

January Report 2022

January saw global stock markets face the headwinds – omicron, inflation and supply chain constraints – that emerged late in 2022. These headwinds heightened investor uncertainty which in turn drove volatility indexes up. Volatility, as measured by the VIX, finished the month trading at 24.83, up from 17.22 at the end of December, hitting its peak on the 24th at 38.94. The global stock market sell down to begin the year has largely been a result of these headwinds, volatility and investor uncertainty.

The inflation debate has driven US 10-year bond yields higher, closing January at 1.76%, against 1.44% at the end of December. Over this period, high valuation growth stocks were most affected as forecasted earnings was discounted due to higher expected future interest rates.

Cordis was not spared from the negative market sentiment, returning -7.96%, lagging the broader S&P Global Healthcare Index in the process. On a fundamental basis, however, little has changed in our portfolio, with some stocks' outlooks improving on the back of pipeline developments and strong operational performance.

This dichotomy of short-term share price performance against long-term fundamentals is highlighted by the organ transplant market, which is one of the Fund's long-term investments. XVIVO, one of the two developers in the global duopoly transplant market, saw a share price decline heading into its fourth quarter report due to suspected lower COVID affected procedure volumes. The reported sales numbers confirmed this theory, however management was also able to outline new sources of revenue which should augur well for future growth. These included increased portion of revenue from machine perfusion, the completed acquisition of STAR Teams, and approval of a new lung transplant product in the rapidly growing Chinese market. We stay invested for the long-term opportunities provided by these three key developments rather than the short term fluctuations based on quarterly sales numbers.

Throughout January the two best performers in the Fund were diversified large-caps, Boston Scientific and Becton, Dickinson and Co. These companies showed resilience due to their conglomerate model, powerful hospital networks and best-in-class balance sheets. Paired with their strong cash flow, they were able to outperform in the risk-off environment.

Our biggest detractor for the month was Edwards Lifesciences, a developer of devices treating valvular heart disease. Over a period of many years of operational excellence, Edwards performance has earned it a premium valuation to its stock market peers. During the current market sell-off, high multiple companies have been punished by macro forces that do not reflect the underlying business progress. As we highlighted as recently as our December monthly, Edwards continues to progress well ahead of competitors, as it takes market share in a growing addressable market. As such we have taken advantage of weakness to continue to build on our position.

The fund is unhedged. The AUD depreciated 3.09% against the USD over November, which increased the Fund's NAV and the Benchmark performance when reported in AUD.

PERFORMANCE

Growth of A\$10,000 since inception



| | 1 Month (%) | 3 Month (%) | 6 Month (%) | Since Inception (%) |
|----------------|-------------|-------------|-------------|---------------------|
| Cordis | -7.96 | -10.23 | -9.32 | -3.87 |
| Benchmark | -4.27 | 2.71 | 1.80 | 6.40 |
| Outperformance | -3.69 | -12.94 | -11.12 | -10.27 |

*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

High Investment Grade

Suitable for inclusion in most APLs

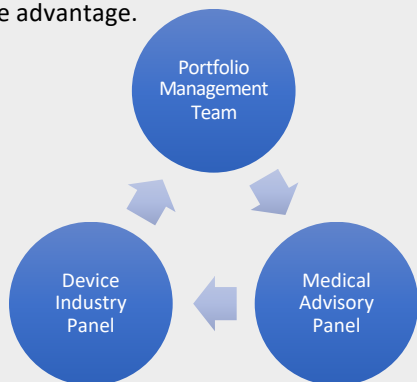
SUSTAINABILITY

"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

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