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PRESS RELEASE

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Milliman and HUB24 launch solution to tackle market uncertainty

Milliman, Inc. a global consulting and actuarial firm, has launched its first range of managed account portfolios, with built-in protection against volatility and capital losses.

The Milliman SmartShield series is the first managed account offering from the firm, which advises, hedges and consults across \$240 billion in assets globally. It has been designed here in Australia and has launched initially on HUB24 with other platforms to follow shortly.

The SmartShield series initially consists of four portfolios (Moderate, Balanced, Growth and High Growth), with each one designed to meet the evolving needs of financial advisers and their clients.

"Financial advisers continue to face a raft of challenges, as the industry undergoes both a structural and regulatory adjustment," Milliman's Australian Practice Leader Wade Matterson said.

"Through our conversations with advisers, we understand that there is an intense focus on simplification and efficiency while preserving the core values and benefits of financial advice. At the same time, regulatory requirements such as the Best Interest Duty are resulting in a greater focus on the fees and benefits of investment solutions for clients.

"We've designed the SmartShield portfolios specifically, to assist advisers as they respond to these changes and are delighted to launch with HUB24 as they continue to gain significant interest from advisers wishing to use managed accounts, and will be announcing further alliances in the coming weeks."

SmartShield's portfolios are built using best-of-breed, low-cost exchange-traded funds (ETFs) that invest across Australian and international equities, Australian and international fixed income, property, and cash – and leverage Milliman's global risk management expertise.

Each managed account portfolio contains a built-in risk protection overlay that dampens volatility and capital losses in a market downturn and, importantly, can be switched on or off as required by advisers, without their clients having to incur capital gains tax or lose dividends.

The risk protection overlay uses the same techniques that Milliman has applied for decades while working with large institutions across the globe, and through a wide range of market environments, including the Global Financial Crisis.

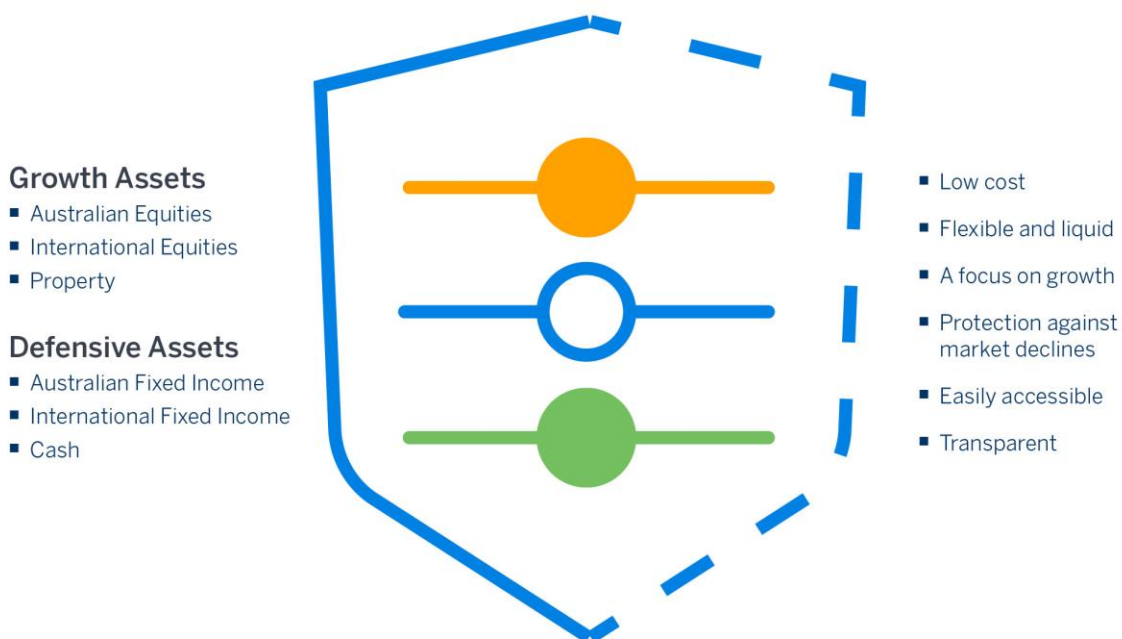
"This approach reinforces a financial advisers' advice proposition by giving them the flexibility to meet each client's unique needs through the highly efficient managed account structure. SmartShield provides advisers with the ability to give their clients much more stability and



strength at the core of their portfolio, through a flexible and efficient approach. Given ongoing macroeconomic uncertainty and concerns with respect to valuations and global volatility, we are seeing increased focus on managing risk within portfolios."

Most major asset classes surged in 2019 despite lacklustre corporate earnings as central banks around the world once again began loosening monetary policy. However, valuations are now stretched and investors face a series of new risks such as the outcome of the US election, the spread of coronavirus, and how governments will tackle climate change.

SmartShield Balanced portfolio



Advisers and investors need the ability to move quickly in this changing environment – a key reason they are turning to the more efficient managed account structure.

Managed account net flows doubled to \$4.43 billion in the June 2019 half, boosting total sector assets to \$71.38 billion, according to the IMAP (Institute of Managed Account Professionals) and Milliman's six monthly [Managed Accounts FUM Census](#) series.



HUB24 was recently awarded Best Platform Managed Accounts Functionality* which ranked 18 platforms across six categories and 509 criteria.

"We are pleased to be working with Milliman on the launch of their new managed portfolio offer, our market-leading managed portfolio functionality provides the capability for Milliman to effectively execute their investment strategy. As market conditions shift it is critical that we continue to provide advisers and their clients with a wide range of investment options to meet their needs" said Brett Mennie HUB24's new Head of Managed Portfolios.

For more information, visit <https://advice.milliman.com/smartshield>

*Investment Trends December 2019 Platform Competitive Analysis and Benchmarking Report.

About Milliman

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. For further information, visit <https://au.milliman.com/>.

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