

Milliman Financial Risk Management



Milliman Financial Risk Management LLC is a global leader in financial risk management to the retirement savings industry. Milliman FRM provides investment advisory, hedging, and consulting services on approximately \$165.9 billion in global assets (as of March 31, 2024). Established in 1998, the practice includes over 200 professionals operating from four trading platforms around the world (Chicago, London, Amsterdam and Sydney). Milliman FRM is a subsidiary of Milliman, Inc.



Investment Strategies

Milliman has been managing market risk for two decades for many of the world's leading financial institutions. Today, our insights are delivered through three distinct investment strategies, which can be tailored to meet the specific financial risk management needs of our clients. Investors may access our strategies through investment products that are advised by leading asset managers around the world.

For more information, including a full list of investment products using Milliman's investment strategies, please call +1 855 645 5462 or visit frm.milliman.com/products-we-serve.

Milliman Managed Risk Strategy®

The Milliman Managed Risk Strategy (MMRS) is a customizable dynamic portfolio risk management strategy.



More than \$49b track the strategy, making it the largest dynamic equity risk management strategy in the world.



Used in more than 80 variable insurance trust sub accounts, ETFs, collective investment trusts, and mutual funds.



Carried out via a global trading platform with offices strategically located in Chicago, Sydney, and London.

OVERVIEW

MMRS is an intelligent portfolio risk management technique that seeks to prevent portfolio volatility from exceeding a designated threshold, capture long-term growth in up markets, and defend against losses during sustained market declines.

Milliman Defined Outcome Strategies

Structuring exposures to major equity markets, where the upside potential, downside protection level, and outcome period are all defined.



Structured exposures to broad equity indexes.



Defined levels of upside participation and downside protection.



May be implemented through multiple product wrappers.

OVERVIEW

Milliman Defined Outcome Strategies seek to provide investors with defined exposure to broad equity markets (e.g. S&P 500), where the upside potential, downside protection level, and outcome period are all known. Defined outcome investment strategies have existed for decades in structured notes and annuities. Milliman FRM is leading the way in delivering defined outcome strategies through a multitude of investment vehicles (e.g., ETFs, ETNs, indexed annuities, and variable annuities).

Milliman Managed Risk Parity™

The Milliman Managed Risk Parity Strategy (MMRP) combines the dynamic asset allocation approach of risk parity with the risk mitigating features of volatility management.



Risk parity, enhanced with volatility management.



Allocates portfolio capital so that each asset contributes the same amount of risk to the portfolio.



Seeks to stabilize risk and reduce drawdowns.

OVERVIEW

MMRP constructs a portfolio by allocating to asset classes based on their individual risk. This approach limits the effect that any single asset class can have on portfolio performance. Additionally, MMRP uses ongoing volatility management to limit overall portfolio risk. When market volatility rises, the portfolio de-allocates into cash. This seeks to stabilize risk and reduce portfolio drawdowns.

Creating transformational improvement in the retirement savings industry.

Chicago

71 S. Wacker Drive
31st Floor
Chicago, IL 60606
United States
Tel: +1 312 726 0677

London

11 Old Jewry
Third Floor
London, EC2R 8DU
United Kingdom
Tel: +44 207 847 1500

Amsterdam

Haaksbergweg 75
Amsterdam
1101 BR
Netherlands
Tel: +31 6 211 70 583

Sydney

Level 5
32 Walker Street
Sydney, NSW 2060
Australia
Tel: +61 2 8090 9100



For more information, visit frm.milliman.com

The information, products, or services described or referenced herein are intended to be for informational purposes only. This material is not intended to be a recommendation, offer, solicitation or advertisement to buy or sell any securities, securities related product or service, or investment strategy, nor is it intended to be relied upon as a forecast, research or investment advice.

The products or services described or referenced herein may not be suitable or appropriate for the recipient. Many of the products and services described or referenced herein involve significant risks, and the recipient should not make any decision or enter into any transaction unless the recipient has fully understood all such risks and has independently determined that such decisions or transactions are appropriate for the recipient. Investment involves risks. Any discussion of risks contained herein with respect to any product or service should not be considered to be a disclosure of all risks or a complete discussion of the risks involved. Investing in foreign securities is subject to greater risks including: currency fluctuation, economic conditions, and different governmental and accounting standards. There are risks associated with futures contracts. Futures contract positions may not provide an effective hedge because changes in futures contract prices may not track those of the securities they are intended to hedge. Futures create leverage, which can magnify the potential for gain or loss and, therefore, amplify the effects of market, which can significantly impact performance. There are also risks associated with investing in fixed income securities, including interest rate risk, and credit risk.

The recipient should not construe any of the material contained herein as investment, hedging, trading, legal, regulatory, tax, accounting or other advice. The recipient should not act on any information in this document without consulting its investment, hedging, trading, legal, regulatory, tax, accounting and other advisors. Information herein has been obtained from sources we believe to be reliable but neither Milliman Financial Risk Management LLC ("Milliman FRM") nor its parents, subsidiaries or affiliates warrant its completeness or accuracy. No responsibility can be accepted for errors of facts obtained from third parties.

The materials in this document represent the opinion of the authors at the time of authorship; they may change, and are not representative of the views of Milliman FRM or its parents, subsidiaries, or affiliates. Milliman FRM does not certify the information, nor does it guarantee the accuracy and completeness of such information. Use of such information is voluntary and should not be relied upon unless an independent review of its accuracy and completeness has been performed. Materials may not be reproduced without the express consent of Milliman FRM. Milliman Financial Risk Management LLC is an SEC-registered investment advisor and subsidiary of Milliman, Inc.

© 2024 Milliman Financial Risk Management LLC - 4/24