

FUND SELECTOR ASIA AWARDS HONG KONG 2017

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GLOBAL EQUITY

PLATINUM WINNER

Morgan Stanley Global Opportunity

Kristian Heugh holds between 30 and 45 companies in the portfolio, with the top 10 typically accounting for around half the total allocation¹.

"The result is a portfolio that looks very different from the benchmark, with active share generally 90% or higher and tracking error that ranges

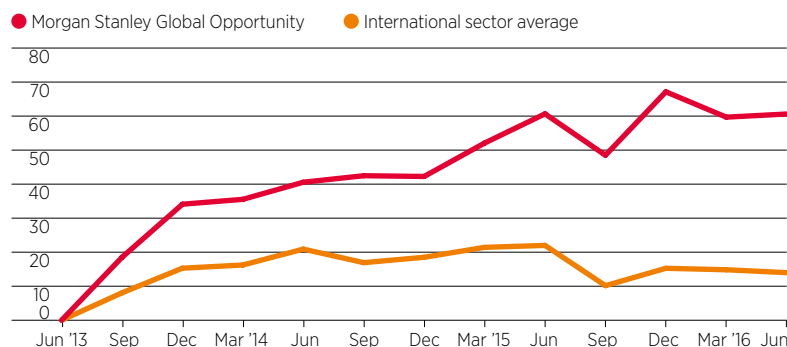
from between 5% and 10%," according to Heugh.

He focuses on what he considers to be companies with competitive advantages, strong balance sheets and long-term growth prospects. And with so few stocks from a large investment universe meeting the criteria, the demands are high.

Companies must have sustainable competitive advantages and financial strength, with high returns on invested capital, high margins, strong cash

Morgan Stanley Global Opportunity

3 yrs %



Source: FE Analytics



Kristian Heugh

conversion, low capital intensity and low leverage.

With fund performance strong over both three- and five- years, one FSA Awards judge cited the manager's stock selection capabilities.

Heugh says the culture within his team plays an important role, too. "We are organised to encourage creative and collaborative decision-making, and we believe this contributes to our low turnover," Heugh says.

"Only one person has left the team in its 18-year history." **LW**

Morgan Stanley

INVESTMENT MANAGEMENT

¹Source: Morgan Stanley Investment Management. Typical number of holdings represents a typical range and is not a maximum number. The portfolio may exceed these from time to time due to market conditions and outstanding trades.

**LAST
WORD**

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