



Due Diligence Questionnaire

Cordis Global Medical Technology Fund

Investment Manager – Cordis Asset Management Pty
Ltd (ABN 68 637 078 490)
Corporate Authorised Representative, No 1282680, of
AFSL 238198

CORDIS
ASSET MANAGEMENT

TABLE OF CONTENTS

1. SYNOPSIS	1
MANAGER DETAILS	1
FUND DETAILS	10
SERVICE PROVIDERS	13
2. CORDIS INVESTMENT PHILOSOPHY	14
3. FUND SPECIFICS	23
4. FUND PERFORMANCE EVALUATION AND OUTLOOK	40
5. TAX CONSIDERATIONS	43
6. ADMIN QUESTIONNAIRE	48
ORGANISATION & PEOPLE	48
CONTROL & ASSURANCE	56
INFORMATION TECHNOLOGY	61
OPERATIONS	64
INVESTMENT IMPLEMENTATION & COMPLIANCE: TRANSACTION CONTROLS	65
APPENDICES	72
APPENDIX 1 VALUATION METHODOLOGY	72

1. SYNOPSIS

MANAGER DETAILS

1. Briefly outline your corporate history and background.

Cordis Asset Management Pty Ltd ("Cordis") (ABN 68 637 078 490 and Corporate Authorised Representative No 001282680 of AFSL 238198, Lanterne Fund Services Pty Ltd, ACN 098 472 587) is a limited liability proprietary company with only ordinary shares issued. The Cordis Global Medical Technology Fund (the "Fund") (APIR Code ETL4642AU and ISIN AU60ETL46421), is a registered retail Australian Unit Trust, issued by Equity Trustees Limited ABN 46 004 031 298 AFSL No 240975.

Cordis was established in Sydney at the instigation of three founders:

- Professor Michael Vallely who was a Professor of Surgery at the University of Sydney and currently Head of Structural Heart Surgery at the Ohio State University Wexner Medical Centre, Senior Advisor to McKinsey and Co and on the Advisory Board of several medical device businesses, including the Medtronic North American Strategic Advisory Board, the world's largest company in medical devices.
- Michael Cartmill, who is an expert in medical technology devices related to chronic disease.
- Simon Ford, former portfolio manager and Head of Alternative Investments at ANZ Wealth, with 40 years' experience in financial investments and asset management at JP Morgan, Credit Suisse and ANZ Wealth.

It was the studied observation over many years of Prof Vallely and Mr Cartmill that the use of sophisticated medical technology for the intervention in chronic disease, especially cardiovascular and metabolic disease, has been steadily climbing and has been revolutionised by more sophisticated software and computer-aided design in the last ten years. The time for surgeries has significantly reduced and the complexity and fatality risks of cardiovascular interventions has been reduced by major improvements in medical technology.

The Founders recognised this as one of the most intuitively logical and resilient long-term growth opportunities in a defensive sector, underwritten by a universal desire of the world's ageing population to live a longer and better-quality life and the consequent expectation that government healthcare systems would provide the best treatments available to meet these universal desires.

The Fund has been launched by an investment team including Simon Ford and Jacob Celermajer, with two part time; Michael Cartmill (Medical device Specialist) and James Cook (CIO of UEthical), advised by world renowned clinical physicians: Professor Michael Vallely, Professor David Celermajer, Professor John Fraser and Professor Michael Mack and Medical Device Specialists: Donal O'Dwyer and Tim Fortin.

The team is supported by General Counsel Megan Inwood and Director of Operations, Rudi Engelbrecht. The Cordis Board includes non-executive Directors; Tom Bignill, Andrew Inwood, Donal O'Dwyer, Stephen Roberts, and Prof Michael Vallely.

The Investment Committee is chaired by Donal O'Dwyer and includes Michael Vallely, Simon Ford, Tim Fortin, James Cook and Stephen Roberts.

The Founder Shareholders in Cordis are directly involved on the Board, Medical Advisory Panel, Investment Committee, and operating the company. Cordis has one independent investor, a Sydney family office with a strategic stake of 20% in Cordis.

2. Detail the structure and members of your team.

Cordis Board

Stephen Roberts BComm (UTS), GMQ (UNSW), MBA (Insead), GAICD



Stephen has 30 years' experience in leadership roles across globally recognised blue-chip investment, superannuation and financial services companies at CEO or Senior Executive level. He is currently Chairman of Growth Farms Ltd, a Non-Executive Director of AMP Superannuation Limited and Longreach Wealth Pty Ltd, a Member of the Supervisory Board of Pyrolyx AG, Germany and a Member of the Leadership Council of Social Ventures Australia. He was formerly CEO of Mercer Investments Asia Pacific and Russell Investment Consulting in Australia. Stephen brings a wealth of experience in investment consulting and asset management to our Board given his significant senior executive and non-executive board experience across Asia Pacific. Stephen has proven track record of successfully leading people and organisations through period of exceptional growth and change.

Donal O'Dwyer BE (University College Dublin), MBA (Manchester)



Donal has over 35 years of experience in the medical device/healthcare sector – initially as a senior executive in the global cardiovascular and medical devices industries and more recently as a Non-Executive Director. He was global President for Cordis Cardiology, a division of Johnson & Johnson's Cordis Corporation. He was previously the European President of the Cardiovascular Group of Baxter Healthcare, now Edwards Lifesciences. Donal is currently on the Board of Directors of several Healthcare and Medical Device companies, including Fisher & Paykel Healthcare, Mesoblast and NIB Health Funds. He was formerly on the board of Cochlear.

Professor Michael Vallely MBBS PhD (Syd), FRACS



Michael is one of the founding partners of Cordis Asset Management. He is currently a Professor of Surgery & Surgical Director of Structural Heart at the Ohio State University Wexner Medical Center. Michael has a special interest in elderly and high-risk patients, anaortic off-pump coronary bypass surgery, transcatheter and open-heart valve surgery, minimally invasive heart & lung surgery, and

electrophysiological device implants (e.g. pacemakers, defibrillators, and CRT). He has authored or co-authored more than 130 scientific publications in peer-reviewed journals, multiple book chapters and has been active in international clinical trials and first-in-man procedures and device trials. Professor Vallely is a Senior Advisor with the McKinsey & Company and a consultant to Medtronic and other medical technology firms.

Simon Ford BE (Syd) MBA (Chicago) MSc (LSE) DFS (AFMA) GAICD
Managing Director



Simon has over 40 years' experience in portfolio, wealth and investment management in Sydney, London and Chicago with ANZ, Credit Suisse, J.P. Morgan and Mercantile House. He is a former Portfolio Manager for ANZ Optimix and Head of Alternative Investments for ANZ Wealth. Simon is currently a Trustee at the Centenary Foundation for Medical Research at Royal Prince Alfred Hospital in Sydney. He is a former Managing Director of Credit Suisse, Head of Alternative Investments for Asset Management, Co-Head of the European Pension Advisory and Structuring Group, Co-Head of Fund-Linked (Hedge Fund) Products, Global Head of Commodity Marketing and former Director of Advice for Life Pty Ltd, Capricorn Financial Advisors Pty Ltd, Financial Lifestyle Solutions, the London Gold Fixing and on the Markets Committee of the UK National Association of Pension Funds Investment Council.

Tom Bignill
Director of Distribution & Marketing



Thomas has over 25 years' experience in Wealth Management and Asset Management, at Bankers Trust, Merrill Lynch, Bell Potter and Next Financial before Co-founding Mason Stevens in 2011. As Managing Director of Mason Stevens, Thomas worked across the Asset Management and Wealth Management business and was responsible for driving its distribution into the advisory channels. In 2019, he became Co-Chief Investment Officer. Over the last 2 decades he has advised Family Office, HNW clients and worked closely with Advisory groups on managing investments across all asset classes. He currently is the Chair of Investment Committee for Norwest Asset Management, as well as running his own private investment office, Tenix Capital.

Andrew Inwood BEcon (Syd)



Andrew Inwood is the founder of the CoreData Group and brings with him deep knowledge of the financial services industry. CoreData is a financial services research and consulting business which owns CoreData and CoreData Research and has operations in Australia, the UK, the USA and the Philippines. He focuses on the area of Behavioural Economics, with a particular interest in the process of trust transfer between individuals and corporations.

Portfolio Management Team

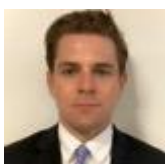
Simon Ford BEng (Syd) MBA (Chicago) MSc (LSE) DFS (AFMA) GAICD
Portfolio Manager

Jacob Celermajer BComm/BEng (Hons) (Syd), CFA
Senior Equity Analyst



Jacob has 5 years of experience analysing companies and as a stockbroker, after beginning his career in the Equity Team at Deutsche Bank in Sydney. He covered both domestic and international Healthcare companies as a part of the local sales team. Jacob has a Bachelor of Commerce and Engineering with Honours from the University of Sydney and is also a Chartered Financial Analyst (CFA).

Michael Cartmill BSc (JCU) MIT (QUT) MBA (QUT)
Medical Device Specialist



Michael is an active clinical engineer for medical device start-ups and a Founder and shareholder of Cordis. Michael has 10 years of global industry experience in Healthcare Informatics and Cardiovascular Device Technology. His industry experiences span senior management and technical roles with major medical technology companies, giving him invaluable insight into the companies we concern ourselves with.

James Cook B Eco and Politics (Monash University)
Investment Committee



James is the Chief Investment Officer at U Ethical Investors, having worked for over 20 years in global equities investing. He has been involved at all levels of equities analysis, with a proven track record of consistently strong investment performance over rolling three year periods. James brings a wealth of experience in asset management to our team given his significant skill set.

**Tim Fortin BA (Western University, London, Ontario), GAICD
Investment Committee**

Tim is an international business leader with 30 years of diversified experience as a member of executive leadership teams at two global MedTech conglomerates, Medtronic and Boston Scientific. He has a proven track record of delivering results, substantially increasing revenues and operating profit across Australia & New Zealand, the Asia Pacific region and globally.

Medical Advisory Panel**Professor Michael Vallely MBBS PhD (Syd), FRACS
Founder and Chairman of the Medical Advisory Panel****Professor David Celermajer AO, MBBS, MSC, PhD, DSC, FAHA, FRACP, FAA**

David is an experienced Advisor and Investor in the Medical Devices area. He is the Founder of Corvia Inc (a Boston based cardiac devices company) and the Founder and Chief Medical Officer of the Brain Protection Company. He is a former University Medallist in Medicine from the University of Sydney, Rhodes Scholar and since 2014, has been an Officer of the Order of Australia. He has been involved in supporting and advising many successful MedTech companies, in Australia and the USA, over the last 20 years. David is Professor of Cardiology and Head of the Discipline of Cardiology at The University of Sydney and an Academic Cardiologist at Royal Prince Alfred Hospital. In addition to these roles, David is also the Clinical Director of the Heart Research Institute and serves on the Board of Directors of Heart Kids Australia. He has been a Fellow of the Australian Academy of Science since 2006 and a Fellow of the Australian Academy of Health and Medical Science since 2018. David sits on the Editorial Boards of many of the world's leading Cardiology Journals, including the European Heart Journal, the Journal of the American College of Cardiology and Heart. He has published over 400 papers, with career citations of over 60,000 and an H-index of over 100. In recognition of this, he was awarded the inaugural Charles Blackburn Medal from the University of Sydney in 2019, for outstanding Clinical Research.

Professor Michael Mack MD, MACC

Mike is a cardiovascular surgeon and the Director of the Cardiovascular Service Line at Baylor Scott & White Health System, Chairman of the Board of Baylor Scott & White Research Institute in Dallas, Texas and co-chair of the Heart Valve Collaboratory. He has been in practice since 1982 and performed thousands of cardiac surgeries, of which well over 4,000 have involved heart valve procedures. He is one of the key global figures at the forefront of Transcatheter Aortic Valve Replacement (TAVR), having been a pioneer since the early days of this life-changing procedure. Michael has also authored or co-authored over 750 publications in peer-reviewed journals. He sat on the Board of the American College of Cardiology Foundation from 2015-2019 and has previously served as President of the Society for Thoracic Surgeons, Thoracic Surgery Foundation for Research and Education, Southern Thoracic Surgical Association and the International Society for Minimally Invasive Cardiothoracic Surgery.

Professor John Fraser MBChB, PhD, FRCP, FFARCSI, FRCA, FCICM



John is a medical disruptor, who started Australia's largest multi-disciplinary research group - Critical Care Research Group - based in the country's largest cardiothoracic centre in the region, The Prince Charles Hospital. He has built a team of more than 80 leading clinicians, engineers, scientists and economists with global links – connected to all of the major cardiothoracic hospitals across Queensland, Australia, and the world. He has been a serial entrepreneur working with leaders in medicine, engineering, science and industry in a truly global network of mature collaborations. He simultaneously runs Australia's first ever international Centre for Research Excellence in Bionic Hearts and Lungs. Professor Fraser has published over 400 peer-reviewed publications (including NEJM, Circulation, Lancet, AJRCCM, JACC) and has earned in excess of \$41 Million AUD in competitive grants.

Legal and Operations

Megan Inwood BSc, LLB and LLM (Syd)
Legal Counsel, Head of Compliance & Company Secretary



Megan has over 30 years of legal experience and is currently a legal contractor for AMP Australia. Prior to AMP, she acted as legal counsel for Zurich Financial Services Australia and Macquarie Group for twenty years, across various financial services businesses. Formerly, she has practised as a tax lawyer for KPMG and Touche Ross.

Rudi Engelbrecht MSC Comp Sci (Pretoria), BSC Comp Sci (Pretoria)
Director of Operations



Rudi is the Founder and Managing Director for Paradigm Global Solutions, which designs innovative technology and administrative solutions for financial services. He is also a co-founder and joint-CEO for Latus Solutions. Prior to this, he acted as a director and Chief Technology Officer for Equinox and Tradestream in South Africa.

**Melissa Vincent BComm (Curtin) Micro Masters (Digital Marketing) (Curtin)
Graduate Certificate in Finance (UWA) Post Graduate Diploma of Acting from
Drama Studio London.**

Marketing Coordinator



Melissa's experience in marketing and communication over the past 5 years expands over the Finance, Wellness and Arts industries, working in Australia and the United Kingdom.

3. Outline the firm's product and business development strategy (including for the Fund)

The Cordis Global Medical Technology Fund has been launched by a team of professional investors, leading clinical physicians, and medical device specialists to capitalise on a specialised sub-sector of listed global companies which make medical devices that provide treatments for chronic disease.

The Fund provides an opportunity for investors targeting resilient long-term growth in a defensive sector of the market.

Compounded Growth: We believe that the critical and imperative nature of treatments for chronic disease makes the future earnings of these device companies robust and resilient. It is this imperative global demand for medical devices which drives the corresponding investment opportunity, compounded by multiple growth factors:

- **Priority:** Chronic diseases cause over 80% of global mortalities. Their critical nature makes them the highest priority within Healthcare.
- **Expectations:** 82% of over 65s have multiple chronic diseases. These patients now expect a high quality of life after treatment, not just survival.
- **Aging:** The world's population is living longer, with those aged over 65 doubling and those over 80 tripling by 2050, imposing demands on Healthcare.
- **Spending:** Expectations have driven Healthcare spending growth 30% higher than GDP growth globally and in almost every country across the world.

- **Technology:** There has been a "Revolution in Medical Technology" over the last ten years, as computer aided design, 3D printing, robotics, microchip and software technology have dramatically improved utility. This has improved accessibility to treatment and reduced fatality risk.
- **Accessibility:** In most OECD countries a majority of Healthcare costs are paid by universal healthcare or insurance. This is an emerging global trend.
- **Impact:** This revolution in medical devices is providing life-changing social impact to the world's aging population in providing less expensive, more effective solutions to their inevitable chronic disease and a permeating, compounding, global investment opportunity.

Cordis is marketing the fund through eight principal avenues:

- **Single Family and Multi-Family Investment Offices:** Australia has several hundred families large enough to control significant investment funds. Initial discussions have been made with 20 Family Offices; seven have invested to date.
- **Sophisticated High Net Worth ("HNW") Advisors** with their own research, investment and approval committees; Early adopters of core and satellite and opportunistic or alternative investments, e.g. Pitcher Partners, Sovereign Wealth, Praescius Private, Bentleys Group. Two groups have started to invest and another has pledged \$20m dependant on Platform approval.
- **Medical focused IFA's.** These are Independent Financial groups who specialise in strategies for medical professionals. Examples are Bongiorno's, Cutcher and Neal, Mediq, Grimsleys. Discussions have been had with one group who have expressed interest.
- **Leading Independent Advisor Groups.** Those known to have principally a HNW and/or sophisticated wealthy client base: These might include (not exclusively) Evans and Partners, KODA, Macquarie Private, Crestone, Morgan Stanley, JB Were and such firms that have sophisticated internal research and are targeting "Satellite" and "Alternative" investments for their leading clients. Initial conversations have been had with three groups.
- **"Boutique" Dealer Groups.** These are the smaller "franchise" advisor groups across Australia that have mixed HNW and "Aspirational" clients with typically \$500M-1B under advice. Most are on platforms and require ratings from SQM, Lonsec or Zenith. The focus will be on Dealer Groups running MDA structures to enable the fund to become part of these models.
- **HNW Private Banks.** Principally the four largest Australian Bank "Private Banks". Almost all wealthy Australians hold accounts in at least one of these Private Banks.
- **Independent Asset Consultants.** We have and will continue to engage with independent asset consultants who are used by dealer groups for investment

committee purposes to derive MDA and model portfolios within independent financial advisory firms.

- Institutions. In 2-3 years when the Fund has established a track record, we believe the Fund has attractive characteristics for institutions seeking specialised satellite impact or ESG investments and experienced teams, supported by specialised industry expertise. This would characterise most private equity investments. Cordis offers the benefit of higher liquidity and lower fees than other comparable private equity or “alternative” investments.

FUND DETAILS

Fund Name	Cordis Global Medical Technology Fund
APIR Code	ETL4642AU
ISIN Code	AU60ETL46421
Responsible Entity (RE)	Equity Trustees Limited ABN 46 004 031 298 AFSL No 240975
Investment Manager	Cordis Asset Management Pty Ltd ("Cordis") ABN 68 637 078 490
AFSL	Corporate Authorised Representative (No 001282680) of Lanterne Fund Services Pty Ltd ABN 49 098 472 587 AFSL No: 238198
Custodian and Administrator	Mainstream Fund Services Pty Ltd ACN 118 902 891
Sub Custodian	J.P. Morgan Chase Bank, N.A. (Sydney Branch) ABN 43 074 112 011
Fund Auditor	Ernst & Young
Fund Structure	Australian Unit Trust
Registered/Unregistered	Registered
Suggested Horizon	5+ years
Benchmark	S&P Global 1200 Healthcare Index, in AUD
Investment Type	Long-only, listed global equity, in medical technology companies (Unhedged)
Investment Objective	Cordis seeks capital growth over the long-term and significant outperformance over the Benchmark
Investor Eligibility	All investors
Minimum Investment^{1,2}	\$50,000
Minimum Additional Investment^{1,2}	\$10,000
Minimum Withdrawal^{1,2}	\$10,000
Minimum Balance¹	\$50,000
Buy/Sell Spread	25bp
Applications/Redemptions	Daily
Management Fee	1.2% (including GST/RITC) of the net asset value of the Fund, calculated and accrued on the last Business Day of the month
Performance Fee	15% (including GST/RITC) of the increase in net asset value of the Fund above the Benchmark

	(reported by S&P in AUD) calculated and accrued on the last Business Day of the month, and paid annually in arrears. The Performance Fee is subject to a High-water Mark.
Valuations	Daily
Distributions	Distributions are paid annually after financial year end at 30 June, and may be reinvested or paid to the investor's nominated account

1. The RE may alter any of the minimum amounts specified at any time without prior notice to Unit holders.
2. Applications may be refused or not processed if the required documents are not provided correctly.

Cordis Asset Management Pty Ltd is the fund manager for Cordis Global Medical Technology Fund. Cordis is privately owned, 80% by the Directors and employees of the company and 20% by a single Family Office. The largest single shareholder is the Family Office followed by Simon Ford, Michael Vallye, Michael Cartmill and the other Directors.

Cordis is a Corporate Authorised Representative, No 1282680, of Lanterne Fund Services Pty Ltd (ACN 098 472 587, AFSL 238198). Cordis is a boutique investment manager specialising in a high conviction, actively managed, long-only global equity strategy, focused on listed medical technology companies.

3.1. Comment on the profitability of the Manager, Funds under Management, and the trend of fund flow

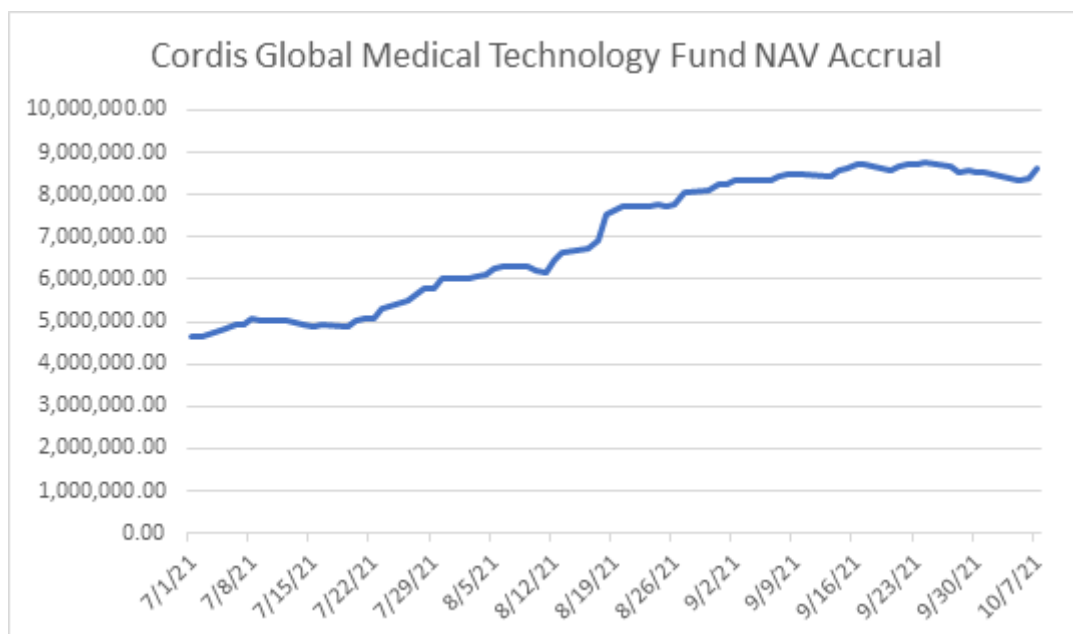
The current shareholders of Cordis have committed to fund Cordis through to breakeven at approximately \$80mn FUM in 12 – 18 months. The Fund was launched 1 July 2021 with \$5mn. The Fund is receiving inflows from advisors and Family Offices that do not require external ratings and/or the Fund being on a platform. In addition, as at 31 July 2021 the Fund has written pledges from investment advisors for over \$30mn. Cordis expects to be profitable in 18 – 24 months.

When the Fund is appropriately rated and on platforms, Cordis expects the Fund inflow to average \$3mn per month rising to \$5-6mn per month in 24 months' time.

3.2. Outline the % of FUM represented by the top 10 clients

The Fund's top 10 investors as at 31 July 2021 were:

Cordis Top 10 Investors	
1 Perth Family Office	\$1,049,726
2 Cordis MD	\$839,808
3 Cordis Director	\$262,431
4 Sydney Family Office	\$209,945
5 Sydney Family Office	\$209,945
6 Sydney Family Office	\$209,945
7 Sydney Family office	\$209,945
8 Adelaide Family Office	\$209,945
9 Victorian Family Office	\$209,945
10 HNW Client	\$157,459



3.3. For current, pending, and prior three years, describe and detail any: regulatory/compliance/audit issues or breaches and their resolution; and • litigation involving the firm or its employees and any resolution

Cordis and the Fund have not encountered any regulatory, compliance, audit or litigation issues.

3.4. Describe the Fund's compliance with ASIC Guideline RG97

The Fund is compliant with ASIC RG97 and has disclosed fees and costs in the PDS as required.

SERVICE PROVIDERS

OUTSOURCED SERVICE	SERVICE PROVIDER	CONTACT NAME	CONTACT PHONE	CONTACT EMAIL
Investment Manager / Sponsor	Cordis Asset Management Pty Ltd	Simon Ford	0400 444 800	Simon.ford@cordisam.com
Responsible Entity (RE)	Equity Trustees Limited	Alan O'Brien	03 8623 5026	aobrien@eqt.com.au
Custodian	Mainstream Fund Services Pty Ltd	Nick Bradford	02 8259 8888	registry@mainstreamgroup.com
Sub-Custodian	J.P. Morgan Chase Bank, N.A., Sydney Branch (ABN 43 074 112 011)	Refer to Mainstream		
Administrator	Mainstream Fund Services Pty Ltd	Nick Bradford	02 8259 8888	registry@mainstreamgroup.com
Investor AML/KYC Checks	Mainstream Fund Services Pty Ltd	Nick Bradford	02 8259 8888	registry@mainstreamgroup.com
Registrar	Mainstream Fund Services Pty Ltd	Nick Bradford	02 8259 8888	registry@mainstreamgroup.com
Valuation Agents	Mainstream Fund Services Pty Ltd	Nick Bradford	02 8259 8888	registry@mainstreamgroup.com
Fund Auditors/Tax Advisers	E&Y	Rohit Khanna	02 9248 5555	rohit.khanna@au.ey.com
Company Accountant	Accru Felsers Pty Ltd	Glenda Nixon	02 8228 1655	gnixon@accrusyd.com.au

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975 (EQT), a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund's responsible entity and issuer of the Fund. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today EQT is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer. EQT's responsibilities and obligations as the Fund's responsible entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. EQT has appointed Cordis Asset Management Pty Ltd as the investment manager of the Fund. EQT has appointed a custodian to hold the assets of the Fund.

Mainstream Fund Services Pty Ltd ABN 81 118 902 891 AFSL 303253 is a subsidiary of Mainstream Group Holdings Limited, and provides investment administration, fund accounting, share registry, unit registry (transfer agency), and middle office services, as well as acting as the custodian of the Fund. J.P. Morgan Chase Bank, N.A., Sydney Branch (ABN 43 074 112 011) is the sub-custodian of the Fund

Ernst & Young is the auditor of the Fund

2. CORDIS INVESTMENT PHILOSOPHY

1. Describe your broad investment philosophy.

The Cordis Global Medical Technology Fund (The Fund) invests globally in publicly listed companies that make medical devices that provide critical treatments for a selection of chronic diseases. We have identified the following diseases as central to our investment philosophy:

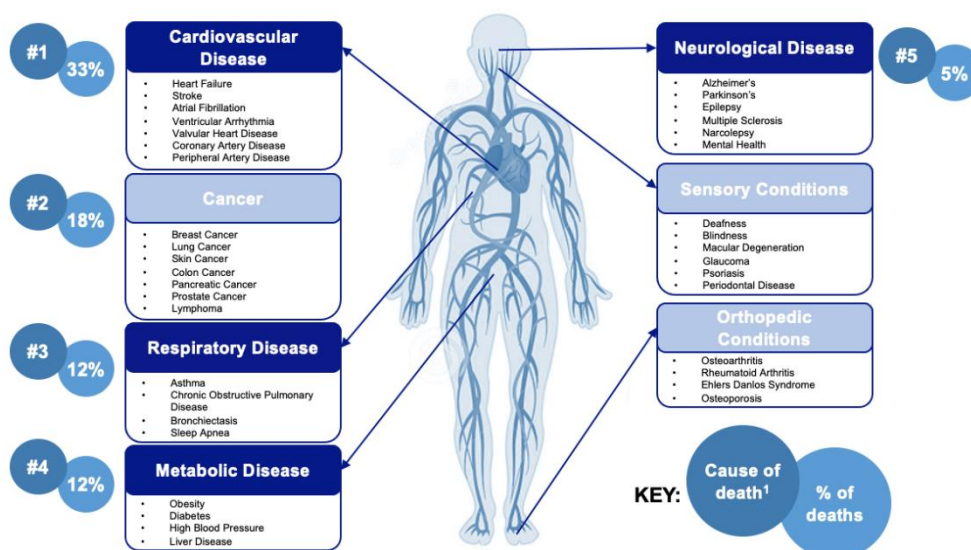
- Cardiovascular
- Metabolic (e.g. diabetes)
- Respiratory
- Neurological

The broad investment strategy of the Fund is to leverage the best-in-class medical expertise provided by our Medical Device Specialists Team and Medical Advisory Panel, together with fundamental analysis and portfolio construction by the PM team. Cordis believes that public markets are underestimating the rate of medical device innovation, and the health and economic benefits these innovations will provide society over the coming decades. Our edge in this process comes from our deep intimate knowledge and a complete focus in the field. Cordis looks through the short-term results typically measured by the rest of the market to focus on the bigger picture of the changing medical landscape.

We believe that the critical and imperative nature of treatments for these conditions makes the future earnings of companies that provide effective treatment devices robust and resilient. A compelling global demand for such medical devices drives the corresponding investment opportunity, and this demand is compounded by multiple demographic and technology growth factors:

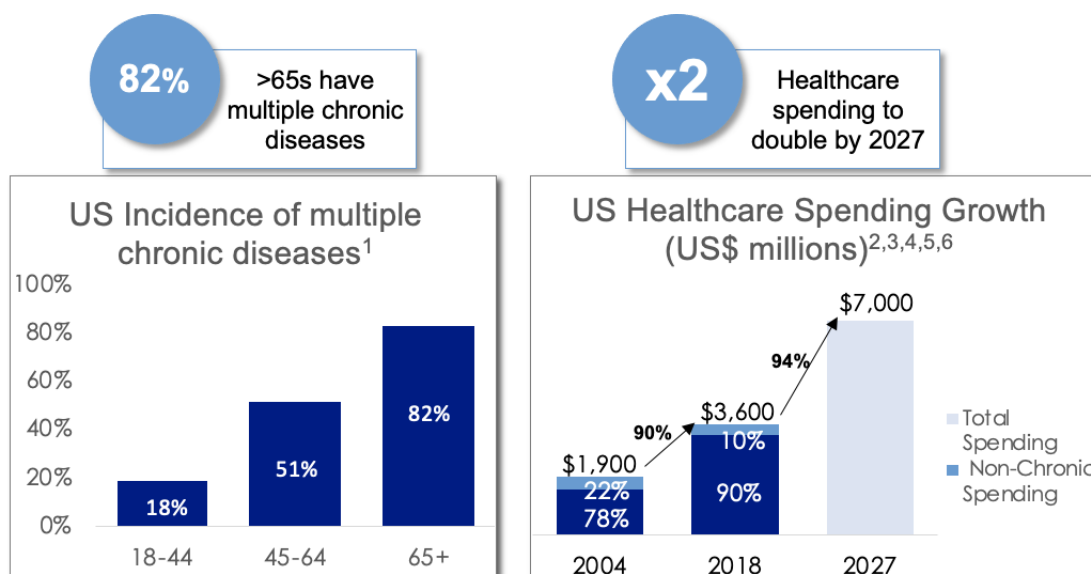
Priority: Chronic diseases cause over 80% of global mortalities. Their critical nature makes them the highest priority within Healthcare.

Chronic Medical Necessity: Cause of 80% of deaths



1. Ritchie, H., Roser, M. Our World in Data, Causes of Death, <https://ourworldindata.org/causes-of-death#what-do-peoples-die-from>. Accessed 15/5/2020

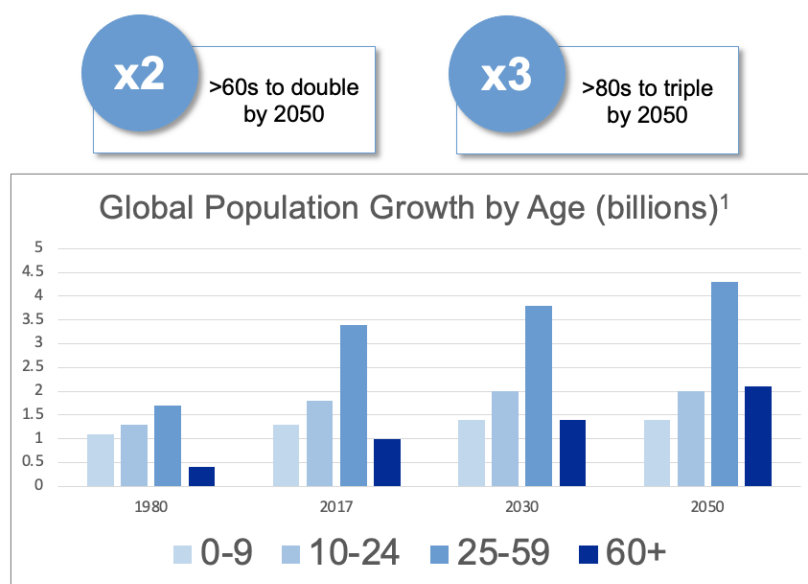
Expectations: 82% of over 65s have multiple chronic diseases. These patients now expect a high quality of life after treatment, not just survival. The world's developed country populations expect that if a treatment is available to improve and prolong life, then their health care systems should provide it to them.



Eg. Heart Failure, Arrhythmia, Stroke, Diabetes, Hypertension, Asthma, Mental Health

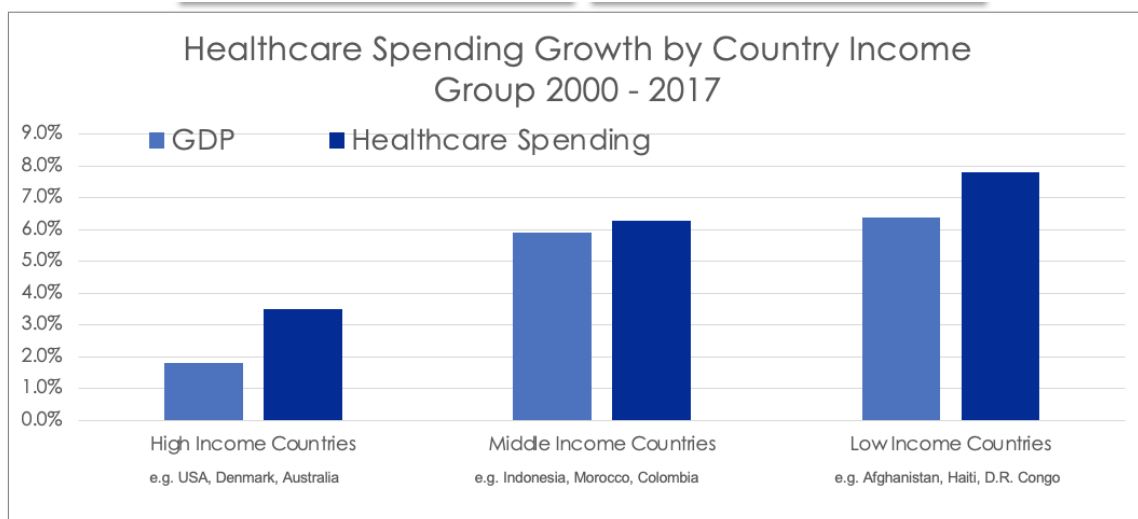
1. Buttorff C, Ruder T, Bauman M. *Multiple Chronic Conditions in the United States*, Santa Monica, CA: Rand Corp.; 2017.
2. Health Affairs, Smith, C., et al., *National Health Spending In 2004: Recent Slowdown Led By Prescription Drug Spending*, January 2006.
3. Public Health Reports, Vol. 119, Anderson, G., Horvath, J., *The Growing Burden of Chronic Disease in America*,
4. Centers for Disease Control and Prevention, *Health and Economic Cost of Chronic Diseases*, <https://www.cdc.gov/chronicdisease/about/costs/index.htm>
5. CMS.gov, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical>, Accessed 7/2/2020
6. CMS.gov, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/ForecastSummary.pdf>, Accessed 17/2/2020

Aging: The world's population is living longer, with those aged over 65 doubling and those over 80 tripling by 2050, imposing a significant increase in the demand for Healthcare, especially for treating chronic diseases.



United Nations (2017). *World Population Prospects: the 2017 revision*. https://www.un.org/en/development/desa/population/publications/pdf/wpp/wpp2017_highlights.pdf

Spending: Expectations have driven Healthcare spending growth higher than GDP in almost every country across the world:

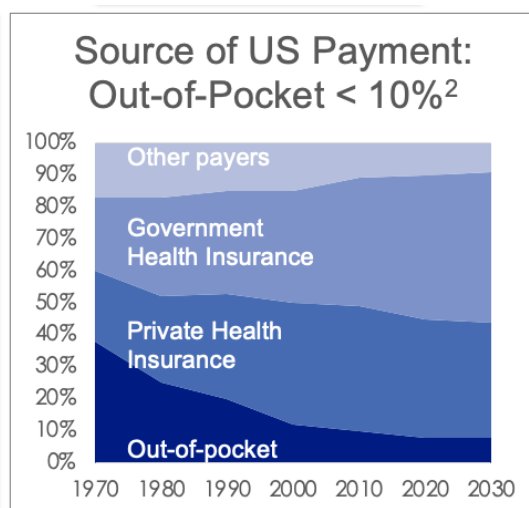
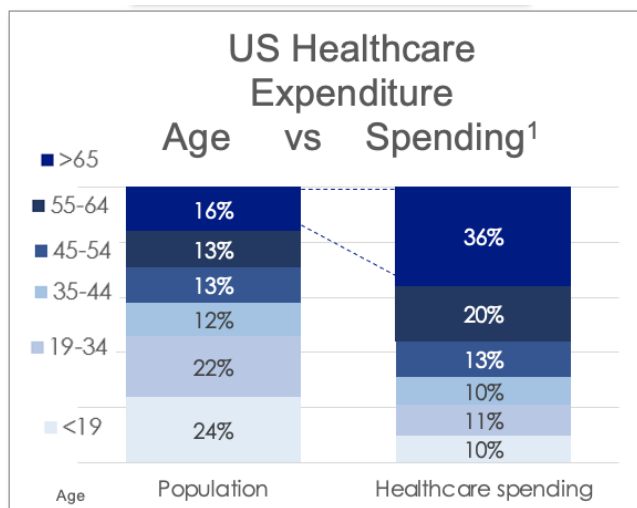


1. World Health Organisation, *Global Spending on Health: A World in Transition*, https://www.who.int/health_financing/documents/health-expenditure-report-2019.pdf?ua=1, Accessed 28/4/2020
2. Brookings Institute, *A global tipping point: Half the world is now middle class or wealthier*, <https://www.brookings.edu/blog/future-development/2018/09/27/a-global-tipping-point-half-the-world-is-now-middle-class-or-wealthier/>, Accessed 5/11/2020

Page 49

Technology: There has been a "Revolution in Medical Technology" over the last ten years, as computer aided design, 3D printing, robotics, microchip and software technology have dramatically improved utility. This has improved accessibility to treatment and reduced fatality risk.

Accessibility: In most OECD countries, over 80% of Healthcare costs are paid by universal healthcare or insurance and over 90% in the USA. This is an emerging global trend.



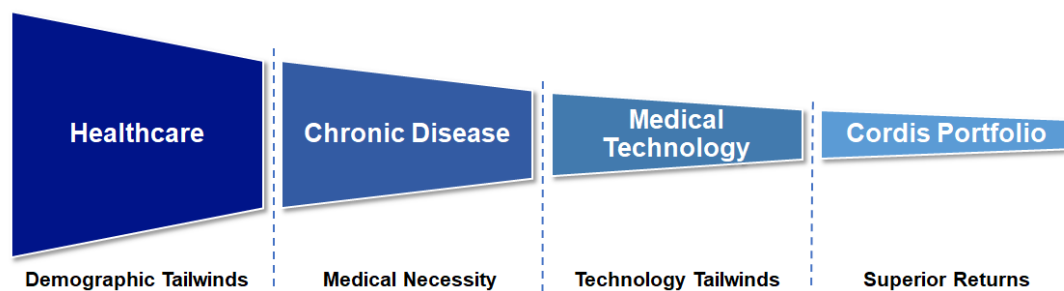
1. Sawyer, B., Claxton, G., Peterson KFF Health System Tracker, *How do health expenditures vary across the population?*, <https://www.healthsystemtracker.org/chart-collection/health-expenditures-vary-across-population/#item-start>
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Page 48

Resilience: We believe this revolution in demand for, availability of and accessibility of medical devices is a permeating, compounding, global investment opportunity. While these trends may be evident in the medical community, we believe the specifics of the medical technology sector are under-rated by the investment community. Yet the prevalence of chronic diseases that can now be treated by these devices is many times greater than the current available treatment rates. Hence we believe this demand and trend will continue to grow for decades as the world ages and becomes more "middle class" and demands the best available treatments.

These device treatments are proving to be less expensive and quicker to provide and just as effective as surgical or traditional treatments, making them cost effective for governments and healthcare systems to provide to satisfy the expectations of the ageing population.

The confluence of a revolution in medical device technology meeting the demographic tailwinds of a growing global middle class who are ageing longer with a high prevalence of chronic disease and who expect their healthcare systems to take care of them, provides Cordis with a growth-on-growth investment opportunity.

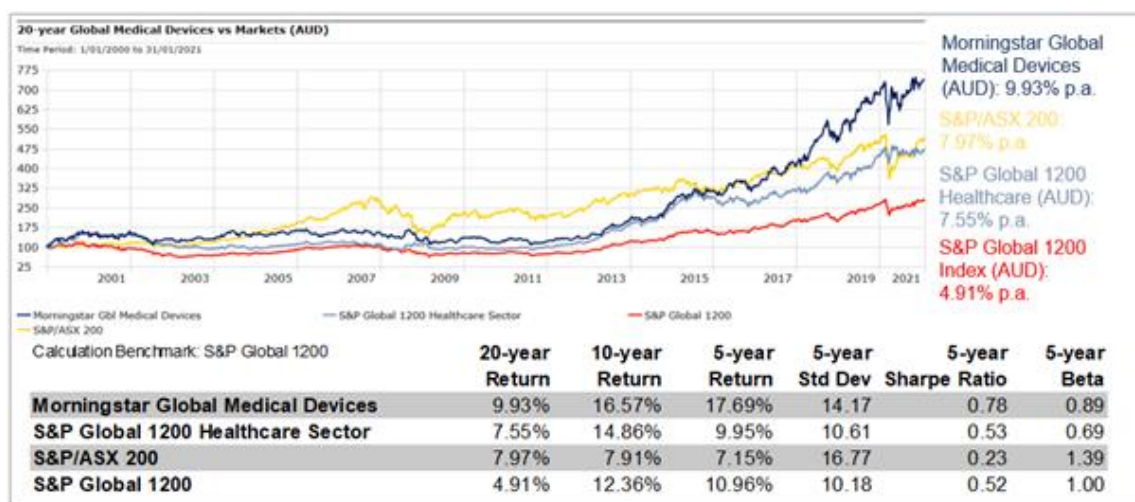


2. Describe the Fund's return and risk objectives

Cordis runs a benchmark unaware strategy for The Fund. Nonetheless, Cordis believes it can outperform the S&P Global 1200 Healthcare Sector index by a significant margin. In order to demonstrate this, we have tracked the Morningstar Medical Device Index ("Morningstar Device Index"), as a proxy for our specialised concentrated healthcare strategy. The Morningstar Device Index has outperformed the S&P Global 1200 Healthcare Sector index including after adjusting for risk, as the chart and table below illustrate. The Morningstar Device Index, converted to nominal AUD has generated a return of 9.93% p.a. over 20 years which compares to 7.55% for the S&P Global 1200 Healthcare Sector index, converted to nominal AUD, 7.97% for the S&P/ASX 200 and 4.91% for the S&P Global 1200 index, converted to nominal AUD.

After considering the higher volatility (Std Dev) of 14.17% for the Morningstar Device Index it can be seen in the table below that the risk adjusted Sharpe Ratio of the Morningstar Device Index is 0.78 which is higher than all 3 comparison indexes.

We believe that the powerful global technology and demographic trends compounding the growth in this sector will continue.



The Fund is intended to have a more focused exposure to medical device companies that treat chronic disease, and less focus on the more commoditised components of the Morningstar Device Index. We expect that our specialised portfolio, will benefit from our high conviction stock selection process, and at the same time enjoy moderate relative volatility by being anchored to key large stocks in the Morningstar Device Index.

Based on our investment strategy and rigorous stock selection process, we believe our Fund can outperform the S&P Global 1200 Healthcare Sector index by 5% or more.

We believe that the historic risk metrics for the Cordis Investible Universe over the last 10 years as shown below are a reasonable proxy for risk in the portfolio in the next 5 – 7 years

Performance

Time Period: 1/04/2016 to 31/03/2021 Calculation Benchmark: S&P Global 1200 Healthcare

	Return	Std Dev	Sharpe Ratio	Beta
Cordis Portfolio	29.03	20.50	1.30	1.04
Cordis Investible Universe	23.46	16.67	1.29	1.03
Morningstar Gbl Medical Devices	20.13	16.26	1.14	1.00
S&P Global 1200 Healthcare	12.30	13.55	0.84	1.00
S&P Global 1200	14.04	14.28	0.91	0.84

3. Describe the Investment Opportunity

We believe the principal driver of value and outperformance in the Cordis portfolio is the prospective disruption and distribution of the best medical devices that are treating life-threatening chronic diseases, compounded by the technology and demographic tailwinds discussed in section 2.1 above.

The second driver is relative valuation. In mature sectors of the stock market, with the notable exception of Information Technology, relative valuation would usually outweigh any potential for market disruption in considering appropriate purchase, weighting and sale of stock in the portfolio. We believe that is true of most healthcare. The provision of hospitals, aged care and conventional medical treatment are rarely open to significant “disruption”. Hence, while the overall global spending on healthcare is growing faster than GDP in most countries, and this has been reflected in the long-term historical performance of the global Healthcare sector, versus the market, the focus of a disproportionate share of that spending is on medical technology and that too has been reflected in the outperformance of the medical technology sector over healthcare.

We believe these two trends of disruption and high relative valuations in medical technology will continue because the demand for healthcare by an aging, wealthier, growing “middle-class” global population will continue to drive spending growth faster than GDP growth in virtually every country and the growth of medical technology, including biotechnology, diagnostics and medical devices is of paramount importance to improvements in healthcare. The comparison of these two factors in stock selection is illustrated in the returns of the Morningstar Device Index outlined in section 2.2.

Cordis is capitalising on these trends in a manner that we believe is logical and reflects the paramount sector of all healthcare and medical technology; the devices and technology that provide not just improvements in life but prolong and potentially save life itself.

In addition to the above trend across medical technology, research and development in devices that treat chronic disease are prioritised first by medical necessity, mortality and fatality risk (“mortality” being death from chronic disease without intervention, and “fatality” being death caused during intervention). In turn some chronic diseases are more immediately life threatening than others and Cordis weights its portfolio accordingly. For example, Cardiovascular disease (Heart, Vascular and Stroke) and Metabolic disease (principally diabetes and other organ failures) are the highest priority for devices that provide treatment, and both are the focus of intense innovation and development. Cancer is the second highest cause of mortality behind Cardiovascular disease but still primarily addressable by pharmaceuticals and less so by devices. Cancer research and potential treatments are a focus of significant global research and many bio-tech companies but the solutions are elusive and the “hit and miss” nature of bio-tech and pharma treatments and the lower probability of investment success makes them less attractive for investment and are not the focus of Cordis. Respiratory Disease can be life threatening and treatments include both pharma and devices like lung ventilators and CPAP machines that address sleep apnea. Cordis prioritises life-threatening chronic disease and on top of that prioritises devices over other treatments as a less risky and more confidently assured investment opportunity, influenced and advised by the immediate medical necessity of the diseases and the experience and credibility of our Medical Advisory Panel.

We believe there is huge disruptive growth potential in device technology driven by demographic demand and technology innovation outlined in 2.1 and unlike software development that has no barriers to entry, our portfolio is confined to heavily regulated, high quality, listed companies that are protected by long-term patents on both the devices

and the manufacturing techniques, making barriers to entry that the Information Technology industry rarely enjoys.

Cordis recognises that the medical device sector does not have the same potential for the pace of the explosive growth or gross margins that are similar to software, or for example Amazon's disruptive growth in distributing internet shopping, however, the medical device sector related to chronic diseases has already significantly disrupted open-heart surgery, cardiovascular, metabolic and respiratory disease treatments and devices are making headway in improving the treatment of cancer and neurological disease. Devices are "disrupting" conventional surgery and pharmacology treatments, and our Medical Advisory Panel can provide many examples to illustrate that disruption, especially from the last ten years.

This is tempered by the speed at which devices can be approved by regulators, patented, introduced into the complex healthcare bureaucracies, distributed to hospitals and doctors can be trained globally. Hence Cordis must balance conventional market valuations against the quality and potential of individual devices across our universe of target listed companies and the speed of their approval and distribution. This is an achievable task for the Cordis Team. We have the investment expertise, medical advice and device expertise in our team and the internal and external research and models to evaluate the device opportunities against the valuations of the companies in our portfolio.

We are focused on significant growth over the next five to fifteen years and we expect that growth in our portfolio to outstrip market expectations and current valuations for many of the companies in our universe, especially in the smaller, more innovative and disruptive companies.

4. Describe the Fund's competitive edge and value add

The Fund's key competitive edge is its active contribution of the Medical Advisory Panel and the Medical Device Specialists.

The Fund's value add includes the following:

Positive Social Impact: prolonging and saving life

Tight Focus on Medical Technology treating Chronic Disease

Devices “disrupting” conventional treatments: The medical device sector related to chronic diseases has already significantly disrupted open-heart surgery, cardiovascular, metabolic and respiratory disease treatments and devices are making headway in improving the treatment of cancer and neurological disease.

Economic Moats: High Barriers to Entry

It is difficult to assail the position of a device that has established its medical and economic effectiveness with doctors and the hospitals due to the following:

Regulatory Approvals: It takes 5-7 years to trial and have a device approved for use by the FDA or equivalent.

Three layers of Patent Protection: Unlike software development that has no barriers to entry, our portfolio is confined to heavily regulated, high quality, listed companies that are protected by long-term patents on the devices, the manufacturing and the insertion techniques, creating high barriers to entry.

High cost and value of R&D

Long Term Resilience: Cordis must balance conventional market valuations against the quality and potential of individual devices across our universe of target listed companies and the speed of their approval and distribution. This is an achievable task for the Cordis Team. We have the investment expertise, medical advice and device expertise in our team and the internal and external research and models to evaluate the device opportunities against the valuations of the companies in our portfolio.

We are focused on significant growth over the next five to ten years and we expect that growth in our portfolio to outstrip market expectations and current valuations for many of the companies in our universe, especially in the smaller, more innovative and disruptive companies.

5. Referencing the Manager's investment style, what market conditions or trends are positive for alpha generation?

Resilient growth in a defensive sector: The Healthcare sector is defensive and resilient in nature, due to its inherent demand being unrelated to most other sectors of the economy, typically outperforming in weak macro environments. Cordis believes that the Fund's specifically targeted strategy will exaggerate this trend. The Healthcare Index and particularly the Medical Technology recovered more quickly and outperformed in both the GFC and the 2020 “Covid Crash” as evidenced in the chart in 5.3.2. We knew from the first-hand experience of our Medical Advisory Panel that hospitals quickly restructured in March and April 2020 to separate and prioritise critical theatre operations from Covid Intensive Care Units. Both surgical and structural device operations for critical chronic

disease (notably cardiovascular) quickly picked up, unabated by Covid while most other elective operations slowed or stopped.

3. FUND SPECIFICS

1. **Please describe how the investment team responsible for this asset class is structured.**

The investment team structure for The Fund comprises 3 complementary elements:

1. **Portfolio Management (PM) Team:** Simon Ford (Portfolio Manager), Jacob Celermajer (Senior Equity Analyst), Michael Cartmill (Qualitative Device Analyst) and the PM Team is advised weekly on single stock analytics and portfolio construction by James Cook (Chief Investment Officer for UEthical).

Responsibilities:

- Comprehensive quantitative and qualitative analytics
- Sell-side & Marker research
- Portfolio construction
- Risk Analysis
- Investment implementation
- Buy/sell discipline

2. **Medical Advisory Panel:** Prof Michael Vallely, Prof Michael Mack, Prof John Fraser, Prof David Celermajer

Advisory Responsibilities:

- Front line clinical insights
- Trends in chronic disease treatments
- Trends in device penetration
- Specific device evaluation
- Regular discussions
- Formal quarterly meetings

3. **Medical Device Specialists:** Donal O'Dwyer, Michael Cartmill, Tim Fortin

Advisory Responsibilities:

- Company management insights
- Regulatory and Patent processes
- Device R&D and manufacturing insights
- Device penetration

Investment Oversight and Governance

Board: Donal O'Dwyer, Andrew Inwood, Stephen Roberts, Tom Bignill, Michael Vallely, Simon Ford

Responsibilities:

- Company Governance
- Appointing MD
- Appointing the Investment Committee

Investment Committee (IC) – Appointed by the Board: Donal O'Dwyer, Simon Ford, Stephen Roberts, Michael Vallely, Tim Fortin, James Cook

Responsibilities:

- Investment governance

- Investment risk & compliance
- Investment strategy

Each of the 3 groups plays a separate but integrated role in the investment decision making process.

The investment business activities are structured such that the Investment Committee is responsible for setting the investment strategy with significant insights from the Medical Advisory Panel on the trends in healthcare, chronic disease treatments, relevant types of devices, including those accepted as mainstream and growing, those being developed and those being superseded and declining from use. The Portfolio Management team is responsible for the implementation of the investment strategy.



2. Describe the workload/coverage for analysts and how this is determined

Senior equity analyst Jacob Celermajer is currently responsible for quantitative financial and qualitative analytics for companies in the portfolio, utilising an analytical system that the team has developed largely over the last 12 months prior to launch of the Fund, combined with the portfolio analytics system provided by FactSet.

The senior equity analyst is significantly assisted in his company coverage by the medical device specialist/qualitative analyst Michael Cartmill. Michael Cartmill is a medical device expert with over 15 years' experience in management, operational and sales roles in MedTech companies. He brings with him a wealth of knowledge and experience dealing with the functionality of the companies in the Cordis Investible Universe.

Both analysts receive advice and input from the Medical Advisory Panel and members of the Investment Committee, particularly James Cook who assists with company analysis and equity portfolio construction.

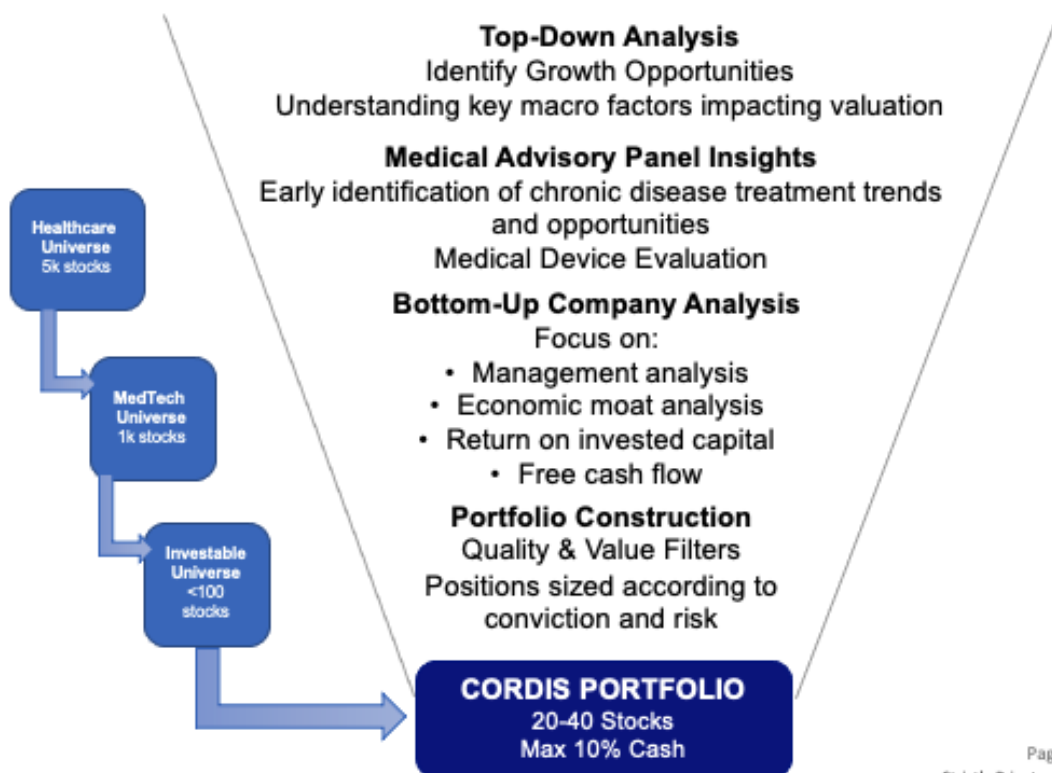
Weekly news and updates on all companies and the medical device market is consistently researched by the Senior Analyst and compiled by an intern, which is then discussed and analysed in the weekly portfolio meetings.

Simon Ford, the Portfolio Manager, is responsible for portfolio selection, weightings of the Fund and risk management.

The firm proposes to hire a junior analyst to assist both the PM and the senior analyst with quantitative and qualitative analysis.

3. Describe Your Research & Investment Process

Integrated Investment Approach



The Medical Technology universe of ~1,000 stocks includes global medical technology stocks defined as falling into Morningstar “MedTech”, including the following Morningstar Industry groupings:

1. Medical Devices
2. Medical Instruments & Supplies
3. Diagnostics & Research

From this broad Medical Technology universe, we shortlist our Cordis “investable universe” by targeting companies which generate more than 30% of revenue from medical device treatments for chronic disease, as those are the highest priority within healthcare and therefore, we believe make the most robust and resilient investment case.

We further reduce this list by shortlisting those companies that we and our Medical Advisory Panel believe provide the devices and have the capacity to provide the technology improvements which, driven by medical demand and the demographic drivers we discussed above, will provide the highest potential for compounded growth.

We consistently survey our Medical Advisory Panel and research any industry developments that we believe are related to and can materially affect the prices of our short list stocks.

The insights of and input from the Medical Advisory Panel are critical in facilitating our screening process. By identifying non-critical health conditions and treatment devices that are expected to become redundant (due to new innovations) or less attractive due to

competition and/or patent expiries, we rapidly screen out relatively unattractive investable companies.

Bottom-Up Company Analysis, Cordis Quality and Value filters are the responsibility of the Portfolio Management Team.

We look at each company on our shortlist through the Cordis Quality and Value filters, in that order, to narrow our shortlist down to a portfolio of high-quality companies, purchased at fair prices. We supplement our own analysis with the invaluable input of our Medical Advisory Panel and external research from some of the leading Healthcare research houses and medical publications.

The Quality filter uses 5 markers with which we judge a company's value outlined below. The Medical Advisory Panel provides us with a particular edge in understanding the device technology, market and pricing power markers due to their intimate and practical knowledge with such devices.

1. **Device Technology**
 - Conviction on device efficacy
 - Medical necessity
 - Doctors and hospital training and uptake rates
 - FDA (or equivalent regulator) approval
 - Approved patents: device, manufacturing and insertion
2. **Market**
 - Addressable market (prevalence vs penetration)
 - Growing market share
 - Reimbursement profile
 - Country specific adoption (e.g., USA v Europe v RoW)
3. **Pricing Power**
 - Margin analysis
 - Pricing premium to competitors
4. **Revenue Growth**
 - Consistency and sustainability
 - Avenues of future growth
5. **Management Quality**
 - Track record of positive capital allocation
 - High ROIC (return on invested capital)
 - Incentive/payment plans

The Value filter is then applied to the companies we deem to be quality, by the portfolio management team, to assess our valuation relative to market price. We use our own internal models, as well as those provided by our brokers and consensus estimates. Because our universe is limited, our models use relative valuation to other companies within the universe and on our shortlist as guides.

Our Medical Advisory Panel provides key insights for the firm's research process.

- Developments in medical treatment of chronic disease and the underlying factors that could impact the fund
- Trends in device penetration rates, with particular focus on treatment volumes, efficacy, risk and safety
- Specific device evaluation, as it relates to new models and trials
- Any other insights from the medical community that are relevant to the operation and success of our investments.

- Access to their deep network of medical colleagues in areas of expertise outside their own field, that would be relevant. Insights from these networks would expand the breadth and depth of knowledge into areas of interest.

The formal quarterly meetings of the Medical Advisory Panel are attended by the Portfolio Management Team, the devices experts, the Investment Committee, and the equity analysts.

The Medical Advisory Panel is provided with the details of companies in the portfolio and we expect their cumulative commitment and knowledge, and the incentive they have to accumulate insights that may help the portfolio outperform, may influence portfolio construction but the Portfolio Manager is not dependant nor committed to taking their advice.

The Cordis Investment Committee understand and utilise the intrinsic value of such an experienced and qualified Medical Advisory Panel and the Device specialists, but this is tempered by financial analysis and valuations that may also significantly influence market weightings in the portfolio.

Outside of the quarterly meetings, the panellists are involved in informal consultation with the Chairman of the Medical Advisory Panel, who is also on the Investment Committee and a Director and shareholder of Cordis.

Our Investment Committee, in being charged with reviewing investment strategy on a regular basis, includes members of the Medical Advisory Panel and device specialists who are actively engaged in the trials, use and development of medical devices.

Under BAU Cordis intends to carry out research trips to North America and Europe on an annual basis. However, under 2021 Covid travel restrictions, our engagement with companies is provided by access to company meetings that are facilitated online by Piper Sandler and BTIG. We hear from company management regularly in the earnings calls that accompany each quarterly reporting season. This provides us with the chance to hear from each management team in four Q&A group settings each year. On top of that, we are given access by our brokers to management teams in group settings on numerous, but irregular, road shows throughout the year.

4. Describe Your Idea Generation Process

The key idea generation process is a confluence of the Portfolio Management Team's screening and financial evaluation process (e.g. companies that generate >30% of revenues from life saving devices) plus the critical insight from the Medical Advisory Panel and our clinical physicians' direct frontline insight into those devices that are being used and are performing effectively in their hospitals and healthcare systems.

The portfolio management approach used is primarily bottom-up, although stock selection is all within the Medical Devices segment of healthcare because of strongly held beliefs about major macro themes influencing this sector of the market.

The Investment Team maintains a Cordis Investible Universe of <100 stocks, representing companies that meet our strict screening process. These criteria are:

- Public listing on a global stock exchange,
- Device-based diagnosis or treatment of critical chronic disease, i.e. disease for which treatment is "non-negotiable",
- Regulatory approval by a recognised and sanctioned body (e.g., the US FDA),
- Revenue generating.

The Investment Team then uses input from our Device Experts and the Medical Advisory Panel to target devices treating the most critical chronic conditions and especially new paradigm shifting technologies in development. We search for devices treating growing patient populations, and target especially those chronic diseases with a significant cost burden to the healthcare system.

The PM Team's analysts work closely with the Medical Advisory Panel to obtain insights into the market for devices produced by target and shortlist companies that produce devices that have been identified as improving quality of life or life-saving.

Portfolio construction is a consistent process managed by the PM, and advised by the senior equity analyst, the medical device specialist and adviser James Cook.

The PM and the PM Team also receive input when requested from IC members who bring different experience and skill sets to the valuation process.

5. Outline the competitive advantage that underlies this strategy.

The Cordis Global Medical Technology Fund's key competitive advantage is afforded by the Cordis Medical Advisory Panel and the Medical Device Industry Specialists, who provide us with a technical edge in the complex and niche investment field of medical devices.

The Cordis Medical Advisory Panel and the Medical Device Industry Specialists are a working team comprised of a judicious selection of highly qualified physicians, translational researchers, clinical engineers, and medical device industry experts from around the world, most affiliated to universities and research institutes, who have operating theatre and device application experience and in particular are early adopters of advanced medical devices in their own practices and research facilities. Cordis does not expect the Medical Advisory Panel, comprised principally of clinical physicians and device specialists, to be familiar with every aspect of the portfolio companies. The Medical Advisory Panel is contracted to Cordis and incentivised by remuneration and a share of the Performance Fee.

The "top-down" and "bottom-up" analysis and the final Portfolio Construction is the responsibility of the Portfolio Management Team and the Portfolio Manager, and the oversight of the portfolio is the responsibility of the Investment Committee as outlined in section 3.1.

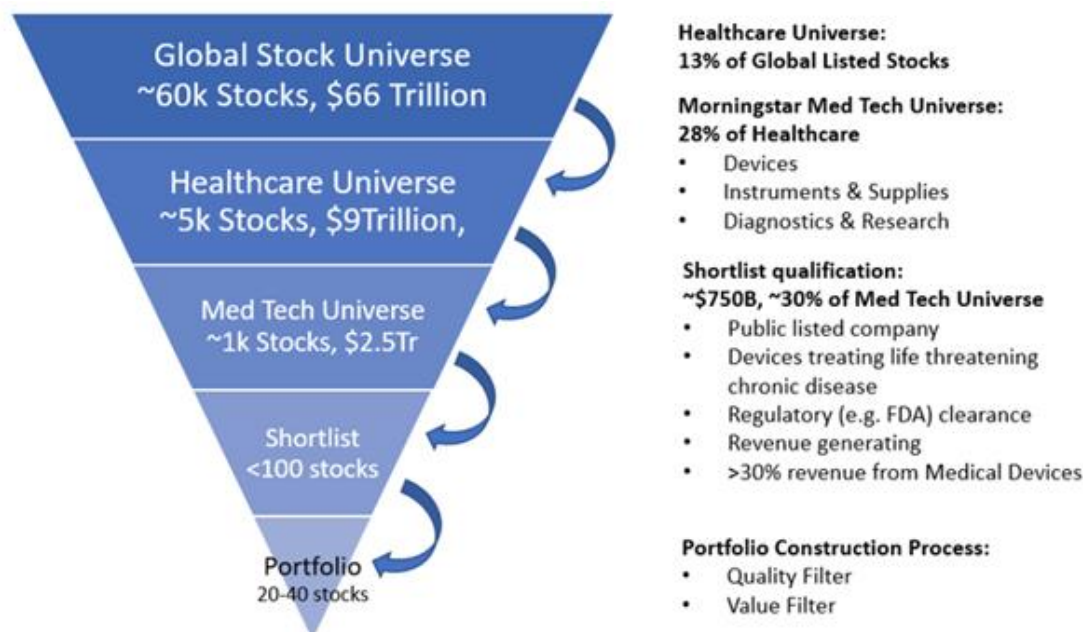
6. Briefly describe your investment style.

The Fund follows a fundamental long-only active strategy. Cordis runs a high conviction, actively managed specialised portfolio, limited to between 20-40 stocks selected from the medical technology sub-sector of listed global healthcare companies. We are benchmark unaware, long-term, buy and hold investors investing in companies with demonstrable growing markets for their products. We utilise both top-down and bottom-up analysis to select stocks. The Fund is intended to return 15% p.a. in absolute terms or more over 5 – 7 years, with volatility (std deviation) of circa 15-20% and a Sharpe Ratio of circa 1.3.

7. Define the authorised universe of investable securities for your flagship fund and the sub-universe of securities that are actively researched.

Our "Investable Universe", of less than 100 companies that are listed, with one or more devices treating chronic disease, that have been approved by the FDA (or equivalent) is

growing revenue at a weighted average of 11.5%. They have returned 24% on equity in the last five years. We believe our “Cordis investable Universe” reflects every company that qualified in the last five years and has not been chosen only for their past performance.



8. Explain your investment process.

Cordis employs a comprehensive stock selection process, led by our portfolio management team, including “top-down” analysis to distil the listed companies that provide devices that treat critical chronic disease and “bottom-up” valuation of each company using our own Quality and Value filters. These are overlaid by our team’s unique ability to understand and identify the most compelling medical device companies, utilising the insights of our Medical Advisory Panel and our in-house device specialists. Our portfolio management team uses both paid and in-kind research from multiple external research and broker sources.

Cordis’ Differentiator: Medical Advisory Panel Insights

Interactions between the Portfolio Management team, the Investment Committee and the Medical Advisory Panel include both formal and contracted quarterly surveys and meetings (detailed above in 2.1, 2.2) and ongoing regular and more anecdotal insights that we believe few investment managers would have access to. Through this interactive process we aim to identify early trends and opportunities in the medical technology landscape at a high level.

The formal quarterly meetings of the Medical Advisory Panel are attended by the Portfolio Manager, the devices experts, including the Chairman of the Investment Committee and the equity analysts. Discussions include trends in healthcare, treatments for chronic disease, types of treatments provided by devices in particular and, to the extent they are familiar with individual devices and companies, the meetings distil as much insight as possible that is directly relevant to portfolio construction and weightings. The Medical Advisory Panel is provided with the details of companies in the portfolio and we expect their cumulative commitment and knowledge, and the incentive they have to accumulate insights that may help the portfolio outperform, may significantly influence portfolio construction but the Portfolio Manager is not dependant nor committed to taking their advice. The Cordis Board and Investment Committee understand and utilise the intrinsic

value of such an experienced and qualified Medical Advisory Panel but this is tempered by financial analysis and valuations that may also significantly influence market weightings in the portfolio.

Outside of the quarterly meetings, the panellists are involved in informal consultation with the Chairman of the Medical Advisory Panel, who is also on the Investment Committee and a Director and shareholder of Cordis. Discussions between the Medical Advisory Panel and the Portfolio Management Team aim to answer a broad set of questions which try to incorporate the important factors defining long-term trends in medical devices into an assessment of individual business opportunities:

1. Does this treatment standard address a growing global patient population?
2. Is this product a best-in-class device?
3. Are there other technologies (or drugs or alternatives) which are likely to challenge this treatment standard?
4. Is this product non-commoditized with a wide economic moat?

Top-Down Analysis – Responsibility of the Portfolio Management Team

Our investible universe is limited to medical technology. Our top-down process first narrows down the investible universe of medical technology stocks by targeting only those companies providing device treatments for chronic diseases, advised and influenced by the Medical Advisory Panel insights. We then further streamline this list through ongoing Medical Advisory Panel insights, to identify the most critical disease types and treatment areas within a broader set of chronic diseases. We take into account incidence & fatality rates, size & rate of change in total addressable markets (those markets where treatments are accessible), reimbursement profiles (health insurance or universal healthcare), and the available treatment methods. The doctors that make up our Medical Advisory Panel are intimately aware of patient demographics and treatment processes, and thus have quality insights to add depth to our research process. This input, along with our own research allows us to explore and identify where we see the strongest growth opportunities within the medical technology arena.

Through this top-down process, we are able to concentrate our investible universe of medical technology stocks, which comprises approximately 1,000 publicly listed companies, to a shortlist of less than 100 listed companies, which have at least one third of their revenues derived from the design and manufacture of medical devices targeting the disease types we are most confident as being critical. We actively research this entire shortlist, as well as anything we believe is related to, or can materially affect the prices of, our watch list stocks.

Bottom-Up Company Analysis, Cordis Quality and Value filters – Responsibility of the Portfolio Management Team

We look at each company on our shortlist through the Cordis Quality and Value filters, in that order, to narrow our shortlist down to a portfolio of high-quality companies, purchased at fair prices. We supplement our own analysis with the invaluable input of our Medical Advisory Panel and external research from some of the leading Healthcare research houses.

The Quality filter uses 5 markers with which we judge a company's value: Device technology, market, pricing power, revenue growth and management quality. The Medical Advisory Panel provides us with a particular edge in understanding the device technology, market and pricing power markers due to their intimate and practical knowledge with such devices.

- **Device Technology**
 - Conviction on device efficacy

- Medical necessity
- Doctors and hospital training and uptake rates
- FDA (or equivalent regulator) approval
- Approved patents: device, manufacturing and insertion
- **Market**
 - Addressable market (prevalence vs penetration)
 - Growing market share
 - Reimbursement profile
 - Country specific adoption (e.g., USA v Europe v RoW)
- **Pricing Power**
 - Margin analysis
 - Pricing premium to competitors
- **Revenue Growth**
 - Consistency and sustainability
 - Avenues of future growth
- **Management Quality**
 - Track record of positive capital allocation
 - High ROIC (return on invested capital)
 - Incentive/payment plans

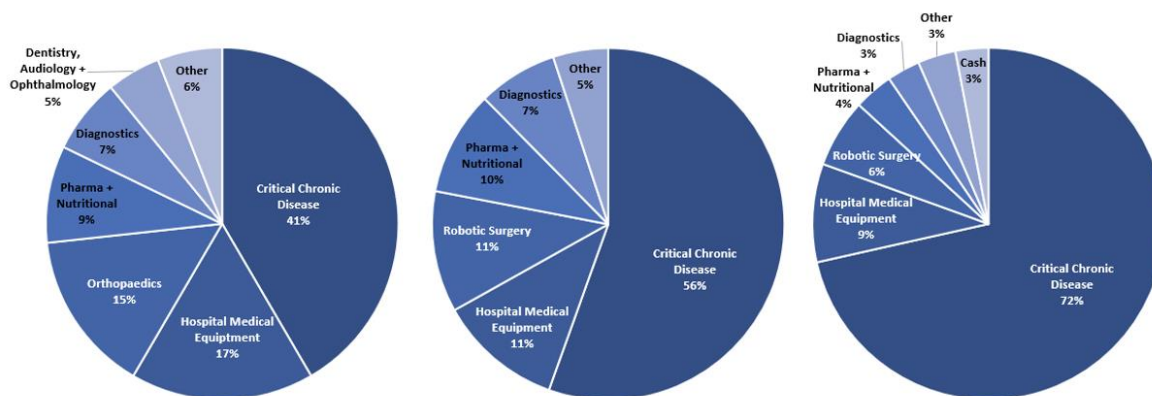
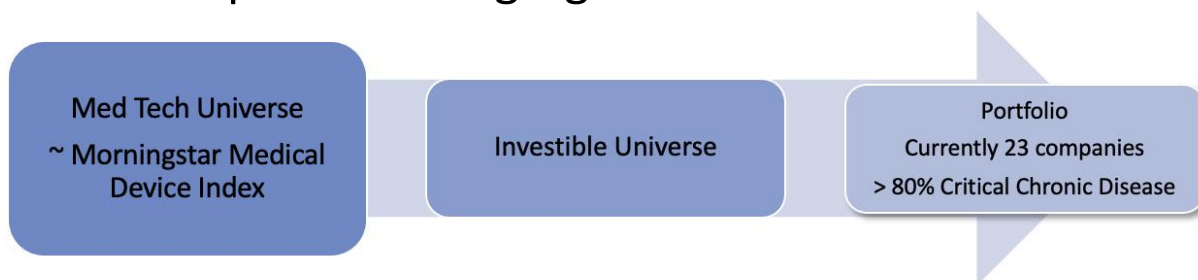
The Value filter is then applied to the companies we deem to be quality, by the portfolio management team, to assess our valuation relative to market price. We use our own internal models, as well as those provided by our brokers and consensus estimates. Because our universe is limited, our models use relative valuation to other companies within the universe and on our shortlist as guides.

Step 4 Portfolio Construction and Risk – Responsibility of the Portfolio Management Team

Based on our analyses aided Medical Advisory Panel insights we construct a robust portfolio, sizing our exposures according to conviction of the Portfolio Management Team and any relevant portfolio risks or constraints.

Our focus on the higher mortality chronic diseases strategically differentiates the Cordis portfolio from wider Healthcare indexes and also from the less concentrated Morningstar Device Index which includes companies producing devices for non-life-threatening conditions. The charts below compare the respective companies in The Fund portfolio and the Morningstar Device Index by revenue generated by different medical conditions of each company. The Fund's focus on a higher weighting to Cardiovascular and Metabolic (higher death rate and faster growing diseases) devices alone differentiates the portfolio. Smaller allocations to more commoditised and lower value-added sectors, such as orthopaedic devices, pharma and nutritionals differentiates the Cordis portfolio.

Cordis is a specialised high-growth fund



9. At what levels are decisions made regarding portfolio exposures?

The ultimate decision on individual portfolio positions lies with the Portfolio Manager. Our Portfolio Manager and the Investment Committee work closely together to review and determine the appropriate strategic and tactical exposure and allocation to each segment within the portfolio over time.

10. Describe the metrics or filters that have been most effective for security selection – and those that are not

To narrow down the Investible Universe, Cordis uses fundamental analysis to identify 20-40 high quality companies with reasonable valuations. Cordis views each investment via two separate return generating opportunities:

- 1) a business increasing in value, and
- 2) a company trading at a discount to fair value.

The first opportunity is harnessed by investing in quality companies that are expected to grow over the investment horizon period of a business cycle, ~7 years.

The second opportunity is harnessed by investing in companies below their fair value. It is the combination of these two opportunities that will allow strong returns over the long term for Cordis.

A fundamental rating is used to rank the stocks in the Investible Universe, by scoring them across each of the 5 quality factors along with a value score. This scorecard provides a quantitative means to compare qualitative factors and contrast each investment target on a relative basis, ensuring that the portfolio is exposed to high quality companies with a robust outlook, strong leadership and reasonable pricing. The fundamental rating is based on both qualitative research and quantitative factors which utilise Morningstar data, FactSet consensus forecast data and internal forecasts. The qualitative factors are subjective, although should support the quantitative factors and reinforce the outlook. The team recognises that valuations are subjective and are sensitive to factors such as earnings / cash flow / capex forecasts, as well as capital structure and discount rate assumptions.

We are market cap agnostic and recognise that different metrics matter for different companies across our Investible Universe. We only use P/E ratios for certain companies, usually those in our large cap basket with >\$20bn market cap. For our mid and small cap companies we use EV/Revenue multiples, as the reinvestment rate remains high, distorting P/E ratios.

11. Describe the characteristics of stocks/companies you prefer to own and why – and those of stocks you avoid

There are five key quality criteria which the investment team investigates in the analysis process: These five criteria are all significantly interlinked and drive each other.

- **Device Technology:** We search for devices that have proven to be effective and safe through clinical trials, are known as being best-in-class and are provided to the health market via distribution models that provide significant value to their users (doctors), patients and the healthcare system. It is also very important to evaluate the extent to which the company's technology, products or services are disruptive, differentiated, or proprietary. Data sources include R&D budgets, ongoing clinical studies and patent quality.
- **Market opportunity** relates to market size, penetration within the market and an individual company's position within that market. Due to significant demographic tailwinds, many addressable markets are increasing in size as populations age and patients demand higher quality treatment. As penetration rates increase due to this demand, it presents opportunity for companies to grow organically in an expanding total addressable market. A top score here would be given to a company winning market share in a growing and underpenetrated market.
- **Pricing power** is an important metric in the non-negotiable high end medical devices sector because the demand is price inelastic. Companies which can maintain pricing at a premium to competitors reinforce their technology advantage and are able to maintain strong margin profiles and higher R&D investment.
- **Revenue growth and a path to profitability** is an important factor particularly in the early-stage companies which are in the reinvestment stage of their life cycle. Higher than expected top-line growth is a key indicator of device adoption rates. Cordis also investigates management's planned path to turn strong top-line growth into profitability. We seek management teams with an ability to articulate how a good idea turns into profit or free cash flow.
- Cordis values **management quality** as the key input to any investment thesis, as it is management that drives technology, quality, market positioning, margin profiles and top-line growth. Cordis values management teams that have significant share ownership and/or appropriate long-term incentive plans to align their interest with shareholders.

Device technology and management quality weaknesses are enough for Cordis to avoid investment in a company, as we believe that these two criteria are fundamental to long term growth.

Valuation Filters: If a company passes the quality screen, we then use a series of revenue and earnings multiples to infer a fair value for the company, relative to a set of comparable companies. We use a Discounted Cash Flow (DCF) valuation method

selectively because of the high reinvestment rate and early lifecycle stage of the majority of our portfolio.

There is significant focus on companies that have experienced management teams with successful track records, and capable board members with relevant expertise. The companies are then scored in the relevant key areas to come up with our shortlist from within the Investible Universe. Below is an example scorecard, showing the output of the Cordis input functions outlined above.

Score Card		Economics			Mgmt Quality	Quality Total	Valuation	Total
Name	Device innovation	Market Share	Pricing Power	Revenue Growth				
	/5	/3	/3	/3	/5	/19	/5	/24
Abbott Laboratories	3	3	1	1	4	12	3	15
Medtronic PLC	4	3	2	2	4	15	2.5	17.5
Intuitive Surgical Inc	5	3	3	2	5	18	0	18
Becton, Dickinson and Co	2	2	1	1	4	10	4	14
Boston Scientific Corp	3	3	2	2	4	14	4	18

The strategy is exposed to the systematic risk of the wider stock market but this should be offset by the defensive nature of healthcare and growing demand.

At a micro-level our companies and their technology are difficult to assail or disrupt because it takes 5-7 years minimum to trial and bring an approved device to market, by which time it is protected by up to three layers of patents, on the device, the manufacturing technique and often a separate patented device to insert the primary device.

Whilst we are not immune from the systematic risks of the market or the micro-company risks of delicate technology, we are underpinned by growing demand for treatment and protected by wide economic, regulatory and patent moats.

12. Describe your portfolio construction.

Cordis' portfolio construction objective is to deliver optimal, resilient, long-term growth from a portfolio of the world's highest quality medical device companies. All analysis is done on FactSet, our own extensive quantitative financial template and through our Quality and Value Filters.

Our target portfolio includes a combination of established leaders in medical technology and newer publicly listed companies. This combination gives us exposure to the robust growth and resilience of the large established companies, while allowing us to invest in companies that are revolutionising treatments with advancement in device technology. It is in this group of small and mid-cap companies that we are able to leverage our medical expertise in a less researched part of the market.

Cordis will always hold between 20-40 stocks, with a 25% position limit for any one stock. The fund has a maximum limit of 10% of FUM held in cash.

Type	Allocation	Description	Examples
Established	55-70%	Established companies with high trading liquidity/market depth, history of positive free cash flow, market cap >\$20B	Abbott, Boston Scientific, Edwards Lifesciences
Growth	25-35%	Growth companies with moderate trading liquidity/market depth, companies currently are or are forecast to achieve positive free cash flow within 5 years, market cap >\$1B	Abiomed, Atracure, Penumbra
High growth	5-15%	High growth companies with limited trading liquidity/market depth, valuation ratios not able to be used, value determined by broad commercial ion on products in early stages of development or market access	CSI, Transmedx, Shockwave

These numbers are indicative only and subject to change at the discretion of the Cordis Investment Committee

The portfolio is split into these defined segments to ensure stability in the portfolio. The allocations are wide enough to allow for movement between the groups, especially in the small and mid-cap growth companies. Our final portfolio positions within these groups are sized according to the PM Team's conviction and risk considerations, overseen by our Investment Committee.

Cordis practices a highly collaborative, constructive team approach, taking the most knowledgeable data, views and opinions from a highly experienced portfolio and advisory team, however final decisions on the portfolio are made by the Portfolio Manager.

13. What are the portfolio constraints?

Risk exposure	Risk Limit	Hard/Soft
Region/Country	Global mandate	Hard
Benchmark	S&P Global 1200 Healthcare	Soft
Benchmark Unaware		Hard
Tracking Error		N/A
Stock/sector	Medical Technology stocks only	Hard
	20 – 40 stocks	Hard
	Maximum exposure to any one stock of 25% of the portfolio	Hard
Currency	Predominantly USD, with some holdings in AUD for applications & redemptions.	Hard
	Currency exposure is unhedged	Hard
Aggregated Portfolio Risk Limit		N/A
Cash	Up to 10%, held predominantly in USD	Hard
Derivatives	Not used	Hard

14. What impact does currency have on your stock and country selection decisions?

The Fund assets are unhedged. The portfolio is optimised for the highest risk-adjusted return in superior businesses that provide long term growth prospects in all currencies throughout the economic cycle, without regard to diversified currency exposure.

The Fund has exposure to foreign companies which in turn have assets and earnings in many countries and currencies. These assets and earnings are subject to currency

fluctuations between the country of earnings and the currency in which the investment is listed and denominated. The Fund is invested and managed as if the Fund were invested principally in USD, and AUD cash holdings are transacted only for applications and redemptions.

15. Does the strategy allow shorting?

No

16. Describe your approach and strategies employed when shorting securities.

N/A.

17. Do you have a policy of selling down securities once they reach a particular market cap?

Our stock selection and bottom up process determines a target valuation for each company in the portfolio. The ongoing review of medical technology trends ensures that those target valuations are updated according to the utility of and demand for relevant devices. Nonetheless, we maintain a sell discipline around stock price. Companies with increasing share prices are constantly reviewed against what we have calculated to be their inherent value. When companies are above our inherent valuation, we sell down positions, although we may not necessarily exit completely according to our conviction in the long-term growth prospects of the company.

18. How are trades allocated across portfolios?

Cordis runs one portfolio at present, so allocations are not a current concern.

19. Describe what steps you take to monitor and minimise transaction costs.

We take long term positions in companies that we believe are positioned to deliver outstanding investment returns over long term horizons. As such we have low turnover and typically only trade monthly. We would not expect to turnover more than 5% of our portfolio on any monthly trading day and no more than 20% in any one year, albeit those estimates are not a restriction.

Our cost monitoring process involves recording monthly trading costs, split between our brokers, and tracking monthly expenditure. Significant variations not related to client in/outflows will be investigated on a case by case basis.

20. In what way is the after-tax return for each stock considered prior each transaction?

As outlined in the Tax Considerations section, The Fund expects to qualify as an Attribution Managed Investment Trust. The Fund targets high long-term risk-adjusted returns with low turnover (perhaps, but not restricted to +/-20% per year) and invests in liquid, listed stocks, principally on US, European and Japanese stock exchanges. The Fund will therefore be able to optimise capital gains tax treatment. The fund will distribute dividends received and account for any foreign withholding tax credits available to investors.

21. Please explain how you use derivatives.

We do not use derivatives.

22. Describe the procedures used to ensure consistency of performance across portfolios with similar objectives.

Cordis runs one portfolio at present, so consistency across portfolios is not a current concern.

23. Please describe the trading process.

Cordis' trading process is outlined in the Trading & Investment Activities Policy which forms part of the GRC Framework, and which is supported by more detailed documentation in the Cordis Investment Operation Procedures. In summary, the steps in our trading process are:

- The Portfolio Manager initiates a trade.
- The Portfolio Manager conducts pre-trade checks using the Investment Restrictions and other rules;
- If the trade successfully passes the pre-trade checks, it is passed to the Trader for execution;
- The Trader in conjunction with the Portfolio Manager determines the best execution method (price, counterparty, broker, market etc);
- The Trader places the order and monitors it through to successful conclusion including confirming the trade with the counterparty;
- The Portfolio Manager conducts an overall trade reconciliation at the end of the trading day; and
- Prior to the commencement of next trading day, the Portfolio Manager reviews the portfolio to consider any changes to composition and weighting that may need to be made.

The PM reviews the veracity and cost of broker executions, relative to the market, particularly for bid/ask spreads relative to the reported market, on at least a quarterly basis. Cordis is running a long-only portfolio of listed stocks, with expected low turnover. All orders are expected to be small relative to the daily traded volumes of each stock. Cordis takes all reasonable steps to achieve the best execution, with consideration given not only to price, but also other factors such as the speed of execution, settlement timing, order volume and the likelihood of successful and complete execution, the nature of the order and the venues in which the order can be transacted.

At this stage Cordis only operates the one Fund, and so trading allocations across clients is not relevant. However, Cordis has documented its approach to this in terms of pro-rating allocations (other than uneconomic / unmarketable parcels), as detailed in our Trading & Investment Activities Policy in the GRC Framework outlined in 6.4.

24. What market condition(s) are typically conducive to the outperformance of this strategy? In what market or economic circumstances would this strategy typically under-perform?

The Healthcare sector is defensive and resilient in nature, due to its inherent demand being unrelated to most other sectors of the economy, typically outperforming in weak macro environments. We believe that our even more specifically targeted strategy will exaggerate this trend. The Healthcare Index and particularly the Medical Technology recovered more quickly and outperformed in both the GFC and the recent "Covid Crash" as evidenced in the chart in 2.2.

Key micro (idiosyncratic) risks include:

- Device failures
- Devices not performing to expectations
- Device patent infringement (proven or unproven)
- Patent litigation
- Trials for improvements not proving a device satisfactorily
- DRG – Device reimbursement reviews for Diagnostic Related Groups (DRG)

Macro (systematic) risks include:

- Healthcare underperforming
- Political and regulatory risk
- Systemic stock market collapse will affect all listed stocks until the critical nature of healthcare and the consistent prevalence of chronic disease treatment rates and consistent revenue is appraised to recover our stocks relative to others in the economy.

25. Provide an estimate of your capacity for the strategy.

We believe there is a minimum capacity for at least \$1.2bn based on an average 30% of the average daily volume in our portfolio stocks. We evaluated the three-month daily average volume of stocks in our portfolio at approximately \$4B per day. A conservative capacity would be 30% of that number. We expect it to grow as our portfolio grows

26. Please describe how you integrate your consideration of ESG issues in your investment decision making: please include information on ESG research and its role in the investment process.

The nature of our healthcare related target portfolio means that the following ESG principles apply:

- Environmental considerations including carbon emissions, land and sea pollution
- Social impacts of the Fund's investments are almost universally beneficial, though we monitor infrequent unexpected adverse outcomes
- Governance issues are largely regulated by health authorities around the world, though individual corporate governance needs to be evaluated. The nature of these highly regulated companies and the threat to life of defective devices or management of trials and distribution means that these companies must have inherently high-quality management and governance to survive the scrutiny of highly-qualified clinical physicians and prosper in the healthcare environment in which they operate.

We believe we are investing in an inherently high quality ESG and Impact environment.

Highly positive impact: In essence, the Fund supports capital for companies that develop life saving devices, and as such the Fund would qualify as a highly effective Impact Fund for investors who are concerned about achieving maximum benefit to society.

As a start-up fund that targets a narrowly defined universe of stocks, Cordis is developing portfolio relevant metrics that account for a range of health sector specific factors such as the United Nations Sustainable Development Goals (SDGs). We are

investigating company and FDA reports on ESG credentials for companies with approved devices.

Cordis incorporates ESG principles into its qualitative research process, and is developing a subset of relevant factors including but not limited to:

1. Animal welfare issues as they pertain to device testing
2. Corporate governance especially in relation to compliance with health regulation compliance
3. Impact investing in the context of public health improvements
4. We intend to source independent reports that validate the obvious impact and ESG credentials of our specialised companies.

Cordis has a process to review public disclosures by and available research on shortlisted portfolio stocks. However, in the specific context of device research and development, Cordis seeks out disclosures from management relating to animal welfare issues – this is a key ethical consideration for the Fund.

4. FUND PERFORMANCE EVALUATION AND OUTLOOK

1. What is the target return objective?

The Cordis portfolio target investment return is over 15% per annum over 5 – 7 years.

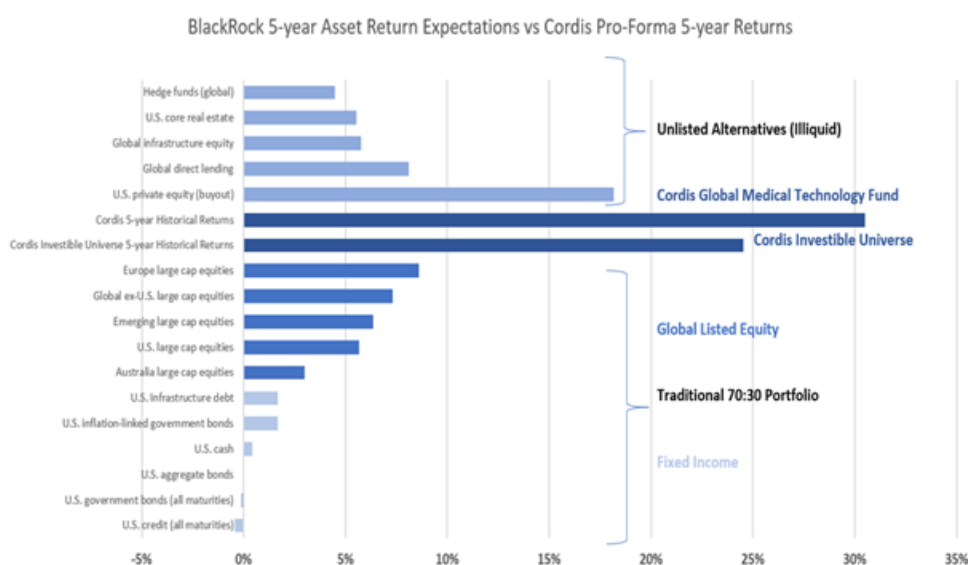
In the last five years Cordis' Investable Universe of companies has returned 24% per annum driven by a weighted average revenue growth of 11.5% per annum. As the prevalence of chronic diseases is still many times greater than the current device treatment rates in the G20 alone, we believe this level of revenue growth will continue for the next decade or more.

The chart below details BlackRock Investment Institute's 5 year return expectations for both listed and unlisted assets against the 5 year historical returns of the Cordis "Investible Universe" and the pro-forma historical returns of the current portfolio companies in the last 5 years.

It is important to note that the Cordis "Investible Universe" of less than 100 companies includes every company that we believe could have been in our portfolio in the past 5 years.

We believe the high prevalence of disease compounded by an aging population that expects treatment, will drive this revenue growth and long-term demand and trend in our companies for the next decade or more.

The inherent desire to live a longer, more active and higher quality life underpins our investment thesis and specialised fund. The stable growth of our large cap companies enhanced by powerful growth from our mid and small caps with new technology drives our return expectation.



We may not expect to replicate the returns of the last five years. However, we are more confident of the revenue growth of the companies in our portfolio which should translate to higher bottom line growth and resilient returns in a defensive sector. We believe we

can outperform our healthcare benchmark by 5% and that revenue growth in the low double digits should drive returns in the high teens.

2. Do any of your strategies/products have performance fees? If so, please explain how they are calculated (e.g. hurdle rates, high watermarks).

Yes. The Cordis Global Medical Technology Fund has a performance fee of 15% (including GST/RITC) of the increase in net asset value of the Fund above the Benchmark (reported by S&P in AUD) calculated and accrued on the last Business Day of the month, and paid annually in arrears. The Performance Fee is subject to a high-water mark. The Benchmark used is S&P Global 1200 Healthcare, in AUD.

3. Please describe the frequency and extent to which performance data is audited, both internally and externally.

An annual audit of the Fund will be conducted by an external auditor EY.

4. Fund commentary and Outlook

As the Fund comprises a global listed portfolio it is subject to the same systematic risks as the entire market. In the event of any such market selloff, we expect the Fund will initially behave like the market. However, we believe that as the devices inherent to our portfolio companies are critical to treat chronic diseases it will not take long for the market to realise that they are less affected by the economy and the market than other stocks. This appeared to be the case historically after the GFC and while all stocks recovered relatively quickly after the Covid crash in 2020 we have anecdotal evidence from our Medical Advisory Panel that the treatment for life threatening chronic disease was an early priority to separate from Covid in hospitals and these treatments very quickly resumed. Hence, we believe that the portfolio is somewhat immunised against major market risk events.

We have a 5 - 7 year view of the revenue growth in our companies and notwithstanding the risks of a major market event we believe that we should stay true to our mandate, one element of which is the inherent defensive nature of healthcare and the need for treating critical chronic disease regardless of market events.

The Fund's best ideas form the basis of our biggest positions. Four of the Fund's biggest positions currently in the portfolio are Edwards Lifesciences, DexCom, Boston Scientific and Silk Road. A short outline of the thesis of each of these companies is below.

Edwards is the global leader in structural heart valve replacement. This is exemplified by its two-thirds global market share in Trans-catheter aortic valve replacement (TAVR), achieved with devices priced at a 20-30% premium to its only current serious competitor, Medtronic. Its management is first class and well tenured, with Mike Musallem its CEO since IPO in 2000. While shares are fully priced because of their dominance in TAVR, we see the Transcatheter Mitral and Tricuspid Therapies (TMTT) business, where Edwards has multiple developments, as a 'call option' on the stock. We believe these developments and a steady increase in TAVR treatment for asymptomatic aortic stenosis will see Edwards meet and exceed market revenue projections. Edwards has also settled an Abbott litigation dispute (Edwards TMTT vs Abbott MitraClip) which is now behind them.

DexCom has been the premier Continuous Glucose Monitor ("CGM") on the market over the past 5 years, with leading accuracy and ahead-of-the-curve pump integration. The company has begun to invest heavily in Sales & Marketing to grow brand awareness, which we believe will yield significant revenue and earnings growth in the future. DexCom's management team has a proven track record and we believe they are investing prudently for future success.

Diabetes remains one of the best secular stories in our sector, where CGM will be the primary method of monitoring glucose in most Type 1 and insulin-dependent Type 2 sufferers, and DexCom is best in class.

Boston shares are currently trading at a discount to large cap MedTech peers due to a range of what we believe are transitory issues that can be overcome by solid execution in the rest of the portfolio. The pipeline is impressive, where new products promise to deliver margin expansion, the balance sheet is strong after a 2Q20 restructure and it is one of the better positioned companies in a post-COVID world with higher outpatient exposure (~67%) than rivals.

Silk Road's novel TCAR (transcarotid artery revascularization) procedure is taking market share from well-established incumbents in device based treatment of carotid artery disease. TCAR offers health benefits to carotid artery disease patients, as well as economic benefits for providers and payers, including predictable and short procedure times, short hospital stays, and reduced in-hospital and 30-day adverse events, resulting in more accountable care and improved provider economics and payer value. Its management team is focused and methodical, driving growing margins and maintaining a strong balance sheet, supported by a growing body of clinical evidence. Silk Road has just announced its application to the FDA for Pre-Market Approval in standard surgical risk patients. The company has several levers they can pull to expand the procedure base – new indications, international growth and product expansion. We believe that there is a long runway of growth ahead as Silk Road's TCAR procedure becomes a global standard of care. It is valued slightly below the average of its high-growth MedTech peers.

Short of unexpected systematic market events, and given current valuations, we expect the portfolio performance to at least match its current weighted-average revenue growth rate of approximately 15%

5. TAX CONSIDERATIONS

The Fund is an Australian resident for tax purposes and does not generally pay tax on behalf of its investors. Australian resident investors are assessed for tax on any income and capital gains generated by the Fund to which they become presently entitled or, where the Fund has made a choice to be an Attribution Managed Investment Trust (“AMIT”) and the choice is effective for the income year, are attributed to them.

General

The Fund is an Australian resident trust for Australian tax purposes. Therefore, the Fund is required to determine its net income (taxable income) for the year of income. On the basis that investors are presently entitled (which is the intention of Equity Trustees) to the net income of the Fund (including net taxable capital gains) or will be attributed their share of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund and the Fund is not a public trading trust, the Fund should be treated as a flow-through trust for tax purposes. This means that investors should be taxed on their share of the Fund’s net taxable income or the amount attributed to them, and the Fund should not be subject to Australian income tax.

In the case where the Fund makes a loss for Australian tax purposes, the Fund cannot distribute the tax loss to investors. However, the tax loss may be carried forward by the Fund for offset against taxable income of the Fund in subsequent years, subject to the operation of the trust loss rules.

Attribution Managed Investment Trust (“AMIT”) – core rules

The Fund may qualify as an eligible Attribution Managed Investment Trust (AMIT), and if so, intends to elect into the AMIT regime. The AMIT legislation applies an attribution model whereby Equity Trustees as the Responsible Entity of the Fund attributes amounts of trust components of a particular character to investors on a fair and reasonable basis consistent with the operation of the Fund’s Constitution, which includes provisions in relation to AMIT. Under the AMIT rules, the following will apply:

Fair and reasonable attribution: Each year, the Fund’s determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be allocated to investors on a “fair and reasonable” attribution basis, rather than being allocated proportionally based on each investor’s present entitlement to the income of the Fund.

Unders or overs adjustments: Where the Fund’s determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

Cost base adjustments: Where the distribution made is less than (or more than) certain components attributed to investors, then the cost base of an investor’s units may be increased (or decreased). Details of cost base adjustments will be included on an investor’s annual tax statement, referred to as an AMIT Member Annual Statement (“AMMA”).

Large withdrawals: In certain circumstances, gains may be attributed to a specific investor, for example, gains on disposal of assets to fund a large withdrawal being attributed to the redeeming investor.

Penalties: In certain circumstances (e.g. failure to comply with certain AMIT rules), specific penalties may be imposed.

The new rules are intended to reduce complexity, increase certainty and reduce compliance costs for managed investment trusts and their investors. Where the Fund does not elect into the AMIT regime, or has made the election but the election is not effective for the income year (e.g. the Fund does not satisfy the requirements to be a managed investment trust for the income year), the Tax Law applicable to non-AMITs should be relevant. In particular, the Fund should not generally pay tax on behalf of its investors and instead, investors should be assessed for tax on any income and capital gains generated by the Fund to which they become presently entitled.

Deemed Capital Gains Tax (“CGT”) Election

Eligible managed investment trusts (“MITs”) may make an election to apply a deemed capital account treatment for gains and losses on disposal of certain eligible investments (including equities and units in other trusts but excluding derivatives, debt securities and foreign exchange contracts). Where the election is made the Fund should hold its eligible investments on capital account and gains/(losses) from the disposal of eligible investments should be treated as capital gains/(losses). Capital gains arising on the disposal of eligible investments held for 12 months or greater may be eligible to be treated as discount capital gains.

Where the CGT election is not made, the Fund should hold its eligible investments on revenue account and gains/(losses) from the disposal of eligible investments should be treated as revenue gains or losses.

Controlled Foreign Company (“CFC”) Provisions

There are certain tax rules (i.e. the CFC provisions) which may result in assessable income arising in the Fund in relation to investments in foreign equities, where certain control thresholds are met. If such interests were to be held at the end of the income year, the taxable income of the Fund may include a share of net income and gains (i.e. CFC attributable income) from such investments.

Taxation of Financial Arrangements (“TOFA”)

The TOFA rules may apply to certain “financial arrangements” held by the Fund. In broad terms, the TOFA regime seeks to recognise “sufficiently certain” returns on certain financial arrangements on an accruals basis for tax purposes rather than on a realisation basis. Where returns from derivative instruments are not “sufficiently certain” they will continue to be recognised on a realisation basis, unless specific tax timing elections are made.

Taxation Reform

The tax information included in this DDQ is based on the taxation legislation and administrative practice as at the issue date of the fund PDS, together with proposed changes to the taxation legislation as announced by the Government. However, the Australian tax system is in a continuing state of reform, and based on the Government’s reform agenda, it is likely to escalate rather than diminish. Any reform of a tax system creates uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process. These reforms may impact on the tax position of the Fund and its investors. Accordingly, it will be necessary to closely monitor the progress of these reforms, and investors should seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

Tax File Number (“TFN”) and Australian Business Number (“ABN”)

It is not compulsory for an investor to quote their TFN or ABN. If an investor is making an investment in the course of a business or enterprise, the investor may quote an ABN instead of a TFN. Failure by an investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus the Medicare Levy, on gross payments including distributions or attribution of income to the investor. The investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

By quoting their TFN or ABN, the investor authorises Equity Trustees to apply it in respect of all the investor’s investments with Equity Trustees. If the investor does not want to quote their TFN or ABN for some investments, Equity Trustees should be advised.

GST

The Fund is registered for GST. The issue or withdrawal of units in the Fund and receipt of distributions are not subject to GST.

The Fund may be required to pay GST included in management and other fees, charges, costs and expenses incurred by the Fund. However, to the extent permissible, the Responsible Entity will claim on behalf of the Fund a proportion of this GST as a reduced input tax credit. Unless otherwise stated, fees and charges quoted in this PDS are inclusive of GST and take into account any available reduced input tax credits. The Fund may be entitled to as yet undetermined additional input tax credits on the fees, charges or costs incurred. If the Responsible Entity is unable to claim input tax credits on behalf of the Fund, the Responsible Entity retains the ability to recover the entire GST component of all fees and charges.

The impact of GST payments and credits will be reflected in the unit price of the Fund. Investors should seek professional advice with respect to the GST consequences arising from their unit holding.

Australian Taxation of Australian Resident Investors**Distributions**

For each year of income, each Australian resident investor will be required to include within their own tax calculations and tax return filings the assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund attributed to them by Equity Trustees as the Responsible Entity of the Fund.

The tax consequences for investors in the Fund depends on the tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) of the Fund attributed to them.

Investors will receive an Annual Tax Statement (or an “AMMA” for an AMIT) detailing all relevant taxation information concerning attributed amounts and cash distributions, including any Foreign Income Tax Offset (“FITO”) and franking credit entitlements, returns of capital, assessable income, and any upwards or downwards cost base adjustment in the capital gains tax cost base of their units in the Fund (in the case of an AMIT).

An investor may receive their share of attributed tax components of the Fund or net income in respect of distributions made during the year or where they have made a large withdrawal from the Fund, in which case their withdrawal proceeds may include their share of net income or attributed tax components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits). In addition, because Australian

investors can move into and out of the Fund at different points in time, there is the risk that taxation liabilities in respect of gains that have benefited past investors may have to be met by subsequent investors.

Foreign Income

The Fund may derive foreign source income that is subject to tax overseas, for example withholding tax. Australian resident investors should include their share of both the foreign income and the amount of the foreign tax withheld in their assessable income. In such circumstances, investors may be entitled to a FITO for the foreign tax paid, against the Australian tax payable on the foreign source income. To the extent the investors do not have sufficient overall foreign source income to utilise all of the FITOs relevant to a particular year of income, the excess FITOs cannot be carried forward to a future income year.

Disposal of Units by Australian Resident Investors

If an Australian resident investor transfers or redeems their units in the Fund, this may constitute a disposal for tax purposes depending on their specific circumstances.

Where an investor holds their units in the Fund on capital account, a capital gain or loss may arise on disposal and each investor should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 & 1/3% for complying Australian superannuation funds may be allowed where the units in the Fund have been held for 12 months or more. No CGT discount is available to corporate investors.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the investor may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

The discount capital gains concession may be denied in certain circumstances where an investor (together with associates) holds 10% or more of the issued units of the Fund, the Fund has less than 300 beneficiaries and other requirements are met. Investors who together with associates are likely to hold more than 10% of the units in the Fund should seek advice on this issue.

Australian Taxation of Non-Resident Investors

Tax on Income

The Fund expects to derive income which may be subject to Australian withholding tax when attributed by Equity Trustees as the Responsible Entity of the Fund to non-resident investors.

Australian withholding tax may be withheld from distributions of Australian source income and gains attributed to a non-resident investor. The various components of the net income of the Fund which may be regarded as having an Australian source include Australian sourced interest, Australian sourced other gains, Australian sourced dividends and CGT taxable Australian property.

We recommend that non-resident investors seek independent tax advice before investing, taking into account their particular circumstances and the provisions of any relevant Double Taxation Agreement/Exchange of Information Agreement ("EOI") between Australia and their country of residence.

Disposal of Units by Non-Resident Investors

Based on the Fund's investment profile, generally non-resident investors holding their units on capital account should not be subject to Australian capital gains tax on the disposal of units in the Fund unless the units were capital assets held by the investor in carrying on a business through a permanent establishment in Australia. Australian tax may apply in certain circumstances if the non-resident holds their units on revenue account. CGT may also apply in some cases where the Fund has a direct or indirect interest in Australian real property. We recommend that non-resident investors seek independent tax advice in relation to the tax consequences of the disposal of their units.

6. ADMIN QUESTIONNAIRE

ORGANISATION & PEOPLE

Corporate Governance

1. Describe the Investment Manager's Governance structure including Boards and Committees (or similar governing bodies) and their accountabilities and delegated authorities.

Cordis has a Board of Directors with several non-executive Directors. The Chairman is a non-executive Director.

The Board Charter sets out the Board's governance function and delegations of authority to the Managing Director.

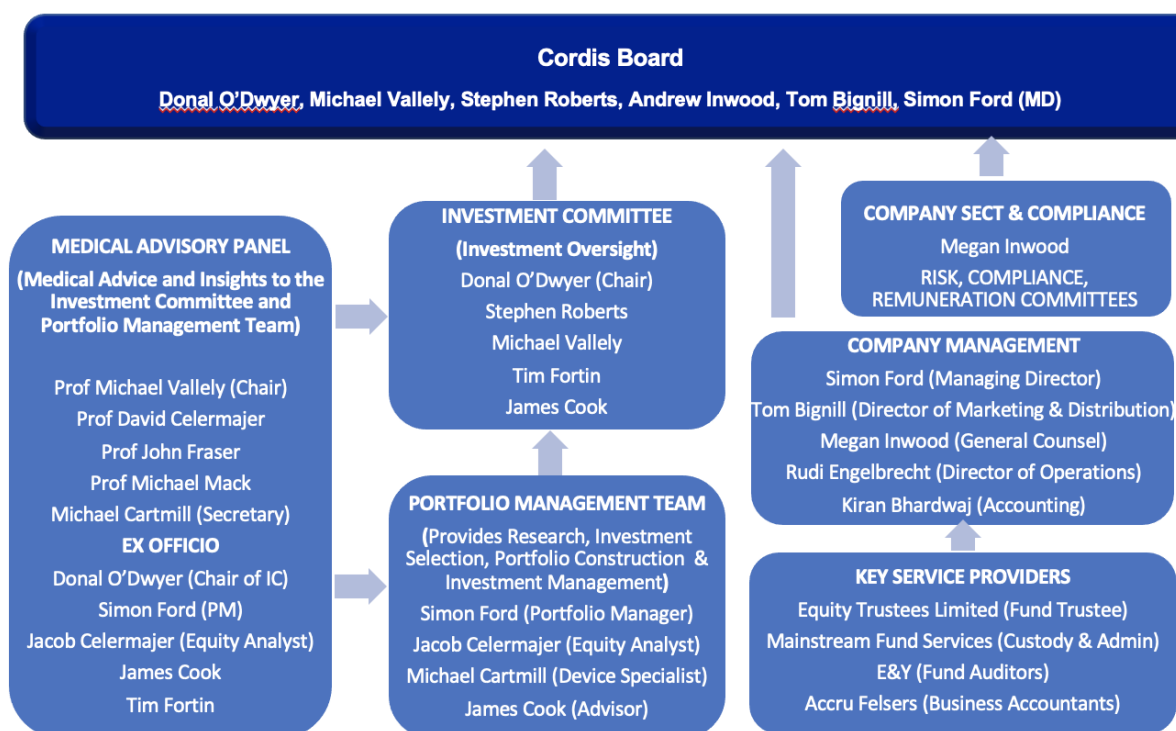
The following Committees of the Board are established under Board Committee Charters: Risk and Compliance Committee (RCC); Remuneration Committee (RC); Investment Committee (IC).

These committees have delegated authority of the Board and report to the Board. In the event a committee is not established, the Board will perform the functions specified in the committee charter.

The Managing Director has overall responsibility for the day to day running of the business. This includes managing equity research, the Portfolio Management Team, implementation of the investment portfolio and the portfolio reconciliations and testing.

The business organisational structure as at August 2021 is shown in the following diagram.

Cordis Organisation Structure



2. Describe the level and type of reporting provided to governance bodies from the business.

Cordis has implemented a Risk Framework as part of its GRC Framework, which has been developed taking into consideration the International Standard for Risk Management (AS/NZS ISO 31000:2018) with the aim of identifying, assessing, treating, monitoring and reporting on risks faced by its business. The objectives of our Risk Management Framework are to:

- Meet the requirements of our licensing conditions and/or the law to have adequate risk management systems;
- Provide the Board with comfort that there are appropriate measures in place to identify, manage and minimise risks that arise in operating our business;
- Satisfy clients and their advisers that there are adequate risk management systems in place; and
- Embed continuous improvement and a positive risk-aware culture in which we continue to enhance the delivery of our services to our clients, through risk management forming an integral part of good management and good corporate governance.

An Incidents & Breaches Policy & Process forms part of the GRC Framework, and is designed to ensure:

- Occurrences of non-compliance are promptly identified and remedied;
- Where possible preventative measures are implemented with the aim of reducing the likelihood of re-occurrence; and
- We meet our regulatory and client obligations with respect to reporting Incidents and Breaches.
- We meet the requirements of our licensing conditions and/or the law to have adequate risk management systems;
- The Board is provided with comfort that there appropriate measures in place to identify, manage and minimise risks that arise in operating our business;
- We satisfy clients and their advisers that there are adequate risk management systems in place; and
- We embed continuous improvement and a positive risk-aware culture in which we continue to enhance the delivery of our services to our clients, through risk management forming an integral part of good management and good corporate governance.

Our Reporting Requirements are set-out in our GRC Framework, which includes the following reporting from the Compliance Officer:

- At least annually to the Board, a report covering matters such as:
 - The Conflicts Register
 - The status of Governing Documents
 - Details of any Incidents & Breaches particularly in relation to:
 - The Delegations Policy
 - The Conflicts Policy
 - The Code of Conduct
 - The current status of the risks faced by the business and whether they are within the appetite as described in this RAS
- Whilst the Risk, Compliance & Audit Committee and Remuneration & Nominations Committee operate as a single committee, then at each regular meeting of that combined committee, a report covering matters such as:
 - Risk, Compliance & Audit items:
 - The Conflicts Register

- The status of Governing Documents
- Details of any Incidents & Breaches
- Risk Register (periodic reviews and any ad hoc changes)
- Personal Trading:
 - The number of personal trading requests received for the period;
 - The number of personal trading requests approved for the period; and
 - The details of any non-compliance with the Policy.
- Complaints, including any Privacy Complaints
- AML/CTF matters, Sanctions matters, Bribery or Corruption matters, Fraud matters
- Reviews of the AML/CTF Program, whether internal or Independent Reviews
- BCP/DRP:
 - The results of periodic tests and any items identified for improvement
 - Any actual BCP events
- Details of any write-off and good value payments
- Details of any regulatory correspondence.
- Remuneration & Nominations items:
- The Conflicts Register
 - The status of Governing Documents
 - Details of any Incidents & Breaches particularly in relation to:
 - The Conflicts Policy
 - The Code of Conduct
 - HR Policy
 - Employee Due Diligence Policy & Program
 - Regulated Persons Policy
 - Gifts, Benefits & Entertainment Policy
 - Staff Training & Competency Policy
 - Work Health & Safety Policy
 - IT Acceptable Use Policy.
 - Regulated Persons:
 - Matrix of skills & competency against each financial service
 - Changes to our Authorised Representative Register
 - Gifts, Benefits & Entertainment:
 - the volumes of being reported (aggregate number and dollar amount)
 - the proportion being approved.
 - Training hours
 - WHS matters, WHS Incidents & Issues
- At each regular Investment Committee meeting, a report covering matters such as:
 - The Conflicts Register
 - The status of Governing Documents
 - Details of any Incidents & Breaches particularly in relation to:
 - Personal Trading Policy
 - Inside Information Policy
 - Trading & Investment Activities Policy
 - Derivative Risk Policy
 - Proxy Voting Policy
 - Responsible Investing Policy

3. Describe the Investment Manager's operating structure. Specifically note segregation and independence of reporting lines.

The Managing Director is responsible for the operations of the business and reports to the Board.

The Managing Director is responsible for liaising with the RE and Administrator.

The Managing Director has overall responsibility for the day to day running of the business. This includes managing equity research, the Portfolio Management Team, implementation of the investment portfolio and the portfolio reconciliations and testing.

The investment business activities are structured such that the Board Investment Committee is responsible for setting the investment strategy. The Portfolio Manager (currently also the MD) is responsible for the implementation of the investment strategy.

Investment instructions are executed in accordance with the Trading & Investment Activities Policy which details the authorisations and reviews required. Investments are settled and accounted for by the independent Administrator of the Fund.

The Director of Operations has responsibility for advising and assisting the Managing Director in implementing efficient operations between Cordis and the Administrator.

The General Counsel and Compliance Officer has responsibility for compliance and has reporting lines to both the Managing Director and directly to the Board.

4. Describe the measures in place to enforce segregation of duties and promote the management of potential operating conflicts.

The structure of the Fund, under the RE, in operating with independence of the Investment Manager, Administrator and Custodian, plays a significant role in segregating functions for the Fund.

As an independent start-up company, some common potential conflicts are minimised.

Cordis has policies in place to identify and manage potential conflicts, including through its Conflicts Policy, Personal Trading Policy, Trading & Investment Activities Policy, and Gifts, Benefits & Entertainment Policy.

The separation of the compliance function from the business line of authority is an additional measure.

5. List all formal and informal meetings conducted, describe their purpose, decision outcomes, and frequency.

Meeting	Agenda	Frequency	Participants
Investment Committee	Investment Strategy; Macro View Setting; Risk Management & Compliance; Portfolio and Performance Review	Monthly	Investment Committee & Portfolio Team
Medical Advisory Panel	Medical Device Insights, including trends in global health issues and healthcare; Access to medical networks	Quarterly	Medical Advisory Panel, Investment Committee & Portfolio Team
Portfolio Construction	Portfolio Construction & Analytics; Security Research; Risk Management	Weekly	Portfolio Management Team
Board Meeting	Company Management; Investment Committee appointments	6-12 weeks	Board

Human capital

6. How does the Investment Manager ensure sufficiency of staffing?

Cordis is owned and managed by experienced investment professionals. Highly experienced and qualified staff are sourced primarily through contacts and associations of the directors.

Resources are available to ensure expertise and sufficiency of staff through capital commitments obtained by the Company from the key stakeholders.

7. Outline the Investment Manager's staff recruitment process.

Our Staff Training & Competency Policy and Employee Due Diligence Policy & Program document our process for staff recruitment.

Staff are identified by the Managing Director or other directors of Cordis and approached. The interview process is managed by the Managing Director, and depending upon the seniority of the role, approval of the Board will be obtained.

8. Detail the process undertaken to establish staff credentials.

This is documented in our Employee Due Diligence Policy & Program and involves speaking to at least two independent referees, as well as other requirements such as verification of the previous three places of employment (by phone calls) and verification of relevant tertiary qualifications. In addition, checks such as criminal record checks and checks against ASIC/APRA Banned & Disqualified registers are required to be undertaken.

9. Summarise training programs available to staff including induction, technical, management and soft skills training, particularly for operations, compliance, control, and other middle/back office functions.

Cordis policies include a number of policies related to staff training and induction, such as our Staff Training & Competency Policy.

New staff are paired with an experienced staff member for an initial period. For example, Jacob Celemajer was paired with Simon Ford and Melissa Vincent has been paired with Tom Bignill.

As part of induction, new staff meet with the MD and with the Compliance Officer for an overview of policies and compliance framework and responsibilities. Appropriate on the job training and supervision are provided.

New staff members are provided with induction materials about Cordis, the Fund and the roles of Cordis, the RE and Administrator. Materials include Fund documentation, and marketing materials. New staff members are also be provided with access to the Cordis Governance, Compliance and Risk Framework (GRC Framework), with emphasis on the relevant compliance and risk policies.

Most of the "back office" functions for the Fund are conducted by the Administrator. Oversight, liaison, and coordination of these functions by Cordis occurs under the management of the Managing Director assisted by the Director of Operations, Rudi Engelbrecht.

Cordis is committed in its approach to on-going participation in external training and participation in forums developing industry, technical and compliance knowledge. Regular

internal training in relation to compliance matters will be managed for all staff, Medical Advisory Panel members and Directors.

10. Comment on turnover rates of investment professionals and other key staff. Provide the specific details, reasons and background to all departures and new hires during the last 3 years

Departures

There have been no departures to date.

Recent Additions

Distribution: Cordis has contracted our Director, Thomas Bignill, to be responsible for building out the distribution team and to drive marketing and distribution. Cordis intends to hire an additional Business Development Manager.

Marketing Coordinator: Melissa Vincent joined Cordis in August 2021 in this role.

Investment Committee: In 2021, Cordis strengthened both our Investment and Device specialties with the addition of James Cook and Tim Fortin

Equity Analyst: Cordis intends to hire a further equity analyst this year.

Turnover will be considered as part of the company's annual review conducted on the business generally and as part of periodic remuneration reviews.

11. Remuneration and Incentives for Key Staff

11.1. Explain how base salaries are determined (including frequency of review)

Base salaries are subject to specific assessment for each appointment based on industry comparisons and at more senior levels is also tied to the performance of Cordis. Salaries will be reviewed annually and assessed relative to the market, Fund performance KPIs and Cordis profitability. Cordis has successfully balanced salaries and equity ownership relative to industry norms. Cordis management and the Board are very experienced in balancing incentives, remuneration and retention of key employees.

11.2. Explain how bonuses are determined

Eligibility Criteria: All key staff and advisors are eligible for a share in the bonus pool.

Range of possible outcomes: The size of the bonus pool is currently determined to be dependent on any excess revenue from management fees after paying all operational expenses plus 40-60% of the performance fees subject to the discretion of the Board and potentially subject to a retention of up to 3 years. The balance of performance fees are intended for shareholders.

Vesting periods: Up to 3 years

Equity stakes: All key staff hold equity stakes in Cordis.

Lock in measures: Any equity for new employees would be subject to vesting

11.3. Detail how remuneration is aligned with Fund objectives and the interests of clients & shareholders

Cordis has a philosophy of providing all key staff members a salary or retainer, and an appropriate share of the performance fee and potentially equity in the management company.

At present key employees, the Directors and other members of the Investment Committee own direct equity in Cordis and/or have additional equity incentives related to either the performance of the Fund or fundraising for the Fund. This ensures alignment between the key personnel and the strategic objectives of Cordis, its shareholders and its investors. The Portfolio Manager is the second largest investor in the Fund.

As Cordis becomes profitable, it will be developing competitive remuneration strategies to recruit top personnel to expand the business.

12. Describe the Investment Manager's staff retention strategy; what measures exist to manage succession?

Cordis recognises that as a small company, it is important to have a cohesive team and staff who bring the right range of skills and whose values align with the corporate philosophy.

Staff development and retention strategies include investment in professional and skills development and, for appropriate staff members, access to experience and mentoring in a broader range of business areas and at a more senior level than may otherwise be available.

Remuneration will periodically be reviewed and retention strategies for selected staff will be based on equity or bonuses and career opportunity. Succession planning exists in identifying key staff and training them.

All key full time and part-time staff at start-up have significant equity interests in the success of the company.

The Cordis team includes a broad range of relevant investment, medical, device and operational skills to withstand any individual departure. In addition, the systems, policies and structure of Cordis ensures the continuity of the business in case of the departure of any key personnel.

Cordis does not believe that any current individual is irreplaceable, and the team depth will cover any such contingency.

Further details are contained in our Staff Training & Competency Policy.

13. How does the Investment Manager capture corporate knowledge, ensure that it is retained and not vested in individuals rather than the business?

The Company has a very experienced and strongly committed senior team which operates on a philosophy of open communication and decision making, with an awareness of the need for capturing and sharing corporate knowledge.

The primary measure to retain corporate knowledge is through share ownership by key staff. In addition, the company operates on the basis of strict documentation of procedures and policies.

The company has a significant depth of investment, medical device and operations knowledge in the five-member Board, Director of Operations, Equity Analyst, Medical Device Specialist and General Counsel. There is no one member of the management team or Board that is operation-critical to the on-going operation of the business.

Premises

14. Provide the locations of the Investment Manager's business premises.

Registered Office: Level 9, 66 Hunter Street, Sydney NSW 2000 (Offices of Core-Data)

Operating Office: Level 2, 75 Elizabeth Street, Sydney, NSW 2000

15. Describe the security measures the Investment Manager has in place to restrict access, to its offices, specific areas within those offices and other business related premises, to duly authorised members of staff.

The Managing Director and key staff work in the Operating Premises with secure key entry. As the Company exclusively provides fund management services and the Fund has a separate Custodian and Administrator, the Company has no need to restrict physical access between different teams or staff members within Cordis. Cordis works on a flexible open office arrangement with remote working capability for most staff.

Security measures are described in our IT Acceptable Use Policy.

Specifically, security measures are incorporated into the order management service to which Cordis subscribes to manage trading activities.

Cordis primarily uses Office 365 for company data storage with two factor authentication (2FA) protocols. Only the MD, the General Counsel (Compliance Officer) and one NED have access to administrator-level rights.

CONTROL & ASSURANCE

16. What is the legal structure of the Investment Manager (e.g. company, partnership)

Cordis is a company limited by shares and incorporated under the Corporations Act.

17. Who are the beneficial owners?

The shareholders are the Founders, Board and employees of the company, all involved in the business. They include;

Simon Ford, MD

Prof Michael Vallely, NED and Chairman of Medical Advisory Panel

Michael Cartmill, Medical Device Expert

Jacob Celermajer, Senior Equity Analyst

Megan Inwood, General Counsel

Stephen Roberts, Chairman of the Board

Andrew Inwood, NED

Donal O'Dwyer, NED and Chairman of Investment Committee

Rudi Engelbrecht, Director of Operations

Issen Property Ventures Pty Ltd

Each shareholder (and associates) hold less than 22% of the company.

18. Who within the Investment Manager is responsible for Legislative and Regulatory Compliance; how are obligations identified?

The Risk and Compliance Committee oversees our approach to risk management and compliance with our obligations.

The Cordis has a set of Risk and Compliance Policies as part of the Governance, Risk and Compliance Framework. All staff at Cordis have responsibilities assigned to them.

The General Counsel/Compliance Officer is responsible for identification of legislative and regulatory obligations and ensuring that there are appropriate processes for compliance. Obligations have been included in a professionally developed framework and are reviewed to incorporate all obligations arising under Fund documents including agreements with Fund RE, Product constitution and Information Memorandum, AFS licencing agreements.

The General Counsel/Compliance Officer is responsible for monitoring ASIC releases and accessing various industry and legal publications for the purpose of monitoring changes to the legal environment. The General Counsel/Compliance Officer ensures that the Company's Framework, Policies and compliance matrix are reviewed and updated appropriately.

The General Counsel/Compliance Officer is supported in their role by engaging with experts in legislative and regulatory compliance.

19. Provide evidence of the Investment Manager's compliance monitoring program and describe the process to produce and report (to senior management) on the program.

The company's Governance, Risk and Compliance Framework includes the Charter for the Risk and Compliance Committee and includes reporting obligations to the RCC.

The Compliance Officer has primary responsibility to monitor and report on compliance matters based on the policies documented.

20. Outline the reporting lines of the compliance function and explain how compliance is independent from investment and operational functions.

The Compliance Officer reports to both the Managing Director and also directly to the Board of Directors.

The investment and operational functions report to the Managing Director.

21. Describe the Investment Manager's compliance training program for staff, including how the Investment Manager monitors the technical competence of persons with a regulatory status.

The initial compliance training occurs within the induction process. This has been described above (in question 8 on page 11). Additional training in compliance matters occurs at least annually for all staff.

Training in respect of the product and asset management strategies and processes is arranged by the Portfolio Manager (or Managing Director) and recorded by the Compliance Officer. Any changes to the investment strategy, the relevant laws or the internal policies are communicated as they occur and any material changes are subject to special training arrangements.

Training may also be required by and co-ordinated with the AFS licence provider and is subject to their direction.

22. Provide details of any pending or historical legal activity or regulatory actions related to the Investment Manager, staff (including Board Members) or related entities.

Nil

23. Outline how the Investment Manager monitors and records complaints, breaches and other issues. Explain how these are escalated through the business and the procedures in place to resolve issues identified.

Incidents & Breaches are managed in accordance with our Incidents & Breaches Policy & Process, and Complaints are managed in accordance Complaints Policy.

Our Complaints Policy requires that complaints be recorded in the Cordis Complaints Register. In addition, complaints must also be reported to the AFS licence holder in accordance with the agreement with them and reported to the RE in accordance with procedures agreed with the RE.

All Staff are required to be alert to potential Incidents and to report these to the Compliance Officer in accordance with the Incidents & Breaches Policy & Process. The Compliance Officer manages Incidents & Breaches through the process described in the policy so that appropriate remedies and preventative measures are implemented. The RCC approves the policy and oversees its operation through periodic reports. The Compliance Officer and RCC have ultimate responsibility to ensure that Complaints, Incidents and Breaches are addressed and rectified appropriately.

24. What measures does the Investment Manager have in place to manage "insider information" and the misuse of non-public information?

Cordis has a Code of Conduct along with an Inside Information Policy, Personal Trading Policy, Trading & Investment Activities Policy and Conflicts Policy and maintains a Conflicts Register, each of which are relevant to manage "insider information" and the misuse of non-public information.

The Compliance Officer also provides induction and periodic training to all staff, directors and members of the Medical Advisory Panel.

25. Describe how corporate actions are handled

The Portfolio Manager is responsible for evaluating and actioning corporate actions under the agreed IC strategy.

26. What role does Legal and Regulatory Compliance have with regard to reviewing and assessing organisational Policies and Procedures?

The General Counsel also has the role of Compliance Officer. The Company has also engaged the services of a specialist professional compliance firm to assist with development of policies and to be engaged in the review of policies and training of staff and Directors.

27. Provide detail of the Investment Manager's internal audit staffing and explain how internal audit is independent from the business.

Cordis does not have an internal audit function.

An annual audit of the Fund will be conducted by an external auditor. The terms and extent of the audit will be finalised in consultation with the RE.

28. Describe the Investment Manager's external audit programs; how and why were the auditor selected?

The Fund will be audited by an external auditor and the auditors and the scope of the audit will be agreed between Cordis and the RE. Cordis has engaged in discussions with and expects to confirm EY as fund auditor.

It is anticipated any audit would be conducted as part of an audit of the Fund as a whole and the auditor appointed would be a major accounting firm operating in the Australian market.

As a privately held company, the financial records of Cordis are not subject to an audit.

Whether an external audit of Cordis' internal controls is required is a matter to be discussed with the RE. To date, no audits have occurred.

RISK MANAGEMENT

29. Who within the Investment Manager is responsible for monitoring enterprise and operational risk and where does the function sit within the Investment Manager?

Enterprise and operational risk have been addressed in internal policies and procedures developed by Cordis.

The Cordis Governance, Risk and Compliance Framework includes a Risk Appetite Statement and Risk Management Strategy & Policy.

Ultimately responsibility sits with the RCC. The policies will be reviewed by the Compliance Officer and independent expert consultant periodically and a report issued to the RCC. Under direction from the RCC, the Cordis Policies and Procedures will be edited to reflect any recommendations made and accepted by the RCC.

The risk function sits with the RCC and the Managing Director and the Compliance Officer.

30. Describe the methodology the Investment Manager employs to identify, capture, assess, and monitor risks.

Cordis' approach to Risk Management is contained within its Risk Management Statement Strategy & Policy, which includes:

Identify the Risk

Risks may be identified through:

- Periodic risk review workshops.
- The occurrence of Incidents and Breaches, complaints and write-offs.
- Audit findings and recommendations.
- Observing events within the industry or that occur at peers.
- Changes to our business model or the environment in which we operate.

Assign Accountability

Once a Risk is identified, the appropriate Risk Owner must be determined through consultation between the Compliance Officer and the relevant business area.

Analyse the Risk

The Risk Owner in conjunction with the Compliance Officer must analyse the Risk to fully understand and document the potential causes of the Risk as well as the consequences or impact that may result if the Risk occurs. Appropriate Controls must be identified that are relevant to reduce the level of risk posed. A risk is typically best managed through a “set” of Controls, rather than a single Control, and ideally these should be a mixture of Controls that prevent the Risk occurring as well as those that detect if the Risk has occurred.

Evaluate the Risk

The Risk Owner is then accountable for self-assessing their Risk on a periodic basis (currently at least once annually), and through that process considering whether adequate Controls are operating effectively, or if additional Controls are required to bring the Risk to within Appetite.

Risk Treatment

Whilst putting in place Controls to mitigate Risks is the primary way in which we treat Risks, we do also treat Risks through the development of Action Plans where a risk is rated residually as an Extreme or High Risk. Similarly, if a Control is identified by a Control Owner or Risk Owner as being ineffective, an Action Plan must be developed to return the Control to being effective.

Monitoring and Review

Risk Owners must continually consider whether their most recent risk ratings remain current, and whether changes to the business, the external environment or the occurrence of events such as Incidents necessitates a re-rating of the Risk.

31. Please provide a breakdown of the Fund’s liquidity risk (i.e. how many days would it take to liquidate)

All investments are publicly listed and until the Fund reaches potential capacity (estimated to no be earlier than \$1.5B, we expect to be able to liquidate in one day or a few days at most, subject to any unexpected market disruption event or exchange closing event.

32. Describe the Investment Manager risk management framework which identifies and assesses market volatility and liquidity risks?

The documents identified above as part of the compliance policies applying to risk-related activities include a Trading and Investment Activities Policy. This includes an Investment Parameters Policy, Allocations Policy, Counterparty Risk Policy, Liquidity Policy, Market Manipulation and Market Abuse Policies.

We also note that tools to assist with fund volatility and liquidity will also be incorporated into Portfolio reporting tools utilised by the Manager and also by the Administrator.

33. What stress testing and scenario analysis of portfolio market and liquidity risk is undertaken?

This is outlined in the Risk Management Strategy & Policy referred to above.

We also note that tools to assist with stress testing and scenario analysis will be incorporated into portfolio reporting tools utilised by the Manager and also separately by the Administrator. See below.

34. What risk reporting is provided to senior management with respect to stress, scenario testing and liquidity risks to the proposed Fund?

The Portfolio Manager is engaged in the testing and reporting, which is assessed by the Portfolio Management Team.

Cordis has engaged FactSet as a research and also software provider which provides portfolio management and analytic tools, and Mainstream, as Administrator. Both of these firms can provide portfolio stress testing tools and Cordis is liaising with Mainstream in relation to processes for the Fund for pre-trade and post-trade compliance checks.

Our primary risk model comes from the external FactSet product suite. Cordis gains insight into risks beyond volatility and tracking error with FactSet's event risk analysis, which integrates market and security data to allow customized backtesting and stress testing of the portfolio. This allows Cordis to identify vulnerabilities in the Fund and assess them under a broad array of market environments and historical scenarios. FactSet's tool provides control over factor, direction, magnitude, and correlation assumptions, to allow Cordis to control and analyse the risks the manager sees as most prevalent at any given time.

The Board Investment Committee receives periodic reports summarising the testing and outcomes. Refer to the Risk Management Strategy & Policy and Trading & Investment Activities Policy for further details.

35. Does the Investment Manager's governing body (for example: Investment Committee; Board Risk Committee or similar) consider the appropriateness (to market and business conditions) of the stress testing and scenario testing?

The Investment Committee has responsibility to consider and review the appropriateness of the stress testing, scenario testing and liquidity risk monitoring.

This includes consideration of the appropriateness in light of market and business conditions.

This assessment is made at least annually.

36. What are the top 5 risks to the Investment Manager which have been identified

- Strategic risk: Inability to acquire and retain clients – Investment offering not well-received by the market
- Investment performance: Prolonged underperformance – as yet unproven investment strategic and track record
- Outsourcing & Service Providers: Material failure of service by outsourced providers
- Key-man risk: Inability to retain key talent within the fund
- Legal, Governance & Regulatory Compliance: Withdrawal of authorisation under arrangement with the AFS licence provider (either by their action, or by ASIC taking regulatory action against the AFS licence provider)

37. Describe the Investment Manager's methodology for measuring and monitoring counterparty exposures and creditworthiness of counterparties.

The fund intends to have no counter party risk as all assets are listed investments.

38. What risk reporting is provided to senior management with respect to stress testing the Fund?

This is specified in the Trading & Investment Activities Policy included in the Governance, Risk and Compliance Framework.

Senior management will manage the stress testing and report to the IC in accordance with policies.

INSURANCE

39. What insurance cover does the Investment Manager have in place?

Cordis has engaged its Insurance Broker, A.J. Gallagher, to arrange appropriate Professional Indemnity Insurance, Directors' and Officers' and Crime Insurance coverage and has received a viable quote from Liberty Insurance that Cordis intends to utilise from the date of funds first being deposited to the Fund.

40. How long has the current insurance underwriter been in place and what review process does the Investment Manager follow with respect to insurance?

Cordis has obtained insurance from the date of funds first being deposited to the Fund account and will review the appropriateness of the cover annually with its Insurance Brokers.

41. Describe the Investment Manager's Business Continuity (BC) & Disaster Recovery (DR) plans and detail how these are communicated to staff.

Our technology is all on-line and "in the cloud" such that working offsite is relatively easy.

We note that the primary BC and DR risks are with the Administrator and Custodian, Mainstream, which we have confirmed that they have their own extensive BC and DR plans.

Our Business Continuity Policy forms part of our GRC Framework. The significant scenarios being accommodated for the company are a loss of power; a loss of IT services; and sudden loss of a group of key staff members.

In respect of the management of power and IT related disaster scenarios, we will be engaging with the RE and Administrator to propose arrangements for co-ordination of business continuity activity for the Fund.

INFORMATION TECHNOLOGY

42. Who is responsible for IT support? Describe the services provided.

We have an IT Acceptable Use Policy as part of our GRC Framework.

For the operation of the Fund, retention of Fund records and client reporting, the company relies principally on the proven technology of the Administrator and Custodian. For the purposes of dealings with brokers and for portfolio modelling and management, Cordis utilises software and tools incorporated into technology licenced from brokers and research providers and other third parties.

For the company's internal use, Cordis relies on Microsoft Office365 and all data is stored on Office cloud One Drive with two factor authentication (2FA) required for access.

43. Provide the Investment Manager's annual IT budget expressed in both dollar terms and as a percentage of revenue.

As indicated above, Cordis does not own or develop any software. Our IT requirements are largely addressed on Office 365. All members of Cordis Board and management are included on Office Business Premium at a minimal cost. Cordis has minimal other technology costs.

42. Describe the Investment Manager's IT Strategy.

Cordis will not be developing its own IT systems but will instead insource the best of breed providers. Cordis will base its internal operating systems on the Microsoft Azure platform and have cloud-based access to the full suite of Microsoft Services.

All Cordis internal data is all stored on Office 365 One Drive. Microsoft has extensive IT support and protection and are proven to be online and available between 99% and 99.99%

of the time. Likewise, Cordis can reasonably expect Office 365 to be available on any computer through the cloud 99.99% of the time. Cordis does not otherwise have any significant IT dependence.

43. Describe the process flows between internal systems (portfolio management, order management, transaction execution, accounting etc.) and external third parties (broker/dealers, counterparties, fund administrator, custodians etc.), for each asset class transacted.

The process flows are documented in the Cordis Investment Operation Procedures document.

Cordis has agreed with the Administrator, and brokers, that orders to be executed are transmitted on a Mainstream Excel template to brokers and reported back to both Mainstream and the Manager by the same. This process is widely used in the market and by clients of Mainstream, which has provided the template.

Orders are conveyed to brokers, on the Mainstream template, by email from a member of the Portfolio Management Team, with the approval of the Portfolio Manager (and in his absence, another member of the Investment Committee). The broker's executions are returned by email to both the Manager and Mainstream for reconciliation to both the Portfolio and the Administrator as Custodian.

AUD cash is held by the Administrator as Custodian in an account at National Australia Bank.

Any Foreign Exchange transactions to convert the Fund's AUD cash to the required investment currency (primarily USD) is implemented as required through the sub-Custodian, J.P. Morgan. In future the Manager may make arrangements, in conjunction with the Administrator, to seek, if necessary, more competitive foreign exchange execution.

Assets are held by the Sub-Custodian and NAV reported by the Administrator.

The Cordis Investment Operation Procedures provide more granular detail on our trading processes, which at a high level are described in our Trading & Investment Activities Policy as follows:

- The Trader initiates a trade.
- The Portfolio Manager conducts pre-trade checks using the Investment Restrictions and other rules;
- If the trade successfully passes the pre-trade checks, it provided to the Broker? for execution;
- The Trader in conjunction with the Portfolio Manager determines the best execution method (price, counterparty, broker, market etc);
- The Trader places the order and monitors it through to successful conclusion including confirming the trade with the counterparty;
- The Portfolio Manager conducts an overall trade reconciliation at the end of the trading day; and
- Prior to the commencement of next trading day, the Portfolio Manager reviews the portfolio to consider any changes to composition and weighting that may need to be made.

44. Indicate the level of straight through (electronic) processing (STeP rate) between these systems and external third parties.

The systems between Cordis and third-party brokers and trading intermediaries are intended to be 100% electronic, meaning by email instruction on the Administrator's preferred Excel template, as opposed to any verbal instructions which will not be allowed.

While the use of Excel spreadsheet for conveying orders is not a STeP process, it is considered by the Administrator, the Manager and the brokers to be acceptable and is widely used by smaller fund managers in Australia, including clients of the Administrator.

The systems between Cordis and the Administrator and any of its related party service providers are 100% electronic.

Given the intended low turnover of the portfolio, the use of manual steps and checks in the process is anticipated to be adequately and appropriately resourced for this stage of the Fund's operation. As the Fund grows, Cordis will continue to evaluate the appropriate time to invest in more automated and straight-through processing.

45. State the general hardware within each data centre (routers/switches, firewalls, uninterrupted power supply etc.).

The primary source of records for the Fund are maintained by the Administrator and Custodian.

Cordis is connected to each service provider by secure, cloud-based technology that is available on any computer and Cordis believes it can rely on the Administrator and Custodian for the service reliability of their systems. Cordis is not otherwise reliant on any data centre, IT or power supply.

System Security & Data Protection

46. Provide details of the back-up process for data and the frequency with which this occurs.

Cordis relies on the Administrator and Custodian for the back-up of portfolio data and records.

Cordis relies on FactSet for back up of its Portfolio Construction and Analytic tools. FactSet is a widely used global asset management service with industry-standard data back-up.

Cordis relies on Microsoft Office 365 for the storage of internal company data via secure cloud-based technology, available through any computer.

Cordis is not otherwise reliant on any data back-up and believes it can rely on the above sources for data security.

47. Describe the physical and virtual security protocols the Investment Manager has in place to protect hardware and data accessibility.

There is no need for internal firewalls or separation.

Cordis utilises computers that have secure passwords. Cordis data is stored on Microsoft Office 365, which also provides all email access for Cordis Board and management. This access is protected by two factor authentication (2FA).

Cordis in turn relies on the Administrator and Custodian for portfolio implementation and data accessibility, via the above secure computer access.

48. Provide user login and password protocols (password length, complexity and rotation) for staff accessing systems both within the office and remotely.

Under our IT Acceptable Use Policy, we require our Board and management to use "Strong" passwords and two factor authentication (2FA) to access our systems and database and for access to the OMS, Administrator, Custodian and Morningstar Direct. These passwords must be changed at least quarterly.

The MD is the Administrator of data access. The Head of Compliance and one NED also have access to the Administrator, for compliance or backup recovery.

Change Management

49. Who within the Investment Manager is responsible for authorising change?

The Managing Director may periodically consult with IT experts for review of current IT requirements of the company and in relation to security measures.

An expert consultant may also be engaged in the event there was a need for management in relation to proposals for IT changes.

Cordis has no plans to own or develop tailored IT systems for the Fund or business and does not engage in any system development.

50. Explain the Investment Manager's process for application/system change management and deployment (including testing and release).

Cordis is not engaged in developing any unique technology. It will rely on the proven technology of Microsoft Office and the key service providers.

Significant changes to technology arrangements or requirements or the adoption of new applications will be managed by Cordis in co-ordination with the supplier of the relevant application.

If deemed appropriate by the Managing Director, an expert consultant may be engaged for the purpose.

A project plan will be required which will ensure that appropriate expertise is engaged and that a testing scenario run in introducing new software and IT.

OPERATIONS

Investment Implementation & Compliance: Transaction Execution

51. Briefly describe any segregation between the Fund (portfolio) management (idea creation, determination to buy or sell an asset) and the implementation (actually executing the transaction).

The higher-level Investment Strategy is approved by the Board Investment Committee. The portfolio decisions made by the Portfolio Management Team, and then the implementation is achieved through trading and instructions by Cordis staff. There is an intentional overlap in personnel involved in these various forums.

The portfolio design and structure are managed using FactSet data.

Implementation of orders approved by the Portfolio Management Team requires dual approval of two members of the team and is implemented by sending an Excel spreadsheet via email to brokers, in the form of a standard template.

Broker executions will be reported back to Cordis by email on the Administrator's template to both the Manager and the Administrator for reconciliation and transfer and update with the Custodian.

The book of record is held by the Custodian and monitored on Business Days by the Portfolio Management Team. It is accessed and reported at least monthly by members of the Portfolio Management Team and reviewed in detail by the Investment Management Committee on a quarterly basis at a formal Investment Management Committee meeting and reported to investors on a quarterly basis.

52. Summarise the Investment Manager's best execution policy and outline how this works in practice; how it is monitored?

The portfolio manager sends orders via email to one of at least two brokers. The PM reviews the veracity and cost of broker executions, relative to the market, particularly for bid/ask

spreads relative to the reported market, on at least a quarterly basis. Cordis is running a long-only portfolio of listed stocks, with expected low turnover. All orders are expected to be small relative to the daily traded volumes of each stock. Cordis will take all reasonable steps to achieve the best execution, with consideration given not only to price, but also other factors such as the speed of execution, settlement timing, order volume and the likelihood of successful and complete execution, the nature of the order and the venues in which the order can be transacted.

Investment Implementation & Compliance: Pre-Transaction Controls

53. Outline how the Investment Manager ensures portfolios have sufficient cash and securities to prevent transaction failure.

This process is set-out in the Cordis Investment Operation Procedures document:

The Administrator for the Fund sends Cordis each day a cash flow report with expected deposits and withdrawals from each bank account for the Fund. The PM must take the expected cash flows into account in assessing any pre-trade or post-trade alerts and in the ongoing monitoring of the overall portfolio.

In order to minimise the drag that cash can have on performance, cash may be invested into ETFs relevant to the medical devices sector, however, as noted in the Investment Restrictions for the Fund, the total of the allocation to Cash and ETF cannot exceed 10% of the NAV of the Fund.

54. Who is authorised to perform cash movements at the Firm level ?

Managing Director, and one non-executive Director

55. What pre-transaction modelling is undertaken to ensure proposed transactions do not breach a portfolio mandate.

Any proposed trades must be run through the pre-trade compliance function. If the proposed trade passes this check, then it can proceed to being executed. Overrides can be done by the PM but only with an appropriate comment detailing why the override should occur

INVESTMENT IMPLEMENTATION & COMPLIANCE: TRANSACTION CONTROLS

56. Describe how transaction orders are communicated by portfolio management staff for trading.

The systems between Cordis and third-party brokers and trading intermediaries are intended to be 100% electronic, meaning by email instruction on the Administrator's preferred Excel template, as opposed to any verbal instructions which will not be allowed.

While the use of Excel spreadsheet for conveying orders is not a STeP process, it is considered by the Administrator, the Manager and the brokers to be acceptable and is widely used by smaller fund managers in Australia, including clients of the Administrator.

The systems between Cordis and the Administrator and any of its related party service providers are 100% electronic.

Given the expected low turnover of the portfolio, the use of manual steps and checks in the process is anticipated to be adequately and appropriately resourced at this stage of the Fund's operation. As the Fund grows, Cordis will continue to evaluate the appropriate time to invest in more automated and straight-through processing.

57. Describe how transaction orders are communicated to brokers and counterparties, detailing the communication method by instrument type.

Trading for listed securities occurs only through agreed third-party brokers.

Broker agreements (where possible) and Internal processes require that trading instructions be approved by a designated second Cordis member of the Portfolio Management Team.

The processes are further set-out in the Cordis Investment Operation Procedures document.

58. Provide the Investment Manager's authorised trader list, specifying any limits that apply to authorised individuals. This includes any staff authorised to commit the Investment Manager to a purchase or sale of assets.

The Portfolio Manager is the only person who can approve Staff to trade on behalf of our client portfolios. No other members of Staff may trade, unless authorised by the Portfolio Manager.

An authorisation of a trader is documented in the form J.5 Form 5 – Trader Authorisation, which may be sent to counterparties, brokers and investment banks to provide evidence of the authorisation and any limits that apply.

The steps in our trade process are:

- The Trader initiates a trade.
- The Portfolio Manager conducts pre-trade checks using the Investment Restrictions and other rules;
- If the trade successfully passes the pre-trade checks, it provided to the Broker? for execution;
- The Trader in conjunction with the Portfolio Manager determines the best execution method (price, counterparty, broker, market etc);
- The Trader places the order and monitors it through to successful conclusion including confirming the trade with the counterparty;
- The Portfolio Manager conducts an overall trade reconciliation at the end of the trading day; and
- Prior to the commencement of next trading day, the Portfolio Manager reviews the portfolio to consider any changes to composition and weighting that may need to be made.

59. Describe the process for identifying transaction errors and explain how these are addressed, escalated, and resolved.

This is addressed in our Trading & Investment Activities Policy (section E.3.7).

Any transaction error is expected to be identified by a member of the Portfolio Management Team. The confirmation of all trades from the broker (or equivalent) is reconciled by the Cordis trader.

Post trade portfolio monitoring by the Manager may also result in the detection of errors. Further, the Administrator provides daily post-trade reporting which would identify errors that were of such materiality to impact mandate compliance, liquidity or other portfolio constraints,

60. Outline the process for transaction amendments/cancellation and any restrictions in place.

Most transaction instructions are expected to be at market and hence not likely to be amended or cancelled.

However, where the Portfolio Management Team explicitly request a limit order, the transaction will be monitored and reviewed daily until either withdrawn, filled or reviewed for a price change, by the Team that imposed the limit.

Investment Implementation & Compliance: Mandate Compliance

61. Who is responsible for overseeing Mandate Compliance?

Each day a post-trade compliance report is received from the Administrator, with alerts automatically generated and provided to the Portfolio Manager or their delegate. Any alerts must be investigated promptly, and the portfolio brought back into compliance if required. Consideration must be given as to whether any alerts generated indicate that an Incident should be reported under the Incidents & Breaches Policy & Process.

Compliance as against the mandate is reported through to the Investment Committee periodically.

62. Describe the Investment Manager's mandate compliance process. Include responsibility for establishing guidelines, recording guidelines and testing compliance.

At present we have only one Fund for which we are the appointed Investment Manager and the Investment Restrictions are those described in the PDS. If there were to be an adjustment to any restrictions, these would need to be approved by the Responsible Entity and changes updated to our Investment Restrictions checking following the process described below. Similarly, if we were to gain a new mandate client with its own IMA and own set of restrictions, whilst these may be similar to the Fund, they could differ and would need to be implemented through a similar pre-trade and post-trade checking system.

General process for agreeing initial restrictions and any changes, and implementing them:

- Investment Restrictions are discussed and agreed with each client and documented in their IMA;
- All proposed Investment Restrictions must be reviewed by the Portfolio Manager and provided to the Investment Committee for approval;
- Once approved by the Investment Committee and agreed with the client, the Investment Restrictions must be entered into the Excel Spreadsheet, so that the ongoing review of the portfolio and any proposed trades is documented;
- Upon entering the Investment Restrictions, another member of the Investment Team must review the setup of the rules and confirm they have been entered correctly; and

63. How are mandate rules enforced, is this an automated or manual process?

- Any proposed trades must be run through the pre-trade compliance function. If the proposed trade passes this check, then it can proceed to being executed. Overrides can be done by the PM but only with an appropriate comment detailing why the override should occur
- Each day a post-trade compliance report is received from the Administrator, with alerts automatically generated and provided to the Portfolio Manager or their delegate. Any alerts must be investigated promptly, and the portfolio brought back into compliance if required. Consideration must be given as to whether any alerts generated indicate that an Incident should be reported under the Incidents & Breaches Policy & Process.

64. How does the Investment Manager manage mandate rules that cannot be automated?

There are no mandate rules that have not been automated in the post-trade reporting provided by the Administrator.

65. Describe the Investment Managers notification process to investors where a mandate breach (soft or hard) occurs.

Our Trading & Investment Activities Policy and Incidents & Breaches Policy & Process detail the process for investigating and resolving exceptions to mandate limits, including

considering client (and other stakeholder) notification requirements. These will include notification to the RE, Administrator, AFSL holder as relevant.

Notification to investors will be as agreed with the RE.

66. Describe the Investment Manager's remediation process. Who has the authority to reverse a breach position?

Cordis Managing Director has authority to reverse an investment position which results in a breach of a Fund Mandate.

Cordis has a policy of remediating investors in the Fund in the event that they suffer financial loss due to a breach of a Fund Mandate to the extent the loss was caused by Cordis.

The position is reflected in our Incidents & Breaches Policy & Process.

Investment Administration: Book of Record

67. Outline the Investment Manager's matching and confirmation process for transactions. How are these communicated to the holder of the book of record?

Cordis execution orders are conveyed to the broker by email of an Excel spreadsheet, provided by the Administrator and agreed by the broker. Executions will be reported back by email on the same template to both the Administrator, which will reconcile to the book of record with the Custodian, sub-Custodian, and to Cordis Portfolio Management Team to reconcile with their portfolio construction and analytics on FactSet.

68. Describe the Investment Manager's controls for income and non-investment cash flows.

Fund income and any non-investment cash flows are managed through bank accounts controlled and managed by the Administrator and Custodian with Cordis able to provide instructions (in accordance with the mandate limits) to the Administrator and Custodian to move cash as appropriate.

69. Outline the Investment Manager's corporate event (action) management process.

Cordis intends to review its Proxy Voting Policy in the future as and when the extent of fund holdings might deliver any significant voting power and shareholder value. Until our Fund is of a significant size (estimated to be approximately \$1 billion), none of our positions in target companies will be of any meaningful size and so until that time we will likely abstain from all proxy voting.

Investment Administration: Performance & Attribution

70. What stress testing does the Investment Manager undertake; with what frequency and to what purpose?

Cordis has engaged and can utilise FactSet both for internal and regular stress testing and the Administrator's software for independent portfolio stress testing.

Periodic stress testing will be provided to the Investment Committee.

71. What performance reporting does the Investment Manager provide? To what extent are contribution and attribution accounted for and to what level of granularity?

The Fund portfolio is managed as a benchmark unaware strategy, notwithstanding that the S&P Global 1200 Healthcare index in AUD will be used to measure performance fees. Performance reporting will be disclosed to investors and stakeholders in the monthly update by identifying companies that are contributors to and detractors from the monthly return, and commentary may be included on the sector (Healthcare) and subsector (Medical Devices) monthly returns. Where relevant FX impacts will be noted, given the Fund is unhedged.

Performance data, including contribution and attribution, will be extracted by the Administrator from the Administrator's records, and provided independently by the Administrator to Cordis for review and commentary to be added before reporting to investors.

For clarity, Cordis does not intend to hedge FX. Underlying performance will be reported and measured in AUD against the S&P Global 1200 Healthcare Index as a notional benchmark.

72. What transparency does the Investment Manager provide below direct investment to the performance of underlying assets?

The fund will be invested directly in listed securities and cash.

Performance of the top ten listed share holdings will be disclosed.

Investment Administration: Derivatives & Collateral Management

73. Detail the Investment Managers use of derivatives, including what derivatives are transacted and how.

The Fund is predominantly invested in globally listed stocks. Up to 10% of NAV can be held in cash, predominantly in USD.

The Fund is not hedged for FX, Interest Rate or any other factor.

74. Explain how the Investment Manager ensures that collateral is secure, accessible and has clearly defined ownership rights.

Cordis does not expect to have any significant counterparty risk or collateral.

75. Describe the Investment Manager's selection and monitoring processes for third party relationships, outsourced service providers and significant vendors.

Cordis engages only with established professional and reputable third parties. The level of due diligence and financial assessment undertaken will depend on the significance and risk factors in the role being performed and must be in accordance with our Outsourcing Policy in our GRC Framework.

Most service providers to the Fund are appointed in consultation with the RE.

76. Does the Investment Manager transact with any affiliated parties, and, what processes exist to oversee these trading activities.

Cordis has no associations with entities involved in trading activities.

77. Provide details of the external audit of internal controls of outsourced service providers to the Fund for business-critical services. Does the Investment Manager review the reports?

Cordis does not anticipate appointing business critical outsourced service providers.

The appointment of brokers, and any future OMS provider, for the Fund is done in consultation with the RE.

Other service providers to Cordis or the Fund appointed by Cordis include research companies.

78. Where mission critical services are outsourced, describe the measure taken by the Investment Manager to ensure the Investment Manager's outsourced service provider is able to provide uninterrupted services.

Potential mission-critical services contracted by the Company would be stockbrokers, FactSet for reporting and Microsoft Office 365 for internal data management.

Cordis will maintain a minimum of two reputable global stockbrokers and will do so in consultation with the RE.

Cordis has engaged FactSet for both independent market research and for analytic software and technology. In the unlikely event of FactSet not being available, Cordis has at least two further sources of broker research and publicly available market data.

Cordis relies on Microsoft Office 365 for the storage of data in the cloud and the use of Excel tools in particular for portfolio analytics. In the event Microsoft has technical issues, Cordis expects this would cause a widespread impact across many participants in the financial system, and so Cordis would not be at a particular disadvantage.

79. Who are the Fund's principal stockbrokers .

Cordis has created a panel of leading global investment banks/brokers to access analyst research, macroeconomic strategies including the following:

- Piper Sandler
- BTIG
- Citi

Cordis employs the following other research providers:

- Morningstar
- FactSet
- Numerous medical journals and device reports
 - TCTMD – <https://www.tctmd.com>
 - Med Device online - <https://www.meddeviceonline.com>
 - Journal for Vascular Surgery - <https://www.jvascsurg.org>
 - American Heart Association - Circulation - <https://www.ahajournals.org/journal/circ>
 - TCTMD - <https://www.tctmd.com>
 - Med Device online - <https://www.meddeviceonline.com>
 - Journal for Vascular Surgery - <https://www.jvascsurg.org>
 - American Heart Association - Circulation - <https://www.ahajournals.org/journal/circ>
 - Radcliffe Vascular - <https://www.radcliffevascular.com>
 - Radcliffe Cardiac - <https://www.radcliffecardiology.com>
 - Fierce Biotech - <https://www.fiercebiotech.com/medtech>
 - Mass Device - <https://www.massdevice.com/>
 - Medical Device Network - <https://www.medicaldevice-network.com/>
 - Medtech Dive
 - Cardiovascular Research Foundation

Google alerts are comprehensively searched weekly by the Cordis research intern.

80. Please provide a list of company policies and related documents.

- Delegations Policy
- Governing Documents Policy
- Conflicts Policy
- Code of Conduct
- Risk Appetite Statement
- Risk Management Strategy & Policy
- Risk Register
- Compliance Calendar

- Incidents & Breaches Policy & Process
- Personal Trading Policy
- Inside Information Policy
- Trading & Investment Activities Policy (covering matters including Investment Restrictions, Best Execution, Allocations, Counterparty Risk, Liquidity, Market Manipulation and Market Abuse), along with the Cordis Investment Operation Procedures
- Derivative Risk Policy
- Proxy Voting Policy
- Responsible Investing Policy
- Promotional Material Policy
- Privacy Policy
- Complaints Policy
- Sanctions Policy
- AML/CTF Policy and AML/CTF Program
- Anti-Bribery & Corruption (ABC) Policy
- Fraud Policy
- HR Policy
- Employee Due Diligence Policy & Program
- Regulated Persons Policy
- Gifts, Benefits & Entertainment Policy
- Staff Training & Competency Policy
- Work Health & Safety Policy
- IT Acceptable Use Policy
- Business Continuity Policy
- Outsourcing Policy
- Information Retention Policy

APPENDICES

APPENDIX 1 VALUATION METHODOLOGY

Cordis Valuation Methodology

Investment Team

Updated: September 2021

The Cordis Portfolio is generated using 3 key steps

The Cordis stock valuation methodology has been designed as a key part of Cordis AM's overall investment process:

1. Top-Down Analysis – idea generation and Investible Universe selection
2. Bottom-Up Analysis – process to move a stock from the Investible Universe into the portfolio
3. Portfolio Construction – allocation within the portfolio

This document sets out Cordis' approach to Step 2, in particular the valuation methods employed by Cordis.

Top-Down Analysis and Portfolio Construction and rebalancing are the subjects of separate documents.

Top Down – idea generation and Investible Universe selection

Cordis narrows the broad stock market to an Investible Universe of stocks which target specific critical chronic diseases, and the medical devices that treat them. This sector focussed top-down analysis includes input from our Device Experts and the Medical Advisory Panel to target devices treating the most critical chronic conditions and especially new paradigm shifting technologies in development. We search for devices treating growing patient populations, and target especially those chronic diseases with a significant cost burden to the healthcare system. To be included companies must also have four key characteristics:

- Public listing on a global stock exchange,
- Device-based diagnosis or treatment of critical chronic disease,
- Regulatory approval by a recognised and sanctioned body (e.g., the US FDA),
- Revenue generating.

Bottom Up – process to move a stock from the Investible Universe into the portfolio

Cordis views each investment via two separate return generating opportunities. The first is investing in a business increasing in value over time and the second is investing in a company trading at a discount to what we assess to be fair value. Through this approach, we strive to own high quality businesses at reasonable prices.

Cordis invests with a long-term view in companies that, because of their position as essential medical device suppliers are able to grow throughout almost all stages of any business cycle. We focus on opportunities for a company to structurally and fundamentally grow, aligning the Fund with long term structural shifts in critical medical care. To evaluate whether a company will be able to grow in value over the long term, the Fund tests each company with the Cordis Quality Filters. The five filters used are each heavily interlinked and include device technology, market opportunity, pricing power, revenue growth (and a path to profitability) and management quality.

Cordis Quality Filters

Each of the five quality filters are scored and totalled to achieve a fundamental rating out of 19, which is then used to rank the stocks in the Investable Universe. The device technology and management quality filters are scored out of 5, and the market opportunity, pricing power and revenue growth filters are scored out of 3. Each score is subjective but guided by soft rules around what we view as key statistics for each category (outlined in secondary bullet points).

- **Device technology:** We search for devices that have proven to be effective and safe through clinical trials, are known as being best-in-class and are provided to the health market via distribution models that provide significant value to their users (doctors), patients and the healthcare system. It is also very important to evaluate the extent to which the company's technology, products or services are disruptive, differentiated, or proprietary. Data sources include Medical Advisory Panel Input, R&D budgets, ongoing clinical studies and patent quality.
- **Market opportunity:** We evaluate the relative total addressable market, total penetration within that market and an individual company's market share. Due to significant demographic tailwinds, many addressable markets are increasing in size as populations age and patients demand higher quality treatment. As penetration rates increase due to this demand, it presents opportunity for companies to grow organically in an expanding total addressable market. The best performing companies are winning market share in a growing and underpenetrated market.
- **Pricing power:** We assess the ability of a company to set market prices, which is typically high in the non-negotiable high end medical devices sector due to the critical nature of treatment. A company's ability to maintain prices at a premium to competitors reinforces their device technology advantages. It also allows a company to maintain strong margin profiles and higher R&D investment.
- **Revenue growth (and a path to profitability):** We consider the top-line growth of a company as an important factor, particularly in the early-stage companies which are in the reinvestment stage of their life cycle. High top-line growth is a key indicator of device adoption rates, and growth above overall market growth indicates taking market share. We are also interested in management's planned path to turn strong top-line growth into profitability and the timeline expected to get there. It is important to have management teams with an ability to articulate how a good idea turns into net profit and free cash flow.
- **Management quality:** We appraise the ability of management to drive the technology, market positioning, margin profiles and top-line growth. We also value management teams that have significant share ownership and/or appropriate long-term incentive plans to align their interest with shareholders.

Cordis Quality Filter Metrics

Quality Filter	Range	Metrics assessed
Device Technology	1 - 5	R&D budget (total and as a percentage of sales), ongoing clinical studies, quantity & quality of patents, quantity & quality of pipeline products
Market Opportunity	1 - 3	Total addressable market size, growth profile and position within the market
Pricing Power	1 - 3	Elasticity of demand, ability to set price
Revenue Growth	1 - 3	Top-line revenue growth and bottom-line earnings growth, and rates of change
Management quality	1 - 5	Track record, capital structure, capital allocation, performance incentives, and alignment with shareholders

This scorecard ultimately provides a quantitative means to compare qualitative factors and contrast each investment target on a relative basis. The quality filters are subjective but are supported by quantitative metrics outlined in the table above. This score system allows the Fund to build a portfolio that is exposed to high quality companies with robust fundamentals, strong outlook and positive leadership.

The second return generating opportunity is a shorter-term prospect based on dislocation of market price from our fair value of the stock. This return is generated by investing in companies trading below what we assess to be fair value. Fair value is subject to factors such as earnings / cash flow / capex forecasts, as well as capital structure and discount rate assumptions.

For a company to be considered to be included in the fund, it must score >50% in the Quality Filters to be considered, regardless of value. Once the quality score is deemed high enough, the fair value relative to market price will determine the speed at which the fund will establish or sell-down positions.

To establish fair value for a stock, the Fund uses a blended valuation methodology of discounted cash flow (DCF), sum-of-the-parts (SOTP) and multiples comparison. The Fund is market cap agnostic and recognises that different metrics are appropriate for different companies depending on size, scale, maturity-stage, etc. A standard valuation model using all three methods has a weighting of 50/25/25 to DCF/SoTP/Multiples respectively but this is modified for specific companies according to data and assumptions' availability/reliability.

Discounted Cash Flow (DCF)

Cordis uses a proprietary detailed DCF model for each company valuation though each company model may be modified according to available data and company specific metrics. The model generates a forecast of post-tax EBIT out to 10 years and free cash flow is calculated by adding back depreciation & amortisation (i.e. EBIDA) and then subtracting the forecast changes in working capital and capex. In earlier stage (i.e. high growth) companies, the model is modified in years 6 – 10 to smooth early years' growth rates down to our portfolio standard terminal growth rate. We then apply the terminal growth rate into perpetuity and calculate the discounted free cash flow to come up with an enterprise value for the firm and a resultant share price.

The following illustrates a typical free cash flow forecast:

DCF Valuation	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	Terminal
Post tax EBIT	-27.1	-10.1	11.4	37.2	73.7	117.6	173.6	249.5	312.2	390.7	
Add Back D&A	0.9	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	
Less Change in Working Capital	-8.1	-7.5	-16.6	-16.6	-22.2	-27.7	-34.7	-43.6	-52.8	-66.8	
Less Capex	-0.7	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	
FCF	-35	-17	-5	21	52	90	139	206	260	324	3,930
Discount Free Cash Flow	-35	-16	-4	15	35	55	77	103	118	133	1,459
Enterprise Value	\$ 1,940										

DCF Metrics

Assumption	Range	Comments
Cost of debt	4-10%	This varies with the investment grade of the company and their current borrowing costs
Beta	Typically 1-1.5	We use historical beta rates (source from FactSet)
Risk-free rate	2%	Conservative premium to current 10-year bond rate (~1.35%)
Equity risk premium	5%	Equity risk premium for OECD
Terminal growth rate	3%	Conservative growth rate below 5%

Sum-of-the-Parts (SoTP)

Cordis applies a SoTP valuation for consolidated group companies (typically 1/3 of the portfolio) with multiple business units and different reporting lines. We typically use EV/Revenue multiples, as revenues for different reporting lines are usually more easily available. The appropriate multiple is calculated from an average of a basket of companies similar to any particular operating division, the number of companies in the representative basket depends on how many appropriately similar companies are available.

SoTP Metrics

Assumption	Range	Comments
EV/Revenue multiple	3.5 - 700	The upper end of the range for EV/Revenue multiples is high due to the existence of high-tech early cycle businesses that the market expects to enjoy strong revenue growth.

Multiples

Cordis uses a combination of P/E and EV Revenue multiples, depending on the lifecycle stage of the company. A “basket of peers” approach is used to calculate appropriate multiples, where the number of companies in the basket depends on how many similar companies are available.

Multiples Metrics

Assumption	Range	Comments
EV/Revenue multiple	3.5 - 700	The upper end of the range for EV/Revenue and P/E multiples is high due to the existence of high-tech early cycle businesses that the market expects to enjoy strong revenue and earnings growth.
Price:Earnings ratio	20 - 450	

Portfolio Construction – allocations of FUM

A combination of the Quality Filters score and the valuation relative to market price provides us with a company ranking which will ultimately determine the target weighted allocation for the fund. The highest conviction ideas in the fund will be weighted in the low double digits, and a sliding scale through the rest of the portfolio positions will be applied.

Cordis Ranking Metrics

Factor	Weighting	Comments
Quality filters	Pass/Fail	A company needs to pass the Cordis Quality Filters to be considered for inclusion in the portfolio
DCF	+ - 50%	Weightings of each valuation method may be adjusted subjectively according to the inherent reliability of the underlying data and assumptions
Sum-of-the-Parts	+ - 25%	
Multiples	+ - 25%	