

In June the Fund lost 0.22%, underperforming our Benchmark by 1.06%. The AUD depreciated by 4.14% against the USD over June, which increased the Fund's NAV and the Benchmark performance when reported in AUD.

## MedTech Market Commentary

There continues to be broad based fear in global equity markets stoked by inflation and recession concerns. In a bid to contain inflation, the US Federal Reserve hiked by 75bps in June, which was the Fed's biggest rate increase since 1994. Since then, Fed Chair Jerome Powell's commentary regarding the preference of recession to stubbornly high inflation hasn't eased investors concerns. We are seeking to take advantage of the current volatility and remain on the lookout for operationally excellent companies that have been indiscriminately marked down in valuation to present attractive buying. Our convictions have been reinforced with M&A interest creeping back into the MedTech market. Two key portfolio companies, ResMed and Boston Scientific, both acquired small bolt-on companies during the month. Others, such as Teleflex and Medtronic spoke candidly about their desire to use their balance sheet strength. With many of our portfolio companies in a strong financial position, we expect they will continue to use their balance sheet to deepen and widen the competitive moats around their business.

## Biggest Movers

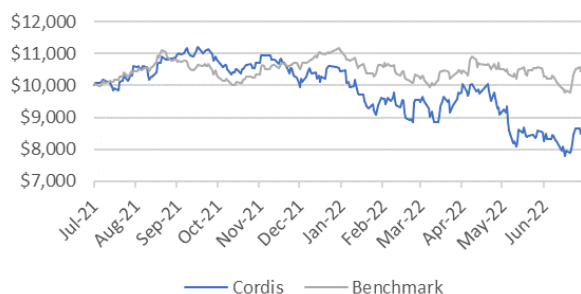
**Silk Road Medical (SILK, Nasdaq)**, a company focussed on reducing the occurrence of stroke through its patented TCAR procedure, was our best performer this month. SILK has been one of the Fund's top 5 positions since inception, despite the past year's volatility, recording a 150% price change from its 52 week high to its 52 week low. Throughout this period, we persistently gathered anecdotal evidence from physicians, which built up a profile of a company that has the potential to fill its total addressable market, with many years of protection from competition due to patents and medical device trial processes. In June, many of the operational goals SILK had been working on came to fruition. Its TCAR procedure was approved for standard surgical risk patients, expanding its addressable market by almost two-thirds. This was followed quickly by the establishment of reimbursement for standard risk patients and a debt deal at attractive terms that will fund them through to profitability. While the company continues to perform well operationally, we view the share price volatility as an opportunity rather than a risk and it remains a key overweight in the portfolio.

**XVIVO Perfusion (XVIVO, Stockholm Stock Exchange)**, was the worst performer in the fund in June, after having been one of our top performers across April and May. XVIVO are one half of the global duopoly in the still nascent organ transplant transfer market. As it completes the integration of the Star Teams platform this year, we expect that to spur top line growth and market share gains. We could find little evidence for the harsh downgrading by the market and retain our confidence in its story.

## Cordis Global Medical Technology Fund June Report 2022

### PERFORMANCE

Growth of A\$10,000 since inception



	1 Month (%)	3 Months (%)	6 Months (%)	Since Inception (%)
Cordis	-0.22	-13.20	-18.76	-15.14
Benchmark	0.84	1.42	-5.20	5.37
Outperformance	-1.06	-14.61	-13.56	-20.52

\*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  
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

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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>