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Aberdeen, Bridgewater, BlackRock Tops in Brand Clout: Report

By Patrick Mulholland   September 1, 2021

LGT Capital Partners Limited, **Pimco** and **Gresham Investment Management** notched the highest brand awareness scores from consultants for their alternatives and hedge fund product offerings last quarter in a new report series from **eVestment**.

Meanwhile, on the asset owner side – consisting solely of institutional investors – **Aberdeen Standard Investments**, **Bridgewater Associates** and **BlackRock** took the corresponding peak spots.

In its Q2 2021 Brand Awareness Rankings report, eVestment rated the top 20 managers across numerous asset classes in terms of their brand awareness with consultants and asset owners, respectively.

Brand awareness has become critically important for alternatives and hedge fund outfits looking to differentiate themselves in an ever-crowded industry. The eVestment report asserts that the reputation of a firm “can impact asset owners’ decisions to maintain allocations and consultants’ desire to continue recommending managers.”

The report defines “brand awareness” as “the ability of a firm to garner consistent and sizable attention across its product lineup.”

As part of its methodology, eVestment tracked the number of unique views for the products of each firm during a given period on its platform. Those firms were then scored between one and 10 based on two metrics: firm awareness and product awareness. The average of the two scores gave the firms their individual decile rankings.

“This is a unique way of looking at brand awareness that you can only get by looking at the willingness of an investor or consultant to independently interact with a firm’s products,” said eVestment’s global head of research **Peter Laurelli**.

The Q2 2021 report is the second version of these rankings, with the first edition released during the first quarter. There are some notable differences between the two, however, including a full accounting of passive product offerings, as well as the introduction of breakdowns by asset class and country of origin.

These changes have yielded new insights, such as the tendency of asset owners to skew toward the "more established names... when it comes to making new investments," Laurelli said.

In addition, the reports showed a variation in brand awareness among asset owners and consultants over a short time. "There was more fluctuation within the asset owner rankings compared with the consultant rankings, which just means that consultants tend to have a more fixed focus on the brands they interact with the most," Laurelli added.

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Kathy Kohler, president at **Crescendo Branding**, a marketing firm, puts this down to how susceptible each group is to marketing techniques. "Consultants are better equipped and able to get information at the level they need it," she said. "On the investor side, however, they're probably getting a little bit more of what the firm wants to tell them."

Asset owners were also more than twice as likely to engage with large firms among their top 20 than consultants were, although it is worth noting that the alternative/hedge fund arms of large asset managers such as Aberdeen and **UBS Asset Management** may be close in asset size to midsized firms such as **Pharo Management** or **Aspect Capital**.

The ability to quantify brand awareness matters to hedge funds because when it comes to fundraising, firms typically have three levers for attracting limited partners: the size of their assets under management, their track record and their branding. "A low-profile fund manager should think about the one thing they can control of those three levers — their brand," said **Dan Sondhelm**, CEO at **Sondhelm Partners**, a marketing consulting firm for asset managers.

And even for large firms, size alone is no guarantee of future success. With over 15,000 competitors, discovery in the hedge fund space is "incredibly challenging," said **Tom Mahala**, president at **Layton Road Group**, a consultancy that provides cap intro and placement services. Institutional investors receive hundreds of inbound inquiries a week, he added, so much so that some funds request that he send manager decks to an alternative email address that is not widely shared.

One way for hedge funds to stand out is to create a narrative that is tailored to the client or limited partner. “Family offices are business operators and may like to hear about a manager's efforts and obstacles they overcame at various junctures in their career, where a consultant may not,” Mahala said.

Another key driver of growth is timely and relevant content.

“Hedge funds cannot publicly talk about performance, but they can discuss their thoughts or opinions on certain sectors and portfolio techniques, while remaining compliant with regulations,” Sondhelm said. “And if hedge funds aren’t developing their thought leadership, there is just legal language on their websites.”

Bridgewater Associates, the largest hedge fund by assets under management with approximately $150 billion, aims to make use of this idea by elevating the public stature of their portfolio managers through videos, podcasts and news media articles, while its Daily Observations newsletter helps shape discourse on the economy and market trends. Elsewhere, venture capital firm **Andreessen Horowitz** has gone so far as to launch its own digital content platform, called Future, to communicate its values and vision for innovation in the tech space.

“For many years, investment management firms as a whole thought they had a brand, when they really only had a name, a logo and a website. And hedge fund websites, in particular, were notoriously guarded and shallow, with lots of log-in hurdles. No information. No content,” Kohler said. “Perhaps there was a mystique or an allure to that, but that attitude doesn’t exist anymore.”

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