

## PRINCIPAL ORIGIN

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

## Philosophy: Scientific rigor, not subjectivity

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

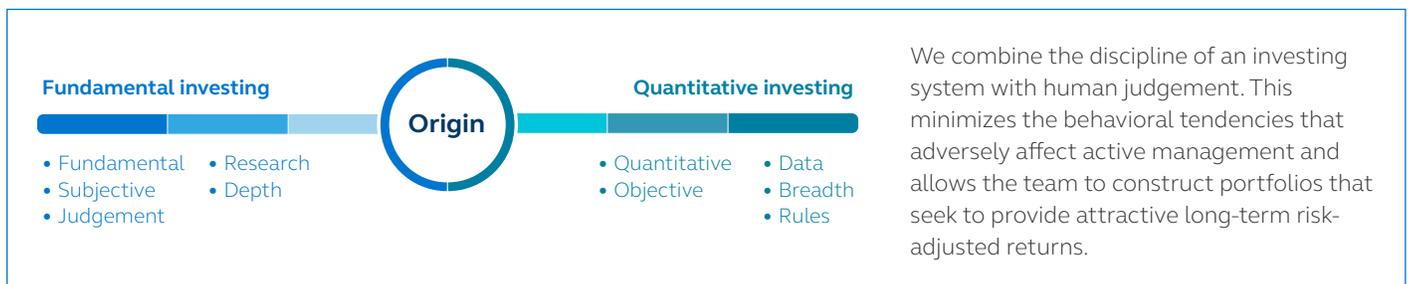
Our investment team members average around 30 years of experience and favor a generalist approach over specializations in geography or sector and their inherent behavioral biases.

“ 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, we believe our 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, we ensure that each company earns its position.

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

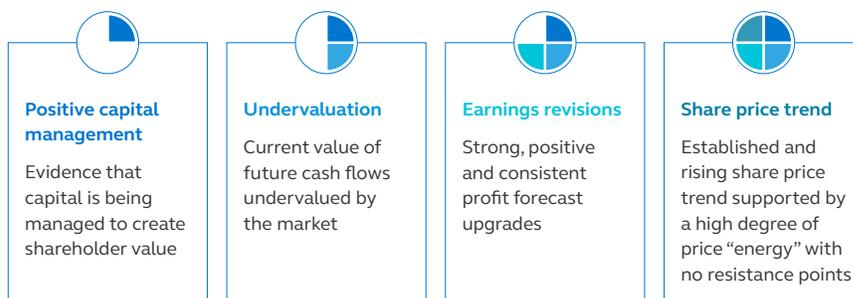
**Agility.** Relative to larger investment firms, our size allows for nimbleness to quickly manage away under-performing ideas.

**Objective and evidence based.** We do not make forecasts and examine only the evidence. In order to maintain objectivity, we do not meet with company management, avoiding company-driven narratives.

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

## Seeking strong equity market leaders

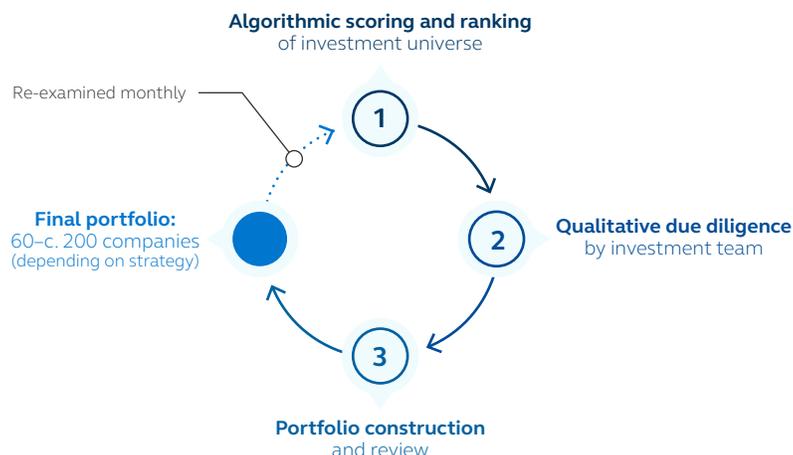
We use a clear-cut, repeatable and systematic process that replaces ego with evidence and objectivity to isolate the four equally-weighted key characteristics we have identified as exemplifying the ‘ideal’ company.



## An uncompromising process

To distill a portfolio of best ideas, our investment team applies a disciplined, three-stage monthly process based on our 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, we avoid the pitfalls and behavioral biases of traditional investment approaches.



### Stage 1

- Companies must meet minimum market capitalization and liquidity criteria.
- Universe of 1,500 – 5,000 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
<b>Global Emerging Markets</b>	MSCI EM	60-130
<b>International (ex-U.S.)</b>	MSCI AC World (ex-U.S.)	80-150
<b>Global Smaller Companies</b>	MSCI AC World Small Cap	Ca. 200
<b>Global Equity Unconstrained</b>	MSCI World/MSCI ACWI	100-150

As of 31 December 2023. 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 us to remain singularly focused on its core strength of investment management.

- Principal Asset Management 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.

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### **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**

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