

AllianzGI drops affiliate name from \$3bn of funds



Fund arm of Munich-based insurer takes final step of years-long brand consolidation of acquired businesses in effort to avoid confusion

Ben Strack April 12, 2020, 7:07 pm

Allianz Global Investors will soon tweak the names of nearly \$3bn of funds run by an affiliate manager as it gets set to complete a brand consolidation initiative.

Though the Dallas-based US value team of **NFJ Investment Group** remains associated with the firm the \$605bn fund group of Munich-headquartered **Allianz** decided to remove the brand from strategy names across all vehicles for the purpose of simplification, an AllianzGI spokesperson said,

According to an April 3 **SEC** disclosure, “NFJ” will be removed from the following products, effective April 30:

- The \$1.1bn AllianzGI NFJ Mid-Cap Value Fund (PQNAX);
- The \$859m AllianzGI NFJ Dividend Value Fund (PNEAX);
- The \$504m AllianzGI NFJ Small-Cap Value Fund (PCVAX);
- The \$242m AllianzGI NFJ Large-Cap Value Fund (PNBAX);
- And the \$123m AllianzGI NFJ International Value Fund (AFJAX).

The largest fund has seen impressive returns compared to its competitors in **Morningstar’s** mid-cap value category. Its year-to-date returns of about -23.3% rank in the group’s 15th percentile, and its returns in the trailing three-, five- and 10-year periods place the strategy in its top decile.

PQNAX has seen flows the last three years, including \$302m in 2018 and \$23m last year, according to **Lipper**. It has reeled in nearly \$13m so far in 2020.

Morningstar Analyst **Kevin McDevitt**, who tracks the offerings, told *Fund Intelligence* that changing the names likely won’t have any impact on the funds themselves.

“I don’t think that the NFJ brand has strong industry recognition,” McDevitt said.

AllianzGI had consolidated its boutique firms into a single manager over several years.

In 2013, **Allianz Global Investors Capital** merged with **Allianz Global Investors Solutions**, **Allianz Global Investors Managed Accounts**, **RCM Capital Management** and **Caywood-Scholl Capital Management**. The single company was renamed Allianz Global Investors. In 2016, **Allianz Global Investors Fund Management** merged into AllianzGI.

NFJ Investment Group became part of AllianzGI the following year to complete the consolidation, a spokesperson noted. NFJ’s brand name remained for client recognition.

The affiliate's name will now be dropped from product titles "for consistency purposes and to avoid confusion," the representative said, and the changes will be reflected in other materials as well.

"This had already occurred previously across all other underlying subadvisers that comprise AllianzGI," the spokesperson added, "so is the final step in a consolidated branding effort for our firm."

The decision comes after *Fund Intelligence* learned in February that AllianzGI was [combining its US marketing efforts under one leader](#). The new executive was to oversee marketing content and campaign strategy and execution across both US retail and institutional distribution channels, a job listing indicated.

A spokesperson noted at the time that the reshuffle would help the firm meet demand after developing new distribution channels to expand its reach across growing client segments and geographies.

The representative had added that the firm would continue pushing its "Active Is" slogan, [which it rolled out in 2018](#) to associate its brand with the value active managers can bring.

Weighing an affiliate's brand

Dan Sondhelm, CEO of marketing and public relations provider **Sondhelm Partners**, contended that asset managers can be successful or not by preserving the brands of affiliates, but it's important to be consistent. How essential the brand of a subadviser is, and their connection to the fund's adviser, is a chief consideration, he added.

"Branding consolidation is important because without it, you end up with chaos that institutional investors and financial advisers won't have the patience to figure out," Sondhelm explained. "Firms should have an overall business strategy and then make sure that your fund names fit in to the strategy."

Fund groups around the industry have taken various approaches.

BNY Mellon Investment Management [took off the Dreyfus brand for US retail mutual funds from 94 products](#) in March 2019. The funds, which had a combined \$63bn assets under management, replaced the name with "BNY Mellon." The changes were paired with renaming the **Dreyfus Corporation** to BNY Mellon Investment Adviser.

Neil Bathon, founder and partner at **FUSE Research Network**, called the company's move a strong one at the time, noting that the BNY Mellon name is more powerful and recognizable.

Meanwhile other industry players, such as **Legg Mason**, have kept their affiliates' names at the forefront.

The \$806bn Baltimore-based asset manager's subsidiaries include: **Brandywine Global; Clarion Partners; ClearBridge Investments; EnTrust Global; Martin Currie; QS Investors; RARE; Royce Investment Partners;** and **Western Asset**. As the company acquired these firms, its growth strategy sought to build on each of their institutional reputations and, for ClearBridge and Royce specifically, their reputations in intermediary retail channels, a spokesperson told *Fund Intelligence*.

"We believe in the value of the global diversity of perspectives and solutions offered through our independent affiliates," the representative added. "Each and every one of them is an industry leader with time-tested experience in their domains."

Franklin Templeton announced in February [that it would acquire Legg Mason](#) in a cash deal expected to close in the third quarter of 2020. Executives at the \$698.3bn California company said at the time that Legg's affiliate businesses, which were part of the deal, will remain unchanged. They noted on a call with analysts after the announcement that the firms' autonomy and branding will be crucial to retaining clients and helping with the transition.

Another asset manager to push forward an acquisition's brand was **Federated Hermes**, which [changed its name from Federated Investors](#) in January to incorporate London-headquartered affiliate **Hermes Investment Management**, which specializes in ESG. The change highlighted the Pittsburgh firm's newfound commitment to sustainable investing and its global reach, industry watchers said.

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