

Cordis Global Medical Technology Fund

“Resilient growth in a defensive sector”

The Fund returned 3.23% during August, underperforming our benchmark by 0.12%.

The first half of August saw the conclusion of a positive U.S. quarterly reporting season for the Fund. We saw a string of full year guidance upgrades in our portfolio companies despite lingering concerns around the COVID Delta variant. These ‘beat and raise’ reports were led by Shockwave and Tandem Diabetes, with 10.3% and 7.1% full year revenue guidance upgrades respectively. After the conclusion of the reporting season, it was regulation which then took front and center stage in investors’ minds.

The first piece of regulation was broadly positive for the entire sector. The final form of the Centers for Medicare & Medicaid Services (CMS) 2022 Inpatient Prospective Payment System (IPPS) rule called for payments to hospitals to increase by \$2.3 billion, or 1.9% versus the previous year. Additionally, CMS announced several new tech add-on payments (NTAPs), which is a class of reimbursement that pays for new technology that is not yet included in the IPPS rules. Several of our portfolio companies’ devices benefitted from NTAPs, including Boston Scientific’s EXALT-D, Medtronic’s Harmony valve and SWAV’s C2 coronary catheter, among others. These NTAP payments help to drive meaningful adoption in the early stages of new device rollouts. The CMS release last month continues to build strength around the long-term trend of public funding covering growing healthcare costs for the ageing population.

The second regulation issue came at a stock specific level, where clinical trial data and FDA approval timelines were a driving factor behind Fund performance throughout August.

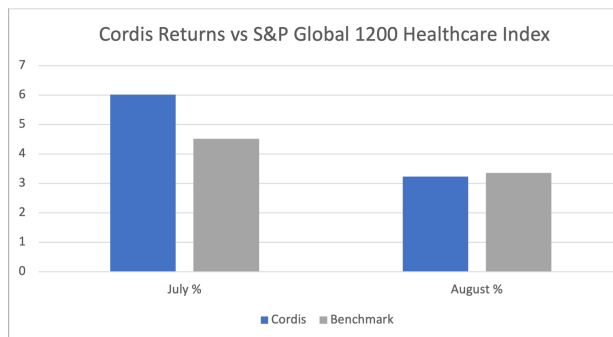
The biggest contributor was Silk Road Medical (+1.1%), as it presented positive data at the 2021 Vascular Annual Meeting on its standard surgical risk transcarotid artery revascularization (TCAR) procedure. Silk Road’s presentation showed that patients undergoing Silk’s minimally invasive TCAR, in lieu of current standard-of-care carotid endarterectomy surgeries, have similar risk of 30-day stroke, death, MI, and ipsilateral stroke at one-year. The retrospective data was collected on >20k patients and supports our view that Silk Road’s TCAR will receive an expanded label from the FDA later this year or early in 2022. Combining this with a solid second quarter result, delivered in late July, Silk Road is building momentum as it continues its domestic rollout.

Atricure, a company developing device-based treatment for atrial fibrillation, was the biggest detractor (-0.38%), after its announcement that the aMAZE trial on the LARIAT device did not meet its primary efficacy endpoint. The company also saw a decrease in reimbursement for its new Convergent procedure in the IPPS final rule. Pleasingly, however, they continued to accelerate the launch of the procedure despite the reimbursement cut and early feedback from physicians has been positive. There continues to be strong momentum in the core business and potential for upside from new verticals, even without LARIAT.

The fund is unhedged. As at 31 August, the foreign currency exposure was 93.2% of the total, the majority being USD. The AUD depreciated (by 0.57%) against the USD over August. In line with this, the Fund’s US-based and other foreign company positions, increased when translated into AUD. The effect of currency translation is separate from the impact of stock selection.

August Report 2021

PERFORMANCE VS BENCHMARK

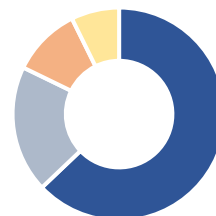


	1 Month %	Since Inception* %
Cordis	3.23	9.44
Benchmark	3.35	8.02
Outperformance	-0.12	1.42

*Inception was 1 July 2021

GEOGRAPHICAL REVENUE EXPOSURE

North America	63.4%
Europe, Middle East & Africa	15.1%
APAC	16.0%
Rest of World	5.5%



PORTFOLIO TOP 5 HOLDINGS (alphabetically)

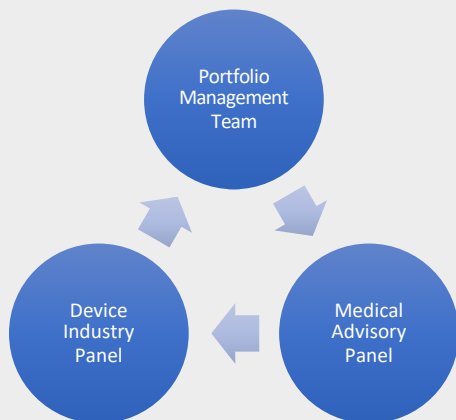
Boston Scientific
DexCom Inc
Edwards Lifesciences Corp
Medtronic PLC
Terumo Corp

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.

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 chronic disease. The Cordis investment team, advised by our medical advisory panel of leading clinical physicians and medical device specialists, believes that 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, will drive robust growth in the earnings of these companies for the next decade or more.



THE FUND

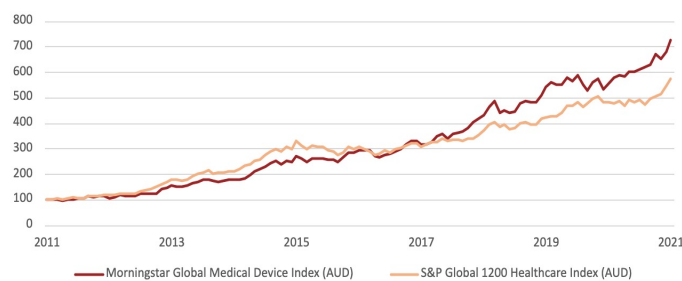
Website: www.cordisam.com
Fund Manager: Cordis Asset Management Pty Ltd
AFSL: CAR No 001282680 of AFSL 238198
Responsible Entity: Equity Trustees Limited
Admin & Custodian: Mainstream Fund Services Pty Ltd
Sub-Custodian: J.P. Morgan Chase Bank
Fund Auditors: Ernst & Young
Minimum Investment: A\$50,000
Liquidity: Daily

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

Disclaimers

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The growing and resilient trend in global medical technology stocks relative to wider Healthcare stocks



	Return	Std Deviation	Sharpe Ratio	Beta
Morningstar Global Medical Device Index (AUD)	21.9%	13.23	1.03	1.36
S&P Global 1200 Healthcare Index (AUD)	19.1%	11.23	1.03	1.00

Source: Morningstar

To illustrate the growing trend in the value of medical technology improvements in the last decade, the chart above shows the historical outperformance in the Morningstar Global Medical Devices Index, relative to the S&P Global 1200 Healthcare Index (which consists of all members of the S&P Global 1200 that are classified within the GICS® Healthcare sector).

Cordis believes that our specialised portfolio of medical device companies that provide critical treatments for chronic disease will continue to outperform the broader healthcare.

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: 24

Maximum Cash Holding: 10%

Currency Exposure: Unhedged