Milliman Managed Risk Strategy©

The Milliman Managed Risk Strategy© (MMRS) is a customizable dynamic portfolio risk management strategy that seeks to:

Prevent portfolio volatility from exceeding a designated threshold

Capture long-term growth in up markets

Defend against losses during sustained market declines

TWO COMPONENTS: ONE STRATEGY

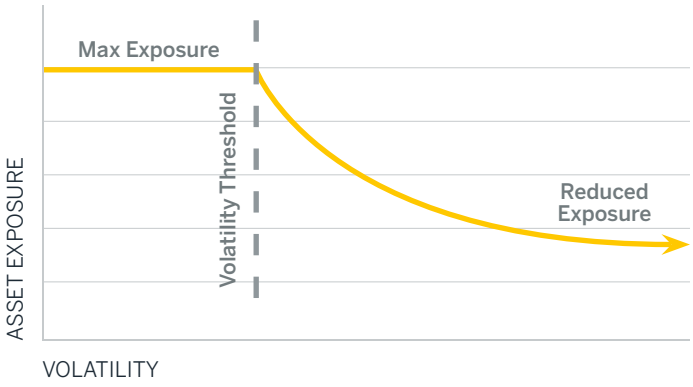
MMRS consists of two integrated and flexible components that work in tandem to pursue the objectives behind the design.

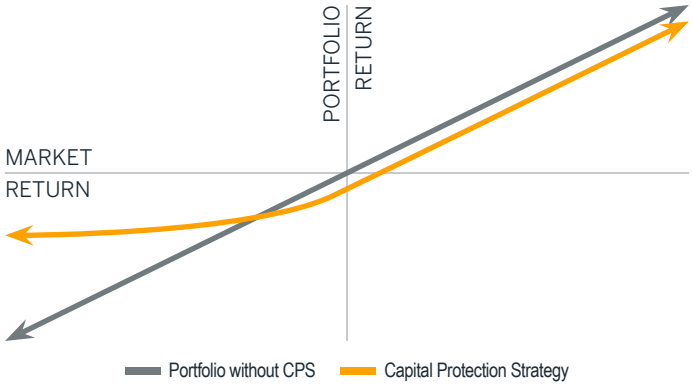
1. Volatility Management

The volatility management component regulates portfolio volatility. It can be tailored to either proactively conform to risk limits, or to monitor with a "light touch" that steps in only when needed to meet investment guidelines.

2. Capital Protection Strategy

The capital protection strategy (CPS) component produces an additional cushion against losses during significant and sustained market declines. This is achieved through tail hedging rooted in dynamic put option replication techniques.





For illustrative purposes only, does not represent the performance of any actual investment or portfolio, and should not be viewed as a recommendation to buy/sell.

Each MMRS implementation provides a customized approach designed to meet end user investment and risk management objectives. This is achieved by dynamically managing investment exposures, either by directly trading portfolio assets or through the use of capital efficient derivatives such as futures and options (when permitted by investment guidelines).

MILLIMAN CAPABILITIES

Milliman can manufacture its managed risk strategies across diverse asset classes, using a variety of instruments, offered in a range of product structures. Through its trading desks, located strategically in Chicago, London, and Sydney, Milliman FRM is positioned to carry out the management and trading for managed risk strategies around the clock and the globe.

Milliman

Creating transformational improvement in the retirement savings industry.

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Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

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