

# PM Spotlight: From Math Whiz Intern to Head of Systematic Options

Megan Miller, CFA,  
Head of Systematic Options



**Megan Miller** is head of Systematic Options and portfolio manager for the Systematic Edge team. Megan is living proof that investment in interns can yield big returns. Now she can inspire young women to enter the industry and pay it forward for a new generation of recruits that hopefully will one day take up leadership roles at Allspring.

**Q:** HOW DID YOUR INVESTMENT CAREER GET STARTED?

**A:** I've always been interested in math and I knew that's what I wanted to study in college. But I didn't know what I would do with a math degree until I interned with Analytic Investors, which is a predecessor firm of Allspring. The first summer I walked through the door and saw whiteboards filled with formulas that I was learning in school and mathematical concepts being applied to real-world problems, I was fascinated by my potential career in investments. Analytic hired me when I graduated from the University of California at Los Angeles with a bachelor's degree in math and economics, and I'm celebrating my 15th anniversary with this team.

I'm grateful to now be at a point in my career where I can help introduce young people to the industry through internships and mentorships. Recently I've been able to use my connections at the University of California at Berkeley, where I completed a master's degree in business. We've coordinated with the Master of Financial Engineering Program at the Haas School of Business for interns. I really enjoy that part of my role. It's a way for me to pay it forward for the opportunities I've had and to bring diverse talent to Allspring while aiming to improve the representation of women in leadership roles.

**Q:** HAVE YOU ALWAYS FOCUSED ON OPTIONS STRATEGIES, AND WHAT WAS THE ATTRACTION?

**A:** I have always worked with options—mainly because I enjoy using options to solve problems, but I also innately appreciate their mathematical foundation. Managing options strategies drives me and keeps me centered.

**“ I love that change is constant in options markets and there's always something to learn.**



Options are really synonymous with flexibility and are key to giving investors choices to adjust portfolio risk and return expectations. They're an important tool for helping clients address their challenges. I enjoy that problem-solving aspect and the complexity and dynamic nature of options.

I manage mainly equity options, which are derivatives of global equity markets. I love that change is constant in options markets and there's always something to learn. One of my first roles at the firm was on the trading desk executing option orders, starting just before the Global Financial Crisis. It was an incredibly stressful time to be selling equity volatility, and it was also a unique opportunity for me to learn the importance of risk management and being able to make quick decisions. After a few years, I moved to the portfolio management side, which caters more to my skillset, but that early trading experience was instrumental in my journey to lead portfolio manager.

**Q:** HOW DOES THAT EXPERIENCE INFLUENCE YOUR PERSPECTIVE TODAY WHEN MARKET FUNDAMENTALS ARE SO HARD TO READ?

**A:** For any investment strategy, it's important to have the perspective of where we are in the current market cycle. Are we in a downturn or an upswing? What are the fundamentals, and where is the economy headed? A grounding in history is important, but so is our expectation of the future. The options market provides insights of what investors expect to occur in near- and long-term horizons.

We know what the financial crisis and pandemic downturns looked like, but I can almost guarantee the next drawdown will look different. When we develop solutions for clients, we look at how well they meet the objectives across several different scenarios. The market cycle is important, but it's just one part of the story. Options strategies are made to be flexible and adjust with the market because we don't know for certain where the market is headed or what path it will take to get there.

**Q:** IS THERE STILL A COMMONLY HELD MISCONCEPTION THAT OPTIONS STRATEGIES ARE RISKY?

**A:** That is one of the most common misconceptions around options. But it's really about how options are used that defines their risk. Options can be a powerful tool for mitigating risk. We can use options to change the shape of the return distribution so they provide risk protection on the downside or increase participation on the upside, depending on the client's goals.

I think the misconception often comes from a place of not understanding the derivatives market. Options strategies can be complex and they're not as common as equity or fixed income strategies. The industry seems to be moving past that, even throughout the past 15 years I've been working in this

area. Options instruments are highly liquid, with S&P 500 Index options trading US\$200 trillion notional last year. There's now a whole section on options in the CFA curriculum, and retail options trading has hit all-time highs. With all the advancement in the options industry, I anticipate the next generation of decision-makers will be more familiar with the possibilities of options strategies.

**Q:** IS EDUCATION AN IMPORTANT PART OF WORKING WITH CLIENTS?

**A:** Education is essential—from agreeing on target outcomes to knowing the potential risk and benefits. And that's on an ongoing basis. Allspring offers options strategies to institutional and intermediary clients, so there's a wide range of understanding and experience. Each investor is different, but the conversation always starts with, "What are you looking to achieve?" Then we design a strategy that aims to meet those needs. It's a two-sided education process, working together with clients to come up with a solution, maintaining regular communication, and providing attribution of the returns with commentary of what happened in the market.

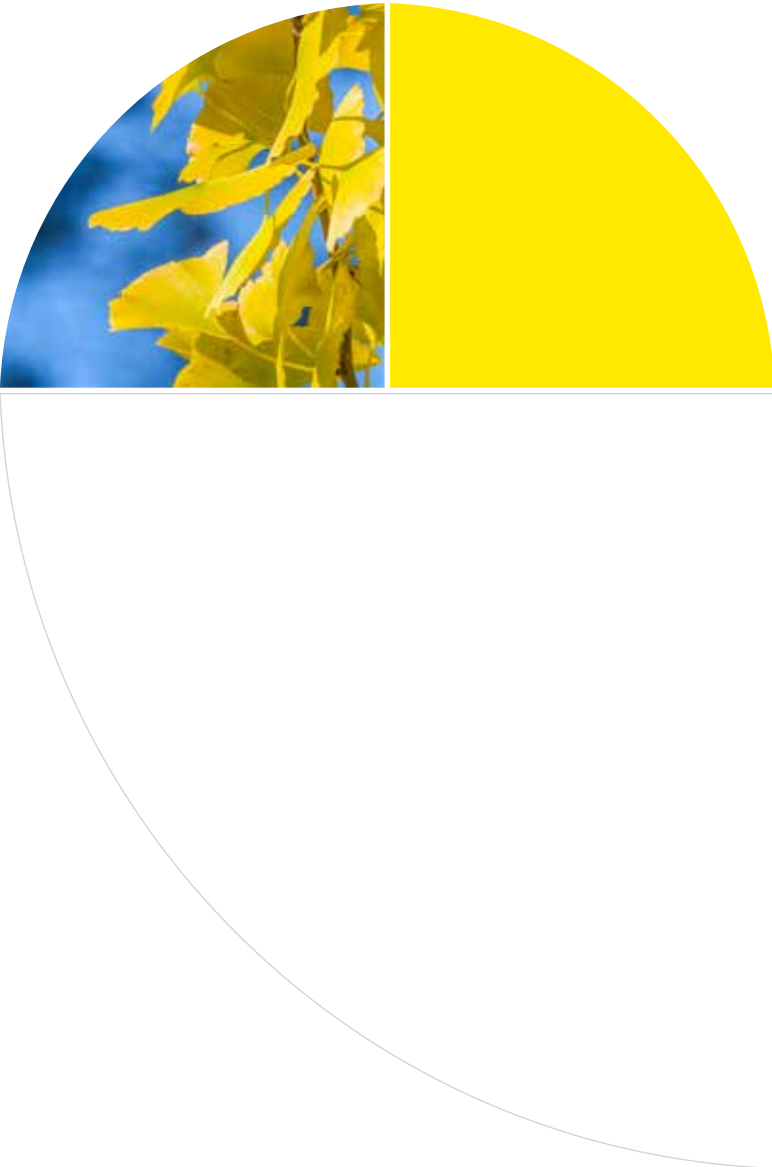
Today, investors are more aware of the opportunities with options and are more open to using options to address portfolio concerns. That wasn't always the case. In fact, this year is the 50th anniversary of the Chicago Board Options Exchange, the first exchange for listed options. Who knows what kind of innovative options strategies we'll see 50 years from now.

**“ The market cycle is important, but it's just one part of the story. Options strategies are made to be flexible and adjust with the market because we don't know for certain where the market is headed or what path it will take to get there.**



## For further information

We want to help clients build for successful outcomes, defend portfolios against uncertainty, and create long-term financial well-being. To learn more, investment professionals can contact us.



## Contact details

### FOR U.S. INVESTORS ONLY

- For retail clients, contact your financial advisor.
- To reach our U.S.-based intermediary sales professionals, contact your dedicated regional director, or call us at **1-866-701-2575**.
- To reach our U.S.-based investment professionals, contact your existing client relations director, or contact us at **AllspringInstitutional@allspringglobal.com**.
- To reach our U.S.-based retirement professionals, contact **Nathaniel Miles**, head of Global Client Strategy at Allspring Global Investments, at **nathaniel.s.miles@allspringglobal.com**.

### FOR NON-U.S. INVESTORS ONLY

- To reach our non-U.S.-based investment professionals, contact us at **AllspringInternational@allspringglobal.com**.

### FOR SUSTAINABLE INVESTING

- To discuss sustainable investing solutions, contact **Henrietta Pacquement**, head of Sustainability, and **Jamie Newton**, deputy head of Sustainability, at **henrietta.pacquement@allspringglobal.com** and **jamie.newton@allspringglobal.com**.

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

This material is provided for informational purposes only and is for professional, institutional, or qualified clients/investors. Not for retail use outside the U.S.

THIS MATERIAL DOES NOT CONSTITUTE AN OFFER OR SOLICITATION AND IN ANY CASE IS NOT INTENDED TO BE USED IN ANY JURISDICTION OR TO ANY PERSON WHERE IT WOULD BE UNAUTHORIZED OR UNLAWFUL TO DO SO.

Allspring Global Investments™ (Allspring) is the trade name for the asset management companies of Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain private funds of GTCR LLC and Reverence Capital Partners, L.P. Unless otherwise stated, Allspring is the source of all data (which is current or as of the date stated); **past performance is not a guarantee or reliable indicator of future results**; all investments contain risk; content is provided for informational purposes only with no representation regarding its adequacy, accuracy, or completeness and should not be relied upon; views, opinions, assumptions, or estimates are not necessarily that of Allspring and are subject to change without notice; and this communication does not contain investment advice, an investment recommendation, or investment research, as defined under local regulation of the respective jurisdiction.

FOR PROFESSIONAL INVESTOR USE ONLY OUTSIDE THE U.S.

© 2023 Allspring Global Investments Holdings, LLC. All rights reserved.

ALL-07172023-o7kinvyb

3