

# Principal Global Opportunities Fund

An open-ended fund of fund scheme investing in Principal Global Investors Funds - Origin Global Smaller Companies Fund

## Investing to participate in global equities

- Invest in companies across the world
- Economies experience different growth cycles, at different times
- Ability to invest in sectors that does not have wide presence in Indian markets
- Investment in global portfolio may help reduce the country specific risk of having a portfolio predominantly invested in India.

## Why Invest in Principal Global Opportunities Fund

- 1 The first fund in Indian MF space to offer international investing.
- 2 The fund invests in **Principal Global Investors – Origin Global Smaller Companies Fund (underlying fund)**
- 3 Underlying fund invests in small cap companies across the world.
- 4 Principal Global Investors - Origin Global Smaller Companies Fund is managed, using a systematic, evidence-based process.



All these, with convenience of investing in a domestic mutual fund.

## About the underlying fund

### Investment Strategy

- Global Smaller Companies Strategy follows an index unconscious approach.
- Its objective is to outperform the MSCI All Country World Index by more than 3.5% p.a. gross of fees over rolling periods.
- Investment universe: all global stocks with a market cap between \$0.25 - \$5bn, and average daily volume of at least \$1m.
- Typical number of holdings: ~ 200 stocks.

### Investment Philosophy

#### Clarity of focus

- Small, experienced, committed team
- Collective responsibility, not advocacy-based, sector-specialist approach
- Avoid emotion: tightly specified investment process

#### Evidence not opinion

- No forecasting-apply judgment and experience to hard evidence
- Never meet company management
- Look for a balance of positive characteristics-fundamental and behavioral

#### High Conviction

- High Active share
- High Tracking error
- Portfolio consistently composed of best ideas, consistent characteristics

## Investment Process

Stocks are screened, scored and selected solely on the basis of four clearly defined and measurable criteria, which are equal weighted.

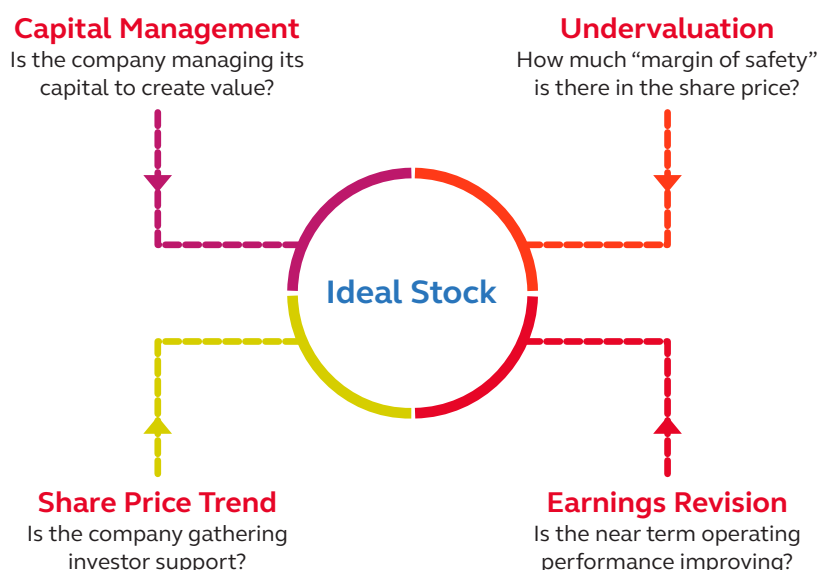
A stock must score sufficiently well on a balance of all four criteria to gain inclusion in the Fund portfolio.

The fund follows a bottom-up approach, and there is no macroeconomic or top-down component to its process whatsoever.

Country and sector weights are a residual of bottom up stock selection.

*The investment strategy stated above may change from time to time without any notice and shall be in accordance with the strategy as mentioned in the Scheme Information Document of the scheme.*

### Origin's four equal weighted stock selection criteria:





Global Smaller Companies universe  
ca. 5,000 stocks

There are approximately 5,000 stocks in our Global Smaller Companies universe, covering the size range \$250m-\$5bn

**Step 1**  
Automated  
screening and  
ranking

**Global smaller  
companies  
portfolio  
(200 stocks)**

Quarterly due diligence on ca. 120 stocks: the highest scoring 60 that are not held, and the lowest scoring 60 currently held.

Veto based due diligence approach for Global Smaller Companies (2 vetoes required for rejection)

Turnover per quarter capped at 25% (one way)

**Step 2**  
Team due  
diligence

**Step 3**  
Portfolio  
construction

## Fund Facts

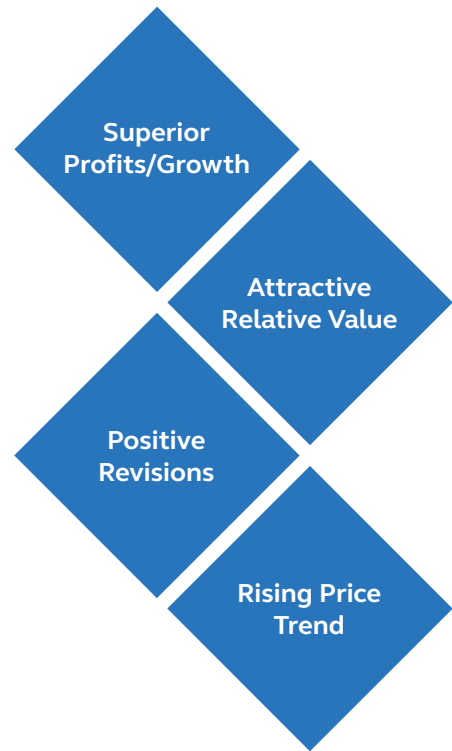
### Profitability & Growth

Indicators	Fund	Benchmark
Return on Assets %	9.3	3.6
Return on Equity %	20.4	6.5
Long Term Debt/Capital	25.0	32.8
Historic 3 Year Sales Growth%	16.2	16.1
Historic 3 Year EPS Growth%	11.1	-21.7

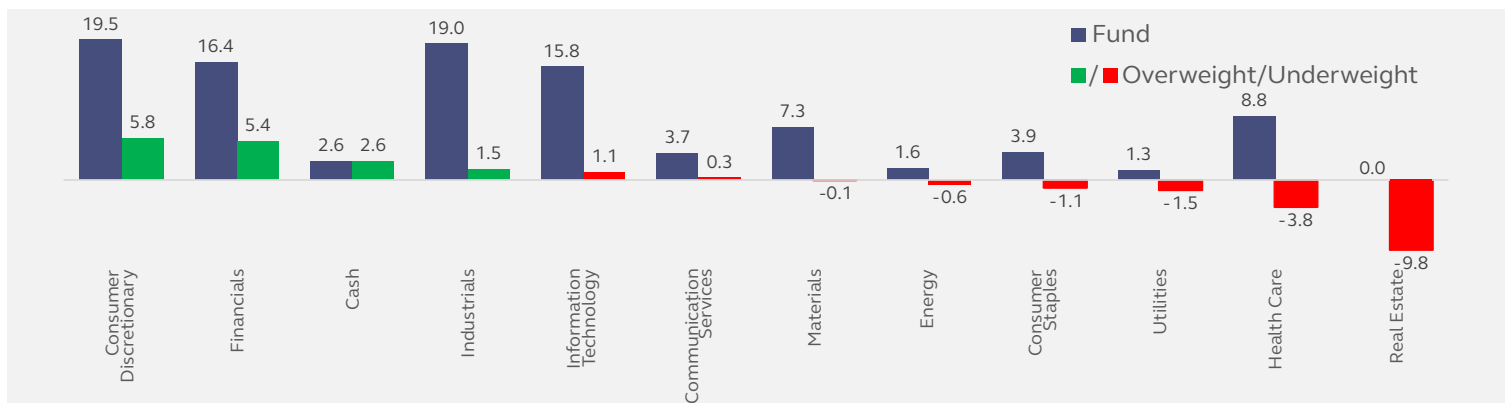
### Valuations

Ratios	Fund	Benchmark
Price/Book	2.3	1.6
Price/Sales	1.2	1.0
Price/Earnings	12.6	18.3
Price/Cash Flow	9.0	8.8
Dividend Yield %	1.8	1.8
Wtd Avg Mkt Cap \$m	2,689	2,875

Data as on 30th September 2020; Source: Origin Asset Management



## Sectoral Allocation



Data as on 30th September 2020; Source: Origin Asset Management

## Top 10 Holdings

Script Name	% to NAV
PennyMac Financial Services, Inc.	1.8
Deckers Outdoor Corporation	1.3
Installed Building Products, Inc.	1.3
Helen of Troy Limited	1.2
BayCurrent Consulting, Inc.	1.1
UFP Industries, Inc.	1.1
Nolato AB Class B	1.1
Virtus Investment Partners, Inc.	1.1
Elecom Co., Ltd.	1.0
Generac Holdings Inc.	1.0

Data as on 30th September 2020; Source: Origin Asset Management

## Regional Allocation (%)

North America	49.48
Emerging Markets	18.27
Europe Ex Uk	9.62
United Kingdom	8.71
Japan	8.23
Asia Ex Japan	3.05
Cash	2.64



Data as on 30th September 2020; Source: Origin Asset Management

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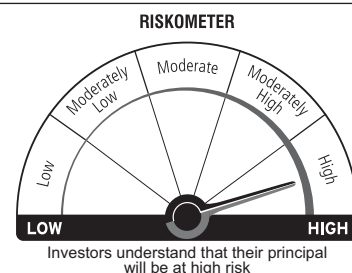
### Principal Global Opportunities Fund

(An open ended fund of fund scheme investing in Principal Global Investors Funds - Origin Global Smaller Companies Fund)

This product is suitable for investors who are seeking~

- Long term Capital Growth.
- Investment in overseas mutual fund schemes.

~ Investors should consult their financial advisors if in doubt about whether the product is suitable for them.



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**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**