



EQUITY

Meet the Manager: Wendy Lam

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Wendy Lam, Ph.D.
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After receiving a Ph.D. in biology, Wendy Lam found her calling in the science of *investing*. Now a portfolio manager for Franklin Biotechnology Discovery Fund, Lam shares some anecdotes on why she chose a career in investment management instead of science. She also explains why data is always the critical driver in her decision making.

Beyond Bulls & Bears: We understand you used to be a scientist before you became an investor. How did you get into the investment management business?

Wendy Lam: To be honest, it was a combination of location and serendipity that sparked my interest in investment management as a career.

After receiving my doctorate in biology at MIT, I moved to New York to start a postdoctoral fellowship at Memorial Sloan Kettering Cancer Center. My plan at the time was to pursue a career in scientific research, either at an academic institution or a pharmaceutical company.

However, once I was in New York City, I met a lot of investors, management consultants and biotechnology/pharmaceutical industry professionals who were incredibly passionate about health care and drug development. These people helped me realize that, as much as I loved doing basic science research, I wanted to make a more direct impact on the health care ecosystem using the scientific, analytical and communication skills I picked up from my academic training. That was what drew me to the investment side of the biotechnology industry.

Once I left the lab bench for good, I spent three years doing biotechnology equity research at a few investment banks in NYC, including Bank of America Merrill Lynch, Morgan Stanley and Oppenheimer. While those organizations were a great place for me to learn about the industry, I knew that ultimately I wanted to work for an asset manager.

In 2016, an opportunity to join Franklin Templeton's biotech equity research team came up. That was when I packed my bags and moved to San Francisco.

Beyond Bulls & Bears: Your area of expertise is in biotechnology. What are you most excited about in biotech right now?

Wendy Lam: I am really excited about immunotherapy as an approach to treat cancer. The concept of immunotherapy involves harnessing the power of a patient's own immune system to detect and attack tumors.

There's been a lot of innovation in this area recently—from antibody-based drugs like checkpoint inhibitors that have led to long-lasting responses in hard-to-treat cancers, to cell-based therapies, which are more complex to make and administer but can be highly effective in patients who have failed all other treatment options.

One type of cell therapy that is already available to patients is CAR (Chimeric Antigen Receptor) T-cell therapy, which involves collecting a patient's own immune cells and engineering them so that they can recognize a specific antigen expressed primarily by cancer cells. The engineered cells are then re-introduced into the patient where they can recognize and kill any tumors harboring the antigen.

There are already two CAR-T therapies approved by the US Food and Drug Administration (FDA), but many companies are already working on improving upon existing technologies. I am most excited about the potential for allogeneic or "off-the-shelf" cell therapies that can be used safely in all patients so that we no longer need to collect and modify immune cells from each patient, which can be a time-consuming and expensive process.

Beyond Bulls & Bears: What is the toughest part of your job?

Wendy Lam: As a biotech investor, my job is to somehow predict the future. I have to predict whether a clinical trial for a drug is going to succeed or fail, whether a drug is going to receive FDA approval or whether physicians will prescribe a drug.

However, we often have to make these predictions based on very limited data, and it is very easy to make mistakes when the data gaps are significant. If every drug developer ran large, well-designed randomized controlled trials for every drug and indication, perhaps my job would be a bit easier. But the reality is that many companies run small and short single-arm studies to expedite clinical development.

Sometimes we don't even have the luxury of analyzing clinical data. For earlier-stage companies whose drugs have yet to enter clinical development, we often only have preclinical data from animal models to work with. We have to somehow predict whether a drug that works well in a mouse will work in a human patient—but obviously, mice and humans are very different organisms!

I've found that this is where my scientific background comes in handy. Having a deeper understanding of the mechanism by which a drug works or the pathophysiology of the disease under investigation helps me make more informed decisions when data gaps exist.

Beyond Bulls & Bears: What achievement are you most proud of?

Wendy Lam: Being promoted to portfolio manager here at Franklin Templeton! As a woman, a scientist and a child of immigrants, it means a lot to me to take on a leadership role in an industry where I am in the minority. I am fortunate to be at an investment firm where performance, dedication and hard work are recognized and rewarded, regardless of gender and ethnicity. By setting an example for others like myself who are underrepresented in this business, I believe I am doing my small part in making this industry a more equitable environment for everyone who wants to work in it.

Beyond Bulls & Bears: Is there one piece of advice you've received during your career that you still rely on today?

Wendy Lam: Always let the data drive your decision making. This advice was relevant to me when I was a scientific researcher, and it is still relevant to me now as an investor. Whether it's at the lab bench or on the trading floor, form a reasonable hypothesis based on existing data and test it. If the data tell you that your hypothesis is incorrect, adjust it and test it again. Take advantage of all the data sources around you to better inform your hypothesis. We are human, and we all have our biases, and it is easy to succumb to herd mentality or thesis creep whenever we are wrong or unsure of something. Ensuring that every decision is backed by hard data will help you avoid making bias-driven mistakes.

Beyond Bulls & Bears: What are you interested in or involved with outside of work?

Wendy Lam: I am an avid traveler! I went to Portugal in October, and I enjoyed it so much that I plan to visit again soon. I loved wandering up the hills of Alfama, exploring the castles and monuments in Belém and Sintra, and eating way too many pastéis de nata. But my favorite part of the trip was grabbing drinks with the locals on Rua Nova do Carvalho or at one of the many rooftop bars in Lisbon. I'm looking forward to my next trip.

One of the advantages of living in San Francisco is that you can be a city dweller and enjoy nature at the same time. I love checking out new bars and restaurants in the city, especially in the Dogpatch (my home turf) and Mission districts, but whenever I want to go hiking in the woods, it's just a short drive away. I'm also a pretty active person, and I consider myself a barre addict—a type of exercise which incorporates ballet movement. I do barre at least 3-4 times a week.

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