

# Allianz Global Investors Capital and Omgeo



Allianz Global Investors Capital (AGIC), formerly known as Allianz Global Investors Management Partners, adopted Omgeo Connect® to further automate their post-trade processing and increase operational efficiency. Omgeo asked Jeff Bustos and Steve Krosch for their insight into why AGIC chose to partner with Omgeo to help solve their post-trade processing challenges, particularly from an exception management/notifications perspective and around managing several disparate systems. Jeff is the Vice President of Portfolio Services and is responsible for managing the portfolio service group which includes portfolio administration & trade settlement. Steve is the Manager of Operations Systems, and is responsible for the overall management, implementation and maintenance of all operations software (in-house and third-party applications). Both were involved with the selection process and implementation of Omgeo Connect.

Allianz Global Investors, a subsidiary of Allianz SE, is one of the top five asset managers worldwide, with approximately USD 2 trillion in assets under management. The Allianz Global Investors family of companies includes investment managers Allianz Global Investors Capital, NFJ Investment Group, RCM and PIMCO. Their products cover all major equity and fixed-income investment styles, as well as balanced products and alternative investments. Allianz Global Investors has over 5,000 employees around the globe, of which more than 1,000 are investment professionals.

## Various Internal/External Systems and Applications Causing Pain

AGIC had many systems in place playing various roles within the trade process – two order management systems, Omgeo OASYS<sup>SM</sup> for allocation processing of US domestic trades, Omgeo OASYS Global<sup>SM</sup> for cross-border trades, a third-party local matching utility, and proprietary middleware handling the interaction between. They were also maintaining their own SWIFT gateway and proprietary ‘swifting’ system. All of this was becoming quite difficult to manage/maintain, and was continuing to increase in cost. AGIC also wanted a more efficient way to view all trades in process through one single application so they could resolve exceptions quickly.

In examining their current challenges, it quickly became apparent that AGIC needed a way to tie all their disparate systems together and enhance their exception management process to improve efficiency downstream. Lowering the complexity in their environment was key to reducing operational risk and cost. AGIC initially thought of building an in-house application and replacing their current middleware, as they are fairly sophisticated in terms of software and technology. However they also wanted to evaluate firms they could partner with who had solutions already available that might better solve their needs in less time with less cost.

“Maintaining all our separate applications was painful, time consuming and costly. We were at the point where we needed ease of navigation and one network architecture — Omgeo Connect was our answer.”

Steve Krosch, Manager of Operations Systems

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## The Decision to Adopt Omgeo Connect

Simplification of their overall software environment and total cost vs. building their own system weighed heavily into the decision making process. AGIC also knew they ultimately wanted one consolidated view into their entire post-trade process. Therefore, they made the decision to partner with Omgeo to implement Omgeo Connect, and use the solution to process both their US domestic and cross-border trades (Omgeo OASYS-TradeMatch<sup>SM</sup> and Omgeo Central Trade Manager<sup>SM</sup> (Omgeo CTM)) while also utilizing the robust settlements management functionality as well.

Omgeo Connect provides buy-side firms consolidated access to select Omgeo services (i.e. Omgeo CTM, OASYS, & Omgeo Trade Suite<sup>SM</sup>) and robust settlements management via a single point of entry and within an ASP environment. Omgeo Connect enables clients to reduce operating costs and risks quickly without high up-front costs and without unpredictable on-going expenditures associated with custom-developed environments and various vendor-system upgrades.

With their adoption of Omgeo Connect, AGIC has seen their same day affirmation rates increase from on average 30% to over 90%, their percentage of failed trades significantly decreased from 3% to an overall average of 1.5%, and recon exceptions decreased as well. Because AGIC was also able to utilize Omgeo Connect for one consolidated view into their post-trade process, all their disparate systems and associated maintenance was dramatically reduced, as was the ease of deployment to various office locations. The settlements notification piece was also a huge win for AGIC – they no longer had to maintain their own SWIFT gateway (and associated costs), and could view all outstanding trades and their associated settlement ‘states’ via one single GUI and quickly resolve exceptions. The days of having no historical view of the day, printing hard-copy reports and correcting each allocation individually (across multiple systems) were gone. Training respective employees on one system vs. five was another key win, and added to the increase in overall efficiency within the firm.

“We close out operational risk by using this centralized solution...Omgeo Connect has given us operational efficiency and standardized workflows/exception management while reducing the overall complexity of our environment.”

Jeff Bustos, VP of Portfolio Services

## About Allianz Global Investors Capital

Allianz Global Investors Capital, a subsidiary of Allianz Global Investors, provides solutions across equity, fixed income and alternative asset classes. The hallmark of the firm’s business structure is entrepreneurial, autonomous investment teams supported by best-in-class infrastructure. We are Designed to Perform™.

## About Omgeo

At Omgeo, we are the operations experts, automating trade lifecycle events between investment managers, broker/dealers and custodian banks. We enable 6,500 clients and 80 technology partners in 52 countries around the world to seamlessly connect and interoperate. By automating and streamlining post-trade operations, we enable clients to accelerate the clearing and settlement of trades, and better manage and reduce their counterparty and credit risk. Our strength lies with our global community and our ability to adapt our solutions to enable clients to realize clear returns on their investment strategies, while responding to changing market and regulatory conditions. Across borders, asset classes, and trade lifecycles, Omgeo is the global standard for operational efficiency across the investment industry. Formed in 2001, Omgeo is jointly owned by the DTCC and Thomson Reuters. For more information, please visit [www.omgeo.com](http://www.omgeo.com).

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