ROB BAILEY: Hello and welcome to today's AXA Investment Managers' webcast. I'm Rob Bailey. I'm Head of UK Wholesale Distribution at AXA Investment Managers, and today I'm joined by Dani Saurympper. Dani is the Fund Manager of the AXA Framlington Health Fund. Morning Dani. DANI SAURYMPER: Morning Rob. ROB BAILEY: So Dani, you've been with AXA Investment Managers for two-and-a-half years now, working alongside Linden and Peter on the healthcare team. It's been quite interesting two-and-a-half years, and if we get onto the topic of performance, we've been through a strong period of performance in healthcare over the last four or five years. The last seven or eight months have been somewhat more challenging; the market's been pretty flat over the last seven or eight months. Talk us through what's happened recently within the healthcare fund and the healthcare space. DANI SAURYMPER: Yes, you're absolutely right. It's been a tougher period of performance, and certainly the performance of the Fund hasn't been what I would have hoped for, certainly at the start of the year, and there's no getting away from that. And I'm sure we'll touch on a few of those reasons for that. But what I would say, this is a fund with a very lengthy track record. We celebrated the 30-year anniversary of the Health Fund in 2017. And I think when you're looking at investing in a sector like healthcare, which clearly has some very strong secular growth drivers in terms of ageing populations, lifestyle diseases, it's also incredibly dynamic and fast paced. And over those 30 years we have seen some periods of challenge, some underperformance of the Health Fund, but in the longer term this is a fund that has typically delivered. And that's why I remain very confident about the prospects for the Fund, particularly given the focus we have on innovation, the focus we have in terms of diversifying across the entire healthcare value chain, and as a strong valuation overlay. So I still remain very optimistic about the prospects for the Fund. ROB BAILEY: Clearly, it's been a very dynamic market. As I say the last seven or eight months the market as a whole has traded pretty close to sideways, but in that time what have been perhaps the key detractors from the Fund performance? DANI SAURYMPER: Yes, I think, well, there's a couple that I'll touch on I think. Maybe it also gives a good sense for how I approach investing in the sector as well. One of the detractors is a company called Foamix that is actually down about 40% year to date, which is quite a sizeable drop to say that certainly is true. Foamix is a specialty pharma company, an area in the market which is particularly out of favour. They had a phase three trial disappointment. The trial essentially hit on several endpoints but missed an important one, such that there's been a delay. They have to do another study, and we'll get data on that in the middle of 2018. But where we acquired our position, which was in the middle of 2016, was actually where the share price is languishing today. The only difference, however, is 12 months since that time, is actually the company has not only one phase three drug in development for acne, they also have another phase three drug also in development where we're going to get data for that in the middle of 2018. So there's a great example of a stock that's obviously reacted to a setback; albeit only maybe a 12 month, 18 month delay to actually the product in question. Another example that has detracted to the Fund performance is Allergan, and again a similar sort of theme in terms of a specialty pharma company. Speciality pharma is very out of vogue with the investors at the moment. You may recall companies like Valiant, which has had quite a fall from grace, certainly overlaid with a significant amount of debt. Allergan doesn't suffer from that kind of leverage, but has unfortunately had a pipeline, sorry a patent expiry come sooner than was originally expected. And so it's suffered as a consequence of that. That said, you know, this is a company that actually has got an interesting pipeline. It's a management team that's focused on creating shareholder value. They've done some very judicious acquisitions over the last three to four years, not least exiting generics right at the top of the market before generics then has suffered quite considerably this year. They're focused on three disease areas that we certainly would advocate: namely ophthalmology, disease of the ageing, the eyes is a big focus area; central nervous system, like Parkinson's, Alzheimer's disease, those would be other areas; and then lastly they're actually involved in medical aesthetics. So you'll probably know Allergan better under the name of

Botox, because that's their lead franchise. ROB BAILEY: And it's a fascinating sector, but it's performed very well over the last few years. Valuations have obviously risen in terms of multiples. Are we seeing now I guess a much more critical market? When there's some bad news, when there's an FDA issue or there's a patent expiry, are we seeing those stocks punished more severely than they have been historically? DANI SAURYMPER: Yes, I think that's a fair observation. I mean we're seeing companies that maybe missed their revenues on a quarter by a couple of million dollars, you know, on a $700-800m top line. So in the grand scheme of things a very modest miss, but expectations are elevated, and so stocks are overreacting, even if it's minor in the long term actually the dynamic hasn't really deviated. And in fact that's presenting investment opportunities for us. And we're seeing it both from an accounting, reporting earnings basis, but we're also seeing it from a regulatory basis. So we had an example of a company late last year that we acquired a position in, a company called Amicus, where the market was very focused on a US market opportunity, and we saw a bigger opportunity in the rest of the world. We thought there would be a material delay potentially to their US opportunity, and that would represent a buying opportunity. And sure enough there was a delay, we bought a position, the stock did fall quite significantly on that day. That was an opportunity for us, and has subsequently done very well courtesy of one the US FDA coming back to them, and encouraging them to refile their product. So actually it hadn't disappeared, that opportunity. And then they've also had some success with another pipeline product in the area of rare diseases. ROB BAILEY: Well let's just perhaps cover a few of the areas we're going to talk about in the next short while. I mean obviously the healthcare sector has a large exposure to the US, so it would be, yes, we have to talk about Trump and the impact of Trump changes, but also I'm keen to understand a bit more around some of the actual healthcare changes, the changes in the way the market is being regulated. Touching upon demographics, because I think that's important, and of course the innovation and the opportunities you've already spoken about, but let's start by looking at the way that the FDA is changing their approach to drug management. DANI SAURYMPER: Yes, so I think it's interesting where we're at now, particularly as it relates to innovation and the pace of innovation, because it has multiple implications. But we have a new FDA Commissioner, a gentleman, a former doctor called Scott Gottlieb, and essentially he is trying to empower the FDA to speed up drug approvals, both in terms of innovative medicines, but also generic medicines as well. So whilst the FDA doesn't have a say in terms of drug pricing, if you can get more drugs approved, more generic drugs approved, that will have a benefit in terms of bringing down pricing and increasing competition. But we're also seeing a much more benign environment in terms of the FDA being receptive to bringing new products to market sooner, perhaps sooner certainly than we were expecting, and perhaps also with broader labels or broader claims than originally we would have anticipated, certainly compared to the historical FDA and how they have typically dealt with both pharma, biotech but also medical devices as well. So that's actually very positive in terms of if we're getting products approved sooner. That's great. What it also does mean though is the landscape can change very quickly as well in terms of your competitive advantage and your period in which you can commercialise those opportunities. So it's a double-edged sword, but right now we're seeing that very much as a positive tailwind. ROB BAILEY: The FDA historically has always been known as being actually a very cautious regulator, very proud of their record of preventing certain drugs reaching the market which have proved not to be effective. Has that kind of emphasis changed, do you think, or is it just really a case that our ability to understand drugs has improved so much? DANI SAURYMPER: So I think it's a combination of those things. The FDA ultimately is trying to assess the risk and the benefit of taking a product. The risk is clearly you don't want to do any harm to the patient. All products to some extent, all drugs have some side effects attached to them, but it's whether the efficacy outweighs those concerns. And I think the FDA is certainly more attuned to the benefits rather than the risk, or managed risk. And so we're seeing certainly a positive from that. We're also seeing an example where FDA is willing to look at the data in terms of a different way of looking at data. So to your point about have the companies, has the science got better, are they better at dealing with the FDA? I think that is definitely the case. But also the data that they have now in terms of understanding of disease pathology and biology, that enables the FDA to take a bit more of a holistic view, rather than being fixated on a specific endpoint per se. We're seeing a lot more products being approved in the area of rare diseases, where it's more about the natural history of that patient population rather than running a clear control arm for that clinical trial. ROB BAILEY: Well let's move on and talk about the other side of the regulatory hurdles, if you like, or the political hurdles, it is Trump. Now Trump's been massively public about Obamacare. What are the other impacts and side effects of the Trump Administration; what is he trying to achieve not necessarily without the support of the Senate and Congress? DANI SAURYMPER: Yes, so I mean Trump's tried and we would argue has failed at this point to repeal and replace Obamacare, at least through the House and the Senate approach. So there are other means at his disposal – namely executive orders – that we're likely to expect or to see. We've already started to see him take some attempts at dismantling Obamacare as it relates to the managed care sector. So the managed care sector is very much in the cross hairs, in particular the Medicaid aspect of managed care. So there's some shall we say some tension there; albeit one that is something that we think those companies involved in that sector can surmount and overcome. You're also seeing potentially still to come a focus on drug pricing. I think the rhetoric there has been pretty consistent in terms of wanting to get drug prices down. We've seen some help in terms of what the FDA is doing, in terms of getting new drugs to market, but I expect we'll also see some announcement. We had a leaked executive order in June in the New York Times about some of the things that Trump might try and introduce unilaterally, so we keep an eye on that. There are some sectors though that we still think actually are going to benefit from Trump. The life science tool space, that essentially is the life blood of innovation, those are the ones that are discovering the new targets and molecules in universities and scientific labs. They're supplying the reagents and machinery that allows them to do those experiments. We've actually seen one of the biggest budget funding increases in the last 10 years for the National Institute of Health in the US. Medical devices is another area where we're likely to see a moratorium on the medical device tax, so that's a little bit of a tailwind for them. And then the negatives still stay the negatives in terms of however much we like to look at it, Obamacare, there is likely to be a reduced number of enrolees or people with medical insurance as a function of what Trump is trying to do to dismantle Obamacare. And so the hospitals and to some extent similar healthcare IT players who are reliant upon capex budgets of hospitals are likely to remain a little bit under pressure. Hospitals in particular, because they're seeing a reduction in terms of number of insured, and therefore you're getting an increase potentially in bad debts or uncompensated care. ROB BAILEY: So all this uncertainty in the US sector, does that actually lead to an increased opportunity in M&A, or is it actually a hindrance to the M&A? DANI SAURYMPER: So it might well accelerate some of the strategic need for companies to get bigger, or to add additional technologies. And actually if you look at the chart you've actually flashed up now, we've seen actually quite a robust year for M&A in 2017, not dissimilar in terms of where we were in 2016 and 2015. And that's in spite of not having any real development yet on tax reform. So companies are taking advantage of low interest rates, they are seeing an opportunity, or they're seeing a necessity to act and augment their businesses. I think if we do see tax reform that could be a significant tailwind for the sector. You've got as much as $300-400bn of M&A firepower lying at the large pharma and biotech companies, significant sums at med tech. We have in the Fund – roughly about 50% of the Fund has exposure to the $30bn market cap or less – those mid cap US high growth attractive companies. So if there was tax reform, not only would those mid cap companies benefit from a lower tax rate overall, but those are exactly the companies that we think certainly are going to be attractive to the larger companies to augment their growth profiles. But Thermo Fisher have bought a company called Patheon, and they're involved in the development of the new biologics, helping produce these biologics. A lot of, when you look at biotech today they don't build their own manufacturing plants, at least not the small biotech companies, they outsource it. And so contract manufacturing is a skill in its own right. For many of the large-cap pharma companies it's not something that they would necessarily think about. They like to have production in-house. But for a lot of the small and more nimble companies it's absolutely the way they want to operate, it gives them a lot of flexibility. And so Thermo Fisher I think you will see over time start to bed in further in that space. I think Patheon is the first of what will be several acquisitions in a field that is very fragmented and gives them greater opportunity to consolidate that. ROB BAILEY: And for people who don't invest directly in the health fund, I guess a lot of their exposure is more to the large-cap pharmas: the Pfizers, the Glaxos and the so forths of the world. Is this an opportunity for them, or is this something they've just got to do just to stay competitive? DANI SAURYMPER: I think it's a part of doing business. Short of the large cap mega mergers, which really are driven by cost savings, efficiency, and to some extent some pipeline optionality maybe on top. But buying sort of mid-cap pharma or biotech where you're getting a new product pipeline or new technology platforms, that's absolutely essential to the sustainability of their businesses. ROB BAILEY: Now, we've had a good question here about the risk in the sector, and how do you protect yourself against the risk. I'd like to come on to that maybe generally as we talk through, but you've got a slide here on the inflation risk, and the impact that has on the sectors. Why is that an opportunity or is it? DANI SAURYMPER: So I mean there's a very strong correlation between the underperformance of pharma in particular and bond yields. So if we do see inflation as a result of tax reform or just general inflation in terms of the economy, the relative attractiveness of the large pharma companies is one going to go down versus the rest of the broader economy, but also they are typically higher dividend yield companies, and the relative attractiveness of that yield goes down. On the other hand, we do see in a rising rate environment, inflationary environment, biotech typically does well. And also the healthcare providers, the managed care companies, they also typically perform well into those rate rise periods. ROB BAILEY: Looking at this graph here, the suggestion that medical equipment and medical supplies will struggle. I guess that's going to be something that's accentuated if we see Obamacare being repealed and so forth is it? DANI SAURYMPER: Yes, so I mean when we think about risk and we think about positioning of the Fund. So as an example the Fund is significantly underweight large cap pharma. So it's actually come in slightly over the last nine months. We were typically about a 30% underweight in large cap pharma versus the benchmark; we're now probably around roughly about the 25% mark. And that's a conscious decision where we've essentially increased some of our biotech and also some of our specialty pharmas exposure, because that's where we think valuation-wise there's opportunity. So it does to some extent drive some of the positioning of the Fund when we think about that. We had reduced in the summer our med tech exposure to your point. At some point maybe in 2018, possibly more in terms of 2019, if there is further dismantling of Obamacare that could impact patient volumes or procedures volumes, and so some of the frothiness in med tech where valuations are pretty lofty could come off, and so we've taken some profits there particularly in that sector. ROB BAILEY: Now, let's move on a bit and talk a bit more about demographics, and the impact of demographics. No healthcare webcast would be complete without a conversation around demographics. Explain to me how you're playing that within the Fund. DANI SAURYMPER: Yes, so I mean ageing populations, as you say it's there, it's unshakable. Average life expectancy in developed markets is 80. If you're a woman in Japan your average life expectancy is 87 and expecting that to only increase with advancements in terms of pharma and biotech developments. If you look at drug consumption in the over 80s, it only is going to accelerate and increase and the charts tell you that much. One in six people will, if they reach the age of 80 which is the average life expectancy, sadly has dementia to look forward to. So there's a massive tailwind in terms of ageing populations, and we're still really coming into the forefront of that. The baby boomers in the US, 10,000 Americans hitting the age of 65 every day now, we really haven't seen the full impact. It's going to only increase as we get into the late 2020s and early 2030s. So what does that mean when we think about investment in the Fund? We tackle it from a few different frontiers. If you're thinking purely from a therapeutic standpoint we're going to focus on those chronic diseases that affect more of the elderly population. So if you look at cancer, about 25% of deaths in the over 65s are cancer related. So we're looking to invest in oncology. About a quarter of diabetics are over the age of 65, so we're looking to invest in diabetes. And there's a whole raft of chronic diseases that will only increase in their incidence as the population ages. And that's just one aspect. The other aspect would then be looking at things like aged care potentially, where there's a clear shortfall in the number of beds required for a continuing to age population. And we're also looking at the other end of the spectrum, which is prevention or healthier lifestyle, wellness. Because a lot of the focus historically has been on extending our lifespan, and I think you'll see on the next slide we're focused a lot more about looking at lifespan versus your health span. Now, it's all very well living a long period of your life, but if you're not healthy during those long years what's the point to some extent? And so we're seeing really a big change in the focus. And so we've tried to target that in terms of some of the investment opportunities. ROB BAILEY: So, looking at this next slide then, looking at the stunning statistic that 50% of deaths are caused by poor human behaviour. I mean I guess you see it changing with people wearing things like Fitbits and the like, but how does that actually translate into the Fund itself? DANI SAURYMPER: Yes, so look, I mean it's something I came across in a recent presentation when I was IBM Watson Health, who are trying to bring cognitive computing and big data analytics to healthcare, and they talk about this Oxford Health Alliance approach, which is 3-4-50. There are three lifestyle diseases that are driving four chronic conditions that drive 50% of deaths, so those three lifestyle diseases essentially poor physical activity, poor nutrition and smoking. And if you look at obesity there are studies now that are suggesting as well as we've talked in the past about there being 600 million obese people in the world today; by 2030 they think somewhere between 15% to 20% of all health expenditures will be related to comorbidities associated with obesity. And so this is a massive change in terms of it used to be all about your pre-existing risk, what were your genetic risks? If you've got a history of diabetes in the family, is there a history of cancer in the family? Now it's about your behavioural risk. It's about what are your choices that you're making to have a healthy lifestyle. And the challenge of course is the benefits of a healthy lifestyle don't accrue to you immediately. The benefit will be 30 years from now. Whereas when you're going to the doctor to get a drug, the effect is immediate in terms of the benefits. So it's very difficult to drive lifestyle change, but that is really quite key in terms of going forwards how they're going to tackle the burden of healthcare cost. ROB BAILEY: And you've headed up this next slide Infobesity. I've got no idea what that means. DANI SAURYMPER: Well we were talking about obesity, and there's an obesity of information out there, I guess. And again another study that was published in the New England Journal of Medicine, which was looking at the challenge faced by doctors today to absorb the amount of new information that's being generated in clinical trials, and trying to keep on top of what is best practice in their field. So I'm not going to read out what it says, but essentially there aren't enough hours in the day, I think we all share that feeling in terms of not enough hours in the day to get the job done. Well doctors would need to read nearly 29 hours each work day, so more hours than there are in the day, just to keep up with new professional insights. And so we're seeing all manner of different types of data being accumulated, whether it be longitudinal data, whether it be more broad based detailed data, and it's what does that data all add up to? Are there learnings that can be had, and is there a way that that can help treat patients better or reduce the cost of healthcare in some form or fashion? ROB BAILEY: Let's talk about connected care then, so how you diagnose the treatment. I mentioned there, we've mentioned the devices earlier, how do you access that within the Fund, and how does it show in terms of the stocks that you hold? DANI SAURYMPER: I think more and more of the companies we're looking at are paying more attention to having a digital focus, and much more focus on how is technology going to interplay with some of the treatments that they're devising, and perhaps more obviously it manifests itself in the medical device field, maybe that's a bit more obvious and tangible. We're getting a lot more now in terms of robotic surgery, assisted surgery, surgical planning, software that basically will look at the patient's biology in terms of bone structure, muscle, fat, to aid a surgeon in terms of guiding their surgery, whether it be spine surgery, knee replacement surgery and the like. So there's lots of different ways in which technology will be applied. We have investments in electronic health record companies. We have companies that have invested in patient data analytics, health insurer in the US, United Healthcare Group which we've owned for a very long time now. A big part of their business is a company called Optum. It doesn't get a lot of attention but they're responsible for a lot of the data analytics in terms of trying to fish out patterns in the data, trying to identify patients who might be at risk of a heart attack six months before they actually have a heart attack. It sounds like fantasy stuff but actually we're on the cusp of being able to really tease out who are the patients that we really need to focus on. There's a great stat that got published in America: about 5% of patients account for about 50% of healthcare costs in the US. And it's really about treating that 5% better that will allow us to get the healthcare costs down. And so that will manifest itself in terms of better diagnosis, faster diagnosis, more tailored treatment plans, and then more broadly focusing on the prevention aspect rather than letting the disease build in the first place. And there's ways of doing diagnostic screening, gene sequencing, doing genetic testing to try and find out what your predisposition is to certain diseases. We're really at the infancy in terms of how that's going to manifest itself in terms of the investment world. ROB BAILEY: Dani, we've been speaking a lot about demographics, about the ageing populations. One of the areas where there seems to be more opportunity is in regenerative medicine. Talk us through that. DANI SAURYMPER: So regenerative medicine is absolutely key to dealing with the challenge of a longer lifetime, but importantly a better health span. And so we're seeing some really exciting technologies and advances there that are being made today in terms of gene therapy, cell therapy, and I guess the one that most people may have heard of but we've yet to really see any evidence of is stem cell therapy. Gene therapy is a great example, because we've just seen a product approved for a rare form of eye blindness in children. We saw a product being approved. Now gene therapy essentially allows you to treat monogenic disorders, diseases where there's a single genetic mutation, and essentially you're replacing the blueprint to produce a certain protein by giving that patient this gene therapy. Cell therapy is another example where you take a patient's cell. This in particular in the area of cancer, you take their immune cells out of their body. You reprogramme them to recognise the cancer in that body. Cancer cells are very clever at hiding themselves from your immune system. And then you reinsert those immune cells and you're getting very profound benefits in terms of survival for certain rare cancers. And stem cell therapy, another great example, we've recently made some investments in that field, but there's some really exciting prospects potentially in spinal cord injury. It's very early days, but the potential there is tremendous, and obviously the transformational impact that could have on those patients would be immense. ROB BAILEY: It sounds like quite a crossover with some of the technology ideas that we look at, or robotics ideas that we look at, so I guess working as part of that team there you can sort of cross-fertilise ideas with the technology guys. DANI SAURYMPER: Yes, I think that's an invaluable resource at AXA IM. I mean working with Jeremy Gleason who runs our tech fund, Tom Riley who runs our robotics fund, we sit literally back to back or three feet from each other, and it's a very easy dialogue that we have in terms of vetting opportunities that we've certainly shared at numerous company meetings, where their expertise helps inform my view and my expertise helps inform their view. And we have some shared holdings in that regard. I know we're going to touch on one of those later on, but Philips is a great example of the collaboration with the AXA Framlington framework. ROB BAILEY: Philips as you say is one where it crosses over. Philips has always been, it's been around for a long time, so morphing into more of a new world company, we've spoken a bit in terms of our thematic investing as a company that's evolving, tell us the appeal of Philips to you. DANI SAURYMPER: Yes, so it's an interesting story in terms of how I came across the opportunity, and then what's actually happening in terms of the evolution of that business. In actual fact the business or the idea came to me via our industrials analyst based in Paris, who mentioned that Philips was going through this transformation of trying to shed its legacy businesses. And you're absolutely right; it's an old economy business. Historically very much focused in areas like lighting and consumer electronics, not a classic healthcare company by any means. But what they recognised and what their management team are so focused on is building a health tech company. So they still have some consumer electronics, don't get me wrong, but they have a very big focus on diagnostics and imaging. And so we've already talked about how imaging and diagnostics can help in terms of disease management or treatment planning. They also have a very big focus in connected care, and so they have something like a 40% market share in connected care devices within a hospital. And this is, you know, I'll give you an example of the innovation that they're bringing. They have sensors now that can sit on a ward that will measure a patient's heart rate, their blood oxygen levels. They'll have a monitor that will also measure their respiratory rate. All from a distance, it's infrared sensors and the like. So that reduces the burden in terms of the nurses looking after those patients, but they add an extra layer of added value. But they have software that then enables them to say, hey based on this patient's heart rate, their blood pressure, their breathing rate, this is a certain pattern that we've seen before, and actually you need to intervene because they're likely to have some kind of medical event of some description. And so that's just one example of connected care, big data analytics, cognitive computing within the medical device space. And Philips is on top of that. As well as them shedding this sort of old economy and becoming much more new economy, they're very much a self-help story as well. So here's a company that potentially can grow its top line 4 to 6% per annum, and is looking to improve its operating margins by 100 basis points each year for the next three to four years as it rationalises its footprint, reduces its manufacturing footprint and goes into the more higher value, higher margin opportunities. So they get a business mix effect as well. And the last piece of the puzzle for me was this is still a company that's very much viewed with that industrial analyst lens. And so when I looked at it and compared it against appropriate medical device peers, I mean this is a company that was trading and still is trading at a significant discount to European medical device companies, despite offering a very attractive growth rate relative to those peers. So it really added up to a very, a transformation story, a self-help story, and there was a very strong valuation overlay. So we were involved in Philips and Tom was involved with that since the middle of last year. ROB BAILEY: And presumably that re-rating if you like as the company transforms is going to be somewhat driven by the way that their sector is analysed, which sector they're put into by the listing agent, and that actually to get recognised by the market seems to take quite a long time. DANI SAURYMPER: It's funny you should say that, because it was only really in the last two/three months I think it was that MSCI reclassified Philips into the healthcare benchmark. And so there was a good 12 months where it was, for all intents and purposes it was going to be a health tech company, they just hadn't finished divesting some of the industrial assets as we'll call them. And now it is in the benchmark, and now you're seeing much more of that healthcare community starting to focus and analyse on that business. And even though it's had a decent re-rating so far, it still trades at a material discount to its med-tech peers. ROB BAILEY: Now, we're coming to the last couple of minutes. One of the questions we've had really is about geographic exposure: has that changed, has that evolved? I mean obviously you mentioned Philips, which is obviously a European company. Has your exposure to North America, Europe and Japan and the like, has that changed over the last couple of years? DANI SAURYMPER: So more recently there's been a change. And we were very, or I was very conscious of the fact that Japan is actually the second, will be the third largest healthcare market in the world, and yet it was relatively underrepresented within the Fund in terms of companies from Japan. And it's recently that we've taken a position in a Japanese pharma company Takeda is the company in question. And we talked about which disease areas would we want to be invested in? They're very focused on oncology, gastrointestinal. They've got some exposure also into the central nervous system area. And so that's one as a starting point an attractive investment area. They're another self-help story where this is a company with some of the lowest operating margins globally, let alone just in Japan, and they've got essentially a Western management team driving a massive cultural change. And you've got a French CEO, you've got an Irish CFO, and it's really quite dramatic the impact these new Western executives are having on a traditional Japanese company. You've seen significant outsourcing, you know, shedding of R&D, a real focus, re-focus I should say. And so much so that it's a company that is attempting to deliver at least 100 to 200 basis points of margin improvement for the next five years, year in year out. And so it was a conscious decision that I wanted to increase the exposure to Japan, and it was fortunate there was an opportunity here where I felt there was a good risk/reward given what was on offer. And in fact I'll be doing further due diligence on some of the Japanese and Asian names in December, because I'll be going on a field trip to meet with various companies in the space there. ROB BAILEY: We'll have to draw it to a close there, but just one final point. I mean there's clearly no shortage of new ideas, new opportunities that are out in the sector. How do you see the next 12 months playing out, the next 18 months playing out in the sector as a whole? Do you see, as things settle down with Trump and the changes that the FDA and so forth, do you feel confidence in the sector going forward? DANI SAURYMPER: I think there is real cause for optimism, and it's not dependent upon tax reform that's for sure. The reality is the reason why we have those investments and have made those investments way before tax reform was even mentioned was because they were attractive growth assets in and of their own right. There is a much more benign regulator it would seem at the FDA right now, in terms of trying to encourage greater products, being approved and getting on the market. The biology and the science, you know, it took 10 years to sequence the first human genome. What they didn't realise was it was going to then take another 10/15 years to decipher what it all actually meant. And now we're at that point of potentially monetisation where we know we've got these wonderful new targets, these much more targeted therapies, which allows you to one go after quite specific populations, but also that means you get a very specific benefit: less waste because you're only going after those patients with a certain gene signature or genetic marker. So I think a whole raft of reasons to be optimistic about the prospects for the sector. And as you say as some of the rhetoric from Trump maybe gets dissipated, I think some of the fundamentals will be able to reassert themselves. Certainly we've got these long-term secular growth drivers in terms of ageing populations, lifestyle diseases, and the companies are in that development phase now. They've got these great opportunities in terms of targets and new launches, and I expect we're going to see some fulfilment of that over the next 12 to 18 months. ROB BAILEY: Great, Dani Saurymper, Manager of the AXA Framlington Health Fund, thank you very much for your time. And thank you for joining us, and we hope to see you again soon.