

## CONSULTANT PROFILE FOR AIMSE 2019

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**NAME OF INVESTMENT CONSULTING FIRM:**      **Milliman Advisors LLC**

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*\* Please limit the profile to three pages. We would appreciate you including any organization charts on research and field consultant structure.*

**FIRM OVERVIEW** (History of the firm, office locations, client type/region, etc.)

*Milliman was founded in 1947, and began offering Investment Consulting services in the 1980s. In 2002, Milliman acquired the Dorn, Helliesen & Cottle consulting firm, which became Milliman's San Francisco Investment Consulting practice. At the beginning of 2019, the Milliman Investment Consulting practice was spun out into a separate SEC-registered entity, Milliman Advisors LLC, which is a wholly-owned subsidiary of Milliman.*

*While Milliman is a large organization, our Investment Consulting practice is relatively small—we have 3 Investment Consulting offices (in San Francisco, Dallas, and Albany, NY), and we work exclusively with institutional tax-exempt clients. The client bases of the Dallas and Albany offices are similar, focusing primarily on small/mid-sized corporate Defined Contribution plans, with a few corporate Defined Benefit plans and other types of clients. The San Francisco office's client base is more diverse, and includes Public DB plans, Public DC/Deferred Compensation plans, Taft-Hartley Pension and Health & Welfare plans, small corporate DC plans, and small endowment/foundation funds.*

**KEY CONTACTS / LEADERSHIP - NAVIGATING INSIDE OUR FIRM**

*Given the small size of our Investment Consulting practice, all Milliman consultants and analysts are generalists who conduct research on investment managers as one of several responsibilities. There are no dedicated manager research specialists, and no consultant or analyst specializes in certain asset classes, managers, or types of strategies. Primary consulting contacts in each office are:*

*Albany—Jeff Marzinsky*

*Dallas—Tim Buckley, Jeff Chalk, Charles Hodge, Randy Mitchell*

*San Francisco—Jeff Nipp, Steven Cottle\**

*\*While part of the San Francisco office, Steven is based in Miami, Florida*

## MANAGER RESEARCH PROCESS – RATING SYSTEM - DATABASE USED

*We utilize the eVestment and Morningstar databases for manager information, and supplement that as necessary with targeted questionnaires. We do not have a formal manager rating system, but do have regular calls involving all of our offices to discuss recent and planned manager meetings. Research priorities are substantially driven by specific client needs or potential needs, and our primary focus is on managers with whom we share existing client relationships.*

## CURRENT CLIENT INTERESTS & MARKETPLACE TRENDS

*Defined Benefit plan clients, particularly public funds, are concerned about their ability to meet their actuarial return targets in an era in which forward-looking expectations for asset class returns are muted. Many such clients recognize that they have substantial equity market beta risk in their portfolios, but are uncertain how (and how much) to diversify that risk, especially given their typically under-funded status. Strategies offering the potential for attractive returns and true diversification are therefore of interest. Corporate DB plans are, in many cases, focused on Liability-Driven Investments.*

*Most Defined Contribution plans have adopted Target Date Funds as default investment options, and are seeing the proportion of participant assets invested in such funds continuing to grow. Fees remain a consistent focus of many DC plan sponsors, and there is some evidence of a trend towards consolidating plan options into fewer, broader-based choices (such as a small/mid cap equity option instead of separate small cap and mid cap options).*

## SEARCH ACTIVITY (Current & Anticipated) – Please include areas of no interest/activity

*Since we typically only conduct a few manager searches each year, forecasting search activity is difficult—such activity tends to be very client-specific. Most activity that we see in “traditional” asset classes (stocks and bonds) tends to be replacement activity, although we have seen some movement towards establishing dedicated emerging markets equity portfolios, rather than just getting EM exposure through broader international equity portfolios. Also, in the last few years, some clients have added various forms of “real asset” exposure (real estate, infrastructure, etc.) in both listed and private forms.*

*Our clients make little or no use of hedge funds, and only a few have exposure to private equity. Most DB clients have Investment Policy Statement prohibitions against leverage, so strategies such as private credit can be difficult for them to employ.*

## WHAT IS ON THE FIRM'S RESEARCH AGENDA?

*As mentioned above, our "research agenda" is very much driven by client needs, as opposed to broad-based initiatives focusing on particular asset classes and/or strategies. In a broad sense, however, strategies that are more "outcome-based," which can deal with particular issues, and which provide the diversification and attractive return potential previously mentioned are more likely to be of general interest.*

## ANY SIGNIFICANT ADDITIONS OR DEPARTURES IN THE FIRM?

*Bill Cottle (part of the original Dorn, Helliesen & Cottle consulting firm) has reduced his workload and is focusing primarily on direct contact with select clients, rather than on manager research. There have been no significant additions or departures in the last couple of years.*