

October Report 2021

The fund continues to perform in line with expectations and remains comfortably ahead of its benchmark since inception on July 1st, 2021. The single biggest driver over the month of October was the strength of the AUD, which appreciated 3.98% against the USD.

We have continued to monitor two key headwinds for the sector in the short term, which include COVID's delta-variant resurgence and hospital staffing shortages, and as a result of these we have increased our exposure to outpatient and consumer facing treatments. Throughout October this included increasing our position sizes to our highest conviction diabetes names, DexCom and Tandem Diabetes, which were the Fund's two biggest contributors throughout the month.

Diabetes remains one of the most pressing healthcare issues of the 21st century, as the global patient population explodes due to our increasingly urban lifestyle. In the U.S., patients with diagnosed diabetes incur average medical expenditures of US\$16,752/year, and diabetes spending represents \$1 in every \$7 dollars spent on healthcare. These costs are expected to continue to grow over the coming decades as prevalence rises, which is forecast to grow by 50% through 2045. The new treatment paradigm to attack this global epidemic is an automated insulin delivery system, made up of a CGM (Continuous Glucose Monitor) and insulin pump.

DexCom's CGM is at the forefront of this device-based treatment. Throughout COVID, DexCom invested in pharmacy channel access for patients, making it easier for customers to access treatment for their condition. This investment was a key driver of DexCom's >40% volume growth in 3Q21. CGM's are also being pushed by healthcare payors due to the economic advantages. A DexCom CGM trial, run by Intermountain Health Care, showed an average saving of \$5,004/year saving to the healthcare system per patient, just through use of a CGM alone.

However, monitoring the disease is only half of the battle, and Tandem Diabetes' insulin pump is a premier example of the other half. Tandem is currently rolling out their new Control-IQ software, which is fast gaining traction with both providers and consumers. This software update has helped to accelerate pump sales in international markets throughout 2021, and with the launch of their new t:sport pump in the next few months, we believe Tandem can continue to outperform its peers.

The biggest detractor from Fund performance in October was TransMedics, a company developing devices to preserve organs used in the treatment of end-stage heart, lung, and liver failure. The pullback was largely driven by a strong few weeks for transplant competitor (and fellow portfolio company) XVIVO Perfusion, which held its first Capital Markets Day and reported strong trial results in October. Our view on this global duopoly is that demand that outstrips supply by many multiples, creating a vast landscape for two strong players.

The fund is unhedged. As the AUD appreciated 3.98% against the USD over October, this contributed to the negative return (-0.94%) for the fund when reported in AUD.

PERFORMANCE



	1 Month %	3 Month %	Since Inception %
Cordis	-0.94	1.01	7.09
Benchmark	0.09	-0.88	3.59
Outperformance	-1.03	1.89	3.50

*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

SUSTAINABILITY

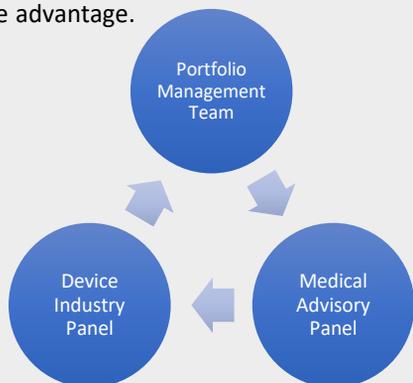
"Cordis is one of the most sustainable funds we have seen since we started assessing company contributions to the U.N. Sustainable Development Goals in 2017".
Mark Andrich – Founder and CEO of Sustainable Platform

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

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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: 23
Maximum Cash Holding: 10%
Currency Exposure: Unhedged