

December Report 2021

PERFORMANCE

Growth of A\$10,000 since inception



	1 Month %	3 Month %	Since Inception %
Cordis	3.79	-3.38	4.45
Benchmark	5.03	7.39	11.15
Outperformance	-1.23	-10.77	-6.70

*Inception 1 July 2021. Performance reported in AUD net of fees. Numbers may not add due to rounding.

*Benchmark is the S&P 1200 Global Healthcare Index, reported in AUD

PORTFOLIO TOP 5 HOLDINGS (alphabetically)

- Boston Scientific
- DexCom Inc
- Edwards Lifesciences Corp
- Medtronic PLC
- Tandem Diabetes Care

RATINGS



Superior



High Investment
Grade

Suitable for inclusion
in most APLs

SUSTAINABILITY

“Cordis is one of the most sustainable funds we have seen since we started assessing company contributions to the U.N. Sustainable Development Goals in 2017”.
Mark Andrich – Founder and CEO of Sustainable Platform

PLATFORMS



December brought an end to a volatile year in which the known factors of economic recovery and unknown consequences of new COVID-19 variants created volatility across global markets.

The macro environment remains focussed around increasingly permanent inflation, as US CPI data released in December ticked up again. Three of the four major central banks in developed markets indicated they have a greater concern about inflation heading into 2022 than about the economic disruption that could be created by Omicron. This headwind continues to weigh on the mid and small-cap high growth stocks in our portfolio, which are most sensitive to increasing bond yields. Inflation will remain a key theme heading into the new year.

Despite the macro headwinds, a spate of Investor Days delivered reassurance of the progress being made by many of our portfolio companies, and the Fund returned 3.79% in December. However, this return underperformed the broad Healthcare benchmark by 1.23% due to MedTech’s exposure to surgical procedure delays, while other Healthcare segments benefit from increasing corona virus cases. We see the procedural volume pull back as temporary, and believe that growth will re-accelerate after the peak of this wave passes. That will likely cause a re-rating of our investible MedTech universe.

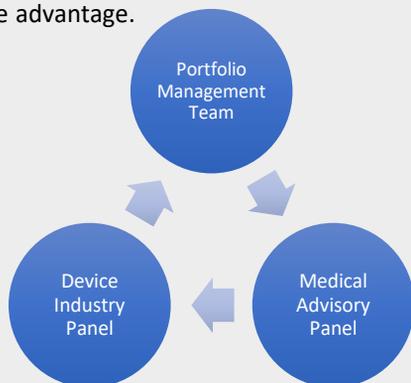
The Fund’s biggest contributor for the month was Edwards Lifesciences, which was buoyed by its strong investor conference outlining the expanding addressable markets. Edwards’ CEO Mike Mussallem outlined a doubling of the core global TAVR (transcatheter aortic valve replacement) market opportunity to \$10bn by 2028, and the rapid growth of the TMTT (transcatheter mitral and tricuspid therapies) market opportunity, where the total addressable market is expected to expand from \$1bn today to \$5bn by 2028. Impressively, we see Edwards time and time again reach and exceed their targets. We believe this new set of goals will be no different. Edwards remains the dominant player in TAVR with almost 70% global market share. In TMTT they remain a front runner in R&D with 5 ongoing global clinical studies. Notably, Edwards has lined up three new product approvals by late 2022. As a leading player winning market share in a rapidly expanding industry, we retain Edwards as one of the key positions in the fund and are very excited to watch it achieve its goals in 2022.

Our biggest detractor in November was DexCom, a developer of Continuous Glucose Monitors for patients with diabetes. After a stellar run in 2021 investors started to take profit as the risk-off scenario around interest rates unfolded. However, DexCom, remains a key position in the fund as the leader in the rapidly growing diabetes market. With expansion opportunities in Type 2 Diabetes still in nascent stages, we are confident in the long term growth ahead.

The fund is unhedged. The AUD appreciated 2.54% against the USD over November, which decreased the Fund’s NAV when reported in AUD.

ABOUT THE FUND

Cordis Global Medical Technology Fund is an Australian Unit Trust actively investing in a portfolio of global listed companies which make medical devices that provide treatments for critical chronic disease. The Cordis investment team is advised by our medical advisory panel of leading clinical physicians and medical device specialists, which we believe provides inimitable insight from frontline medical practice and principles. It is this resource that differentiates our research process from our competitors and provides us with a sustainable competitive advantage.



THE FUND

Website: www.cordisam.com
Fund Manager: Cordis Asset Management Pty Ltd
Responsible Entity: Equity Trustees Limited
Admin & Custodian: Mainstream Fund Services Pty Ltd
Sub-Custodian: J.P. Morgan Chase Bank
Fund Auditors: Ernst & Young
Minimum Investment: A\$50,000
Liquidity: Daily

To invest: Ask your advisor or see us at
<https://cordisam.com>

Disclaimers

This report was prepared by Cordis Asset Management Pty Ltd ABN 68 637 078 490 a corporate authorised representative (CAR No 001282680) of Lanterne Fund Services Pty Ltd ACN 098 472 587, AFSL 238198 ("Cordis"), the investment manager for the Cordis Medical Technology Fund ("Fund"). Equity Trustees Limited ("Equity Trustees") ABN 46 004 031 298 AFSL No. 240975, is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX:EQT), and is the Responsible Entity of the Fund. This document has been prepared for the purpose of providing general information only, without taking account of any individual person's investment objectives, financial circumstances or needs. Whilst every care has been taken in the production of this document, no warranty is given as to its accuracy and persons relying on this information do so at their own risk. The information contained in this document is not intended to be relied upon as a forecast and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy, nor is it investment advice. Any forwarding-looking statements or forecasts are based on reasonable assumptions, but cannot be relied upon as guarantees or representation as to what future performance will actually occur. Unless otherwise specified, the information contained in this document is current as at the date of issue and all amounts are in Australian Dollars (AUD). You should consider the Product Disclosure Statement ("PDS") in deciding whether to acquire, or continue to hold, the product. A PDS and application form is available at www.cordisam.com. Cordis and Equity Trustees do not guarantee the performance of the Fund or the repayment of the investor's capital. To the extent permitted by law, neither Equity Trustees, Cordis, nor any of their related parties including its employees, directors, consultants, advisers, officers or authorised representatives, are liable for any loss or damage (including consequential loss or damage) arising directly or indirectly as a result of reliance placed on the contents of this report. Past performance is not indicative of future performance. The unit price performance calculation methodology follows the FSC Standard No.6: Investment Option Performance - Calculation of Returns (July 2018). Total returns are calculated based on changes in net asset values, at the exit price after the deduction of fees and expenses. Due to individual circumstances, your net returns may differ from the net returns quoted above.

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ABOUT THE MANAGER

Cordis Asset Management was set up in Sydney, Australia by leading international physicians, medical-device experts, and investment professionals, to capitalise on the specialised sub-sector of global MedTech companies.

The manager was founded in the belief that this specialised sub-sector of global MedTech companies, which provide device-based treatments for critical chronic disease, will continue to outperform the broader healthcare index.

It is the critical and imperative nature of such treatments, underpinned by the expectations of the world's aging population to live a longer more active life, that will drive robust growth in the earnings of these companies for the next decade or more.

Our intense focus and specialisation in the sector allows us to understand the nuances of Healthcare, and ultimately generate sustainable returns over the long-term.

BENCHMARKS AND FEES

Benchmark: S&P Global 1200 Healthcare Index in AUD
Management Fee: 1.2% p.a (including GST/RITC) of the monthly Net Asset Value
Performance Fee: 15% (incl GST/RITC) of the increase in net asset value of the Fund above the Benchmark, calculated and accrued monthly, paid annually in arrears, subject to highwater mark

INVESTMENT PORTFOLIO

Number of Securities: 22
Maximum Cash Holding: 10%
Currency Exposure: Unhedged