

ORIGIN ASSET MANAGEMENT

Delivering alpha through the powerful convergence of objective evidence and human judgement

Philosophy: Scientific rigor, not subjectivity

Origin targets the most profitable and fastest-growing companies at reasonable prices. Committed to hard evidence rather than subjective opinion, Origin assesses management quality purely through fundamentals and consciously avoids meeting with companies.

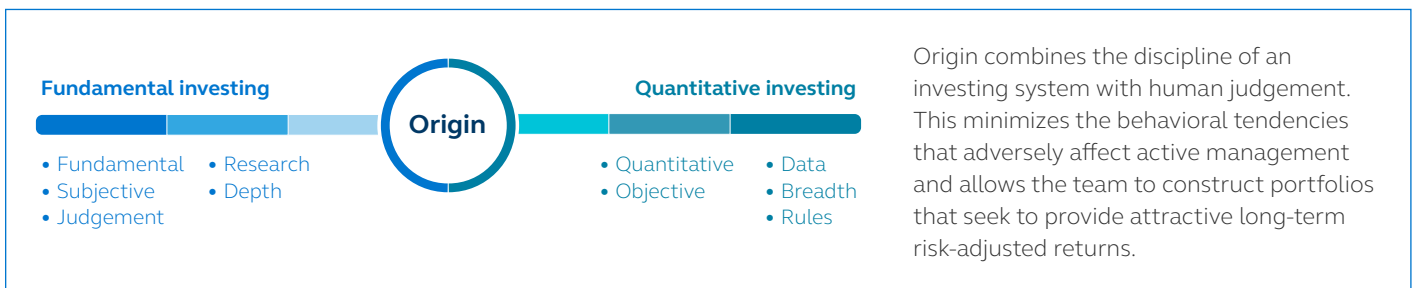
Investment team members average around 30 years of experience and favor a generalist approach over specializations in geography or sector and their inherent behavioral biases.

“ Just the **evidence**, not **opinion**. ”

Merging art and science: A systematic approach to fundamentals

From built-in risk controls and automated processes to scalability and the capacity to analyze thousands of stocks on a consistent basis, investors are increasingly harnessing the advantages of a scientific approach to investment management. Using quantitative models helps to offset behavioral biases that can be a key drawback of active investing.

On a continuum represented by fundamental and quantitative investing at either end, Origin believes their value proposition offers investors the best of both worlds.



What makes Origin different

All positions must earn their spot. By continually assessing every company in the universe, including those already in the portfolio, Origin ensures that each company earns its position.

High conviction amplifies great ideas. In a world dominated by passive index trackers, Origin stands out with high active share portfolios where investors are never simply buying the index.

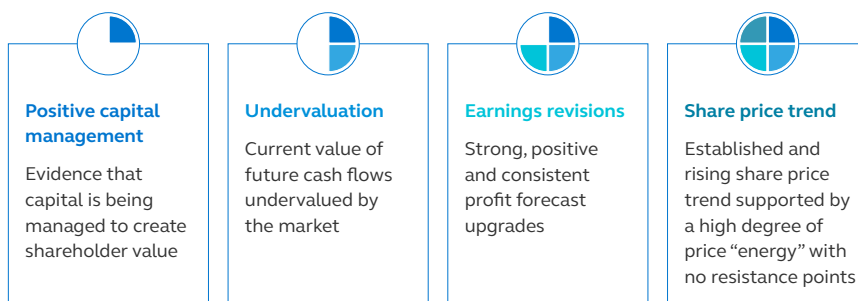
Agility. Relative to larger investment firms, Origin's size allows for nimbleness to quickly manage away under-performing ideas.

Objective and evidence based. Origin does not make forecasts and examines only the evidence. In order to maintain objectivity, Origin does not meet with company management, avoiding company-driven narratives.

Purity of style. Unwavering fidelity to its investment process, no matter the market environment.

Seeking strong equity market leaders

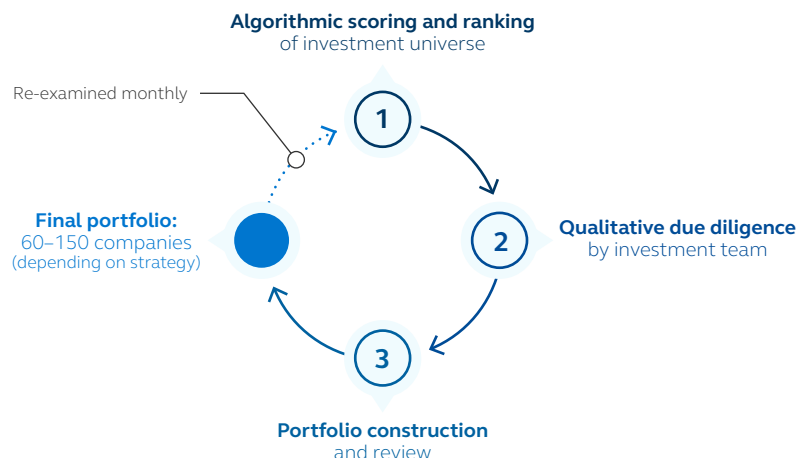
Origin uses a clear-cut, repeatable and systematic process that replaces ego with evidence and objectivity to isolate the four equally weighted key characteristics it has identified as exemplifying the ‘ideal’ company.



An uncompromising process

To distill a portfolio of best ideas, the investment team applies a disciplined, three-stage monthly process based on Origin’s four target characteristics. The rigor of this process provides a consistent approach that removes the potential for style drift.

By strictly adhering to this process month after month, Origin avoids the pitfalls and behavioral biases of traditional investment approaches.



Stage 1

- Companies must meet minimum market capitalization and liquidity criteria
- Universe of 1,500 – 4,500 companies (depending on strategy)
- Automatically score investable universe monthly based on target characteristics

Stage 2

- Investment team takes the best scoring companies together with existing holdings and assesses them based on target characteristics
- Independent analysis is then combined to create a finalised team score that drives portfolio construction

Stage 3

- Each team member independently proposes their portfolio change recommendations
- Existing companies must re-earn their position: Companies that no longer appear attractive are removed and compelling ideas are added
- Individual company weightings based on relative attractiveness

Origin strategies

	Benchmark	Typical number of holdings	Indicative tracking error
Global Emerging Markets	MSCI EM	60-100	5–8%
International (ex-U.S.)	MSCI AC World (ex-U.S.)	80-150	5–8%
Global Smaller Companies	MSCI AC World Small Cap	Ca. 200	5–8%
Global Equity Unconstrained	MSCI World/MSCI ACWI	100-150	5–8%

As of 31 December 2021. Investment guidelines subject to change. There is no guarantee that the investment objective will be achieved.

Backed by the power of a global asset management leader

Principal’s depth of resources and support allow Origin to remain singularly focused on its core strength of investment management.

- Principal Global Investors is a network of specialized investment teams spanning a broad array of asset classes and strategies.
- Investor base spanning 80 countries.
- Principal® is a member of the Fortune 500® and Nasdaq listed.

Origin Asset Management LLP (Origin) is an investment management group of Principal Global Investors. Origin is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom and is registered as an Investment Adviser with the Securities and Exchange Commission (“SEC”) in the United States. Origin is an investment management firm focused on managing global equity portfolios for institutional clients.

Risk considerations

Investing involves risk, including possible loss of principal. Past Performance does not guarantee future return. All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed. Equity markets are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues that may impact return and volatility. Risk is magnified in emerging markets, which may lack established legal, political, business, or social structures to support securities markets. International and global investing involves greater risks such as currency fluctuations, political/social instability, and differing accounting standards. Small-cap stocks may have additional risks including greater price volatility.

Important Information

This material covers general information only and does not take account of any investor’s investment objectives or financial situation and should not be construed as specific investment advice, a recommendation, or be relied on in any way as a guarantee, promise, forecast or prediction of future events regarding an investment or the markets in general. The opinions and predictions expressed are subject to change without prior notice. The information presented has been derived from sources believed to be accurate; however, we do not independently verify or guarantee its accuracy or validity. Any reference to a specific investment or security does not constitute a recommendation to buy, sell, or hold such investment or security, nor an indication that the investment manager or its affiliates has recommended a specific security for any client account. Subject to any contrary provisions of applicable law, the investment manager and its affiliates, and their officers, directors, employees, agents, disclaim any express or implied warranty of reliability or accuracy and any responsibility arising in any way (including by reason of negligence) for errors or omissions in the information or data provided.

This material is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

This document is issued in:

- The United States by Principal Global Investors, LLC, which is regulated by the U.S. Securities and Exchange Commission.
- Europe by Principal Global Investors (EU) Limited, Sobo Works, Windmill Lane, Dublin D02 K156, Ireland. Principal Global Investors (EU) Limited is regulated by the Central Bank of Ireland. In Europe, this document is directed exclusively at Professional Clients and Eligible Counterparties and should not be relied upon by Retail Clients (all as defined by the MiFID). The contents of the document have been approved by the relevant entity. Clients that do not directly contract with Principal Global Investors (Europe) Limited (“PGIE”) or Principal Global Investors (EU) Limited (“PGI EU”) will not benefit from the protections offered by the rules and regulations of the Financial Conduct Authority or the Central Bank of Ireland, including those enacted under MiFID II. Further, where clients do contract with PGIE or PGI EU, PGIE or PGI EU may delegate management authority to affiliates that are not authorized and regulated within Europe and in any such case, the client may not benefit from all protections offered by the rules and regulations of the Financial Conduct Authority, or the Central Bank of Ireland.
- United Kingdom by Principal Global Investors (Europe) Limited, Level 1, 1 Wood Street, London, EC2V 7 JB, registered in England, No. 03819986, which is authorised and regulated by the Financial Conduct Authority (“FCA”).
- United Arab Emirates by Principal Global Investors LLC, a branch registered in the Dubai International Financial Centre and authorized by the Dubai Financial Services Authority as a representative office and is delivered on an individual basis to the recipient and should not be passed on or otherwise distributed by the recipient to any other person or organisation.
- Singapore by Principal Global Investors (Singapore) Limited (ACRA Reg.No.199603735H), which is regulated by the Monetary Authority of Singapore and is directed exclusively at institutional investors as defined by the Securities and Futures Act 2001. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.
- Australia by Principal Global Investors (Australia) Limited (ABN 45 102 488 068, AFS Licence No. 225385), which is regulated by the Australian Securities and Investments Commission. This document is intended for sophisticated institutional investors only.
- This document is marketing material and is issued in Switzerland by Principal Global Investors (Switzerland) GmbH.
- Hong Kong SAR (China) by Principal Global Investors (Hong Kong) Limited, which is regulated by the Securities and Futures Commission and is directed exclusively at professional investors as defined by the Securities and Futures Ordinance.
- Other APAC Countries, this material is issued for institutional investors only (or professional/sophisticated/qualified investors, as such term may apply in local jurisdictions) and is delivered on an individual basis to the recipient and should not be passed on, used by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. This material is not intended for distribution to or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc

© 2022 Principal Financial Services, Inc. Principal®, Principal Financial Group®, and Principal and the logomark design are registered trademarks of Principal Financial Services, Inc., a Principal Financial Group company, in the United States and are trademarks and services marks of Principal Financial Services, Inc., in various countries around the world.