Milliman

Milliman is at its core an actuarial consulting business which has been around for just over 75 years with over 5,000 employees globally. Milliman's Financial Risk Management practice combines the actuarial underpinnings with capital markets expertise to manage financial market risks on over AUD $200bn in assets for some of the largest insurers and asset managers globally.

Milliman launched its series of managed account portfolios 4 years ago, in the form of the SmartShield series of SMAs. Each of these portfolios embed a systematic risk management strategy that leverages same expertise and infrastructure that Milliman built to manage financial market risks for its institutional client base.

These portfolios have been built from the ground up to provide a low-cost, risk managed solution to give pre-retiree/retiree clients confidence to stay invested in growth assets. Milliman firmly believes investing for pre-retirees/retirees requires a delicate balance of:

- Maintaining sufficient exposure to growth assets to combat inflation and longevity
- Managing behavioural risks such as risk aversion
- Managing sequencing risks

Each of the SmartShield portfolios are constructed from the following core building blocks:

- A simple & affordable instrument selection through passive ETFs to provide market exposure;
- Strategic asset allocation with a tilt towards growth assets to help offset the typical costs associated with risk management
- Built-in systematic risk management strategy to stabilise portfolio volatility and reduce the impact of large market drawdowns

Advisors have been using the SmartShield portfolios as a solution for their pre-retiree/retiree clients who are concerned with market risk as well as for nervous investors who need the confidence to maintain or even increase their exposure to growth assets.

4th June 2024