recommended under a different arrangement. Such arrangements may also create an incentive to favor higher paying accounts over other accounts in the allocation of investment opportunities. RTW has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. RTW's procedures also require the objective allocation for the Funds to ensure fair and equitable allocation among accounts. These areas are monitored by the CCO.

Item 7: Types of Clients

The Firm's clients are the Funds. The initial and additional subscription minimums for each Fund are disclosed in the offering documents which are provided to investors or prospective investors of the Funds.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

We have a long history in healthcare and scientific/financial sophistication which enables us to capture the value of the companies. We believe that focusing on poorly researched companies with complex situations, asking the right questions, and looking for asymmetric risk rewards; we will find opportunities where our involvement can impact the company value. Our investment objective is to maximize risk-adjusted returns by focusing on mispriced healthcare companies. We focus on (i) passive investments in uncommon values and (ii) special situations.

The Fund invests primarily in the equity and debt of public and private healthcare companies. Derivatives are employed to improve payoff structures, as well as to construct hedges.

Roderick Wong is primarily responsible for risk management oversight of RTW. We employ various individual position size limitations, portfolio size limitations, as well as actively manage firm gross and net exposure both at the portfolio level as well as at the subsector level. We actively monitor macroeconomic, healthcare policy, and subsector specific risks.

Risk of Loss Factors

Investing in securities involves risk of loss that investors should be prepared to bear. Investors should consider the following factors before investing in the Funds. The following list of risk factors does not purport to be a complete enumeration or explanation of the

risks involved in an investment in the Funds. Prospective investors are urged to consult their professional advisers and review the legal documents for each particular Fund before deciding to make an investment in a Fund.

Dependence on Occurrence of Events

The ability to realize a profit on certain investments may be dependent upon the occurrence of certain events, for example, the bankruptcy, sale, or successful reorganization of a company. If the event that we expect to occur upon placing a trade does not occur, the Funds may sustain a significant loss.

Small to Medium Capitalization Companies

We will invest in the stocks of companies with small-to medium-sized market capitalizations. While we believe they may provide significant potential for appreciation, such stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be less liquid than that of larger capitalization stocks.

Options

We may, on behalf of the Funds, purchase and sell ("**write**") options on equities on national and international securities exchanges. The seller ("**writer**") of a covered put option (i.e., the writer has a short position in the underlying security) receives a premium for writing the put option, but gives up the opportunity for gain on the underlying security below the exercise price of the option and assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security. The writer of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

The writer of a covered call option (i.e., the writer holds the underlying security) receives a premium for writing the call option, but assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Options may be cash settled, settled by physical delivery or by entering into a closing purchase transaction. In entering into a closing purchase transaction, the Funds may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

Custody Risk

There are risks involved in dealing with the custodians or prime brokers who settle Fund trades. The Funds maintain custody accounts with Goldman Sachs & Co, Inc. and Fidelity Prime Services as its prime brokers and custodians (the "**Prime Brokers**"). Although we monitor the Prime Brokers and believe that they are appropriate as custodians, there is no guarantee that the Prime Brokers, or any other custodian that the Funds may use from time

to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the U.S. Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, it is likely that, in the event of a failure of a broker-dealer that has custody of Fund assets, the Funds would incur losses due to their assets being unavailable for a period of time and/or the ultimate receipt of less than full recovery of their assets.

RTW and/or the Prime Brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Funds. The Prime Brokers may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Funds as a result of the bankruptcy or insolvency of any such sub-custodian. The Funds may therefore have potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a Fund by a custodian may not be available to the Funds. Under certain circumstances, including certain transactions where the Funds' assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the Prime Brokers, or where the Funds' assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Funds and hence the Funds could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the Funds to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the Funds may be subject to significantly less favorable laws that lack many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing the Funds' rights to its assets in the case of a bankruptcy or insolvency of any such party.

Non-Diversification

The Funds will be heavily concentrated in healthcare equity securities. In addition, the Funds may not be diversified among industries, geographic areas or issuers. Accordingly, the Funds may be subject to a more rapid change in value than would be the case if the Funds were required to maintain a wide diversification among industries, investment areas, types of securities and issuers.

Item 9: Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

The management and employees of RTW plan to dedicate substantially all of their professional efforts to RTW and our affiliates.

Dr. Roderick Wong serves as an Adjunct Associate Professor at NYU Stern Business School where he teaches a course entitled "Financial Analysis in Healthcare." Additionally, he serves as a partner of Princeton Daycare (a private daycare operator in Kansas), and he is a partner of Cheerpole Ltd (a private real estate investment company in Kansas).

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act

RTW has adopted a Code of Ethics and Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which our employees or related persons have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics and Employee Investment Policy is based on the underlying principles that:

- Employees must at all times place the interests of the clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics and Employee Investment Policy; and
- Employees should not take inappropriate advantage of their position at RTW.

All RTW employees are deemed to be “Access Persons” and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code of Ethics and Employee Investment Policy upon commencement of employment and quarterly thereafter.

In general, employees (and members of their immediate households) are permitted to invest in equities, options or futures with written pre-approval from the CCO. This policy does not apply to transactions involving government securities or open-end mutual funds, ETFs or other instruments which afford the investor no discretion over individual securities transactions.

Additionally, employees of RTW are prohibited from trading biotech or biomed securities. Any biotech or biomed security that the employee previously purchased prior to joining RTW must be disclosed. Consent must be obtained by Rod Wong prior to exiting the position.

All RTW employees must provide duplicate copies of brokerage statements to the CCO, which are used to monitor compliance with the foregoing policies. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or receiving an allocation of an Initial Public Offering (“IPO”).

Insider Trading Policies and Procedures

RTW maintains Insider Trading policies and procedures (the “**Insider Trading Policies**”) that are designed to prevent the misuse of material, non-public information. Among other things, such policies seek to control and monitor the flow of inside information to and within RTW, as well as prevent trading based on inside information. Accordingly, we may not have access to inside information that other market participants or counterparties are eligible to receive. On a periodic basis, our employees are required to certify to their compliance with the Compliance Manual, Code of Ethics and Employee Investment Policy, including the Insider Trading Policies.

Our Code of Ethics and Employee Investment Policy is available to clients upon request.

Privacy Policy

We are committed to maintaining the confidentiality, integrity and security of our investor's personal information. It is our policy to collect only information necessary or relevant to our management business and use only legitimate means to collect such information. We do not disclose any non-public personal information about our investors or former investors to anyone except for servicing and processing transactions and as required by law. We restrict access to non-public personal information about investors to those employees with a legitimate business need for the information. We maintain security practices, physical, electronic, and procedural safeguards to guard investor's non-public personal information. Additionally, we provide a copy of our privacy policy to our investors on an annual basis.

Item 12: Brokerage Practices

RTW is authorized to determine the broker or dealer to be used for each securities transaction for the Funds. In selecting brokers or dealers to execute transactions, RTW does not need to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not RTW's practice to negotiate "execution only" commission rates, thus the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

RTW shall also have the authority to select and appoint custodians of the assets of the Funds. Our authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain "best execution," meaning generally the execution of a securities transaction for a client in such a manner that a client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers' full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Aggregation

In general, we aggregate trade orders for the Funds to achieve more efficient execution or to provide for equitable treatment among accounts. The Funds participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

We maintain accounts at Goldman Sachs & Co. and Fidelity through which we may execute trades, borrow securities and maintain custody of securities.

We reserve the right, in our sole discretion, to change brokerage and custodial arrangements for the Funds without further notice to investors.

Allocation

Our policy prohibits any allocation of trades in a manner that results in more favorable treatment for our proprietary accounts, affiliated accounts, or any Funds.

We have adopted a policy for the fair and equitable allocation of transactions that generally analyses each trade, taking into consideration the specifics of each trade and the characteristics of each Fund.

Best Execution

As an investment adviser, we have a fiduciary duty to seek best execution for transactions. As a matter of policy and practice, we seek to obtain best execution for Fund transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances.

Soft Dollars

We may use “soft dollars” generated by its trading activities to purchase research services or products that would otherwise have been an expense of RTW. We intend to keep any such arrangements within the parameters of Section 28(e) of the United States Securities Exchange Act of 1934, as amended.

Trade Errors

We may on occasion experience errors with respect to trades made on behalf of the Funds. Trade errors can result from a variety of situations, including for example, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong account, when the wrong amount is purchased or sold (e.g., 1,000 shares instead of 10,000 shares are traded), or when a misallocation among the Funds occurs. We endeavour to detect trade errors prior to settlement and correct them in an expeditious manner.

The SEC has stated a general view that an adviser has a fiduciary duty to place trades accurately. Accordingly, we will analyze each trade error on a case-by-case basis to determine whether we will reimburse any losses suffered by a Fund as a result of a trade error. In addition, we will not correct a trade error made for one Fund by causing the other Fund to buy or sell the securities. We also will not directly or indirectly use soft dollars to correct trade errors.

Item 13: Review of Accounts

Review of Accounts

Roderick Wong monitors portfolio performance, exposures, and investment related events on a daily basis. Company-wide investment review meetings are held at least monthly and more often if necessary. Portfolio performance is monitored using information from Goldman Sachs Prime Brokerage, Fidelity Prime Services, and Nav Consulting, Inc's Fund Administration Services reporting systems customized for our needs. Portfolio managers have access to portfolio management software specific to their investments which provide real-time performance, exposure, liquidity, and risk analysis tools.

Reporting

Investors will receive a monthly performance estimate, a monthly statement, a quarterly letter, and an annual audited report.

Item 14: Client Referrals and Other Compensation

From time to time, RTW may compensate third parties for client referrals. The referral relationship will be outlined in a contract between the third party and RTW.

Item 15: Custody

We will comply with the requirements of the Rule 206(4)-2 of the Advisers Act with regards to custody of assets of the Funds ("**Custody Rule**").

We currently use Goldman, Sachs & Co. and Fidelity Prime Services as our Prime Brokers and custodians. Through these arrangements, the Prime Brokers will provide, among other things, clearing, custodial and record keeping services.

Annually, upon completion of each Fund's annual audit, RTW will distribute the audited financials to investors in the Funds.

The CCO shall ensure that the Fund's audited financials are delivered to all investors within 120 days of the fiscal year end.

Item 16: Investment Discretion

RTW has full discretionary authority over the Funds including authority to make decisions with respect to which securities to be bought and sold as well as the amount and price of those securities. Additionally, RTW has full discretion over the brokers or dealers to be used for transactions and the commissions to be paid. These terms are established in the Private Offering Memorandum with each Fund.

Item 17: Voting Client Securities

We intend to vote proxies on a case-by-case basis. Prior to voting a proxy, the relevant employees of RTW will make a determination, in their opinion, as to what vote if any, is in the best interest of the Funds. We maintain written records of the proxy vote on each occasion a proxy is voted.

Investors may request a copy of our proxy voting policy, as well as the records of any proxy votes for the respective Fund in which they have an investment.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Firm's financial condition. RTW has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.