

In April the Fund fell 7.16%, underperforming the Benchmark, which returned 1.05%. The AUD depreciated by 5.37% against the USD, which increased the Fund's NAV and the Benchmark performance when reported in AUD.

MedTech Market Commentary

Global share markets have continued to struggle under the weight of a rising interest rate environment, as investors have had to recalibrate their discount rates used in company valuations. The recent selling has been more akin to a blunt hammer rather than a sharp knife, and it has created the steepest drawdown of growth equities that we can remember. However, in the face of this stock de-rating, as well as a myriad of other macro headwinds, MedTech companies are benefitting from a rare cyclical upswing as hospitals and healthcare clinics reopen worldwide.

After two long years of hospital closures and widespread fear about visiting medical facilities, operating theatres are benefitting from increased throughput of patients as referring clinics scramble to clear the backlog of deferred treatment, even whilst the non-healthcare market is seeing top-line revenue compression. The re-emergence of these hospital operating volumes, which are underpinned by significant tailwinds of ageing and wealthier populations, will act as a supporting feature of MedTech companies that have been deprived of top-line growth by COVID enforced hospital closures.

On top of the reopening trade, when we look through our long-term lens, we also see the drying up of liquidity as a benefit to the market incumbents that make up the majority of our portfolio. Early-stage private companies that have previously used free flowing capital as a tool in their expansion plans now have to be more judicious in their spending, handing the advantage back to the more developed, later-stage companies. This is exactly Cordis' target universe. While all of this may not save MedTech companies from the current drawdown, it has set the foundation for a strong and swift recovery as the market's knee jerk reaction fades.

Portfolio News

ResMed (RMD, ASX), the global leader in the medical device treatment of sleep apnea was added to the portfolio in April. RMD has built a dominant franchise in the device-based treatment of sleep apnea, a large and growing underpenetrated global market. Competing in an oligopoly market, its deep and wide economic moats have allowed it to produce a highly profitable and cash generative business.

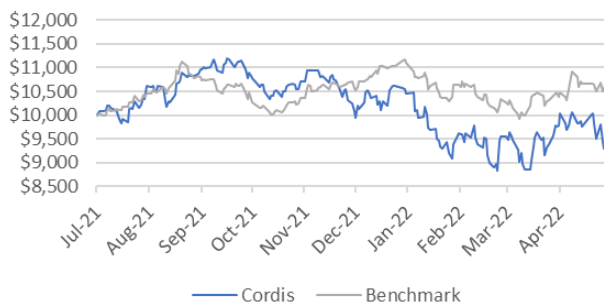
The market oligopoly was upturned in June 2021 when the second largest provider, Philips Respironics, recalled a significant number of its CPAP devices due to faulty manufacturing. We believe that a recall of this magnitude is being undervalued by the market for RMD.

Since initiating our position, Philips has been issued another FDA letter. This further delays their return to market, in turn gifting RMD further market share taking opportunities.

Cordis Global Medical Technology Fund
April Report 2022

PERFORMANCE

Growth of A\$10,000 since inception



	1 Month (%)	3 Months (%)	6 Months (%)	Since Inception (%)
Cordis	-7.16	-5.59	-15.25	-9.24
Benchmark	1.05	-1.33	1.35	4.99
Outperformance	-8.21	-4.27	-16.60	-14.23

*Inception was 1st 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.

PORTOLIO TOP 5 HOLDINGS (alphabetically)

- Boston Scientific
- DexCom Inc
- Edwards Lifesciences Corp
- Medtronic PLC
- Silk Road Medical

RATINGS



High Investment Grade

Suitable for inclusion in most APLs

PLATFORMS



ABOUT THE FUND

The Fund invests in globally listed companies that make medical devices to treat critical and chronic diseases. The devices we invest in are commercially available and being used in hospitals today.

Cordis' thesis proposes that the MedTech industry that manufactures life-saving devices for chronic conditions is a key subset of Healthcare delivery that enjoys all the tailwinds driving the wider Healthcare sector. In addition, the devices and the companies that supply them have exceptional economic moats around them, including high barriers to entry, making it difficult to disrupt a leading device and the company that manufactures it.

The investment strategy for the Fund to exploit these drivers is based on observable technological advances and demographic changes that are fundamentally changing society. Cordis believes these tailwinds will drive robust growth in the earnings of these companies for the next decade or more.

The Cordis investment team is advised by our Medical Advisory Panel of leading clinical physicians and medical device specialists, which provides inimitable insight from frontline of medical practice and principles. It is this resource that differentiates our research process from our competitors and provides us with a sustainable competitive advantage.

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.

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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FUND FACTS

Fund Manager: Cordis Asset Management Pty Ltd
Issuer: Equity Trustees Limited as Responsible Entity for Cordis Global Medical Technology Fund
Structure: Australian Unit Trust
Admin & Custodian: Mainstream Fund Services Pty Ltd
Sub Custodian: J.P. Morgan Chase Bank, N.A. (Sydney)
APIR Code: ETL4642AU
ISIN: AU60ETL46421
Fund Auditors: Ernst & Young
Minimum Investment: A\$50,000
Liquidity: Daily

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: 20-40
Maximum Cash Holding: 10%
Currency Exposure: Unhedged

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