

## Asset Management Finance Seeks Hedge Funds With Credit Suisse Cash

**A**sset Management Finance plans to add hedge fund managers to its portfolio.

**Credit Suisse Group's** alternative investments business acquired 80% of AMF in August from **National Bank Financial of Canada**. New York-based AMF provides asset management firms with capital while allowing them to maintain their independence. In turn, AMF receives a passive, non-voting, limited-term interest in a manager's future revenues.

Since its formation in 2003, AMF has completed 12 transactions with both traditional and alternative managers with assets under management of approximately \$50 billion. The firm's investments are diversified across a broad range of

strategies including emerging markets, large- and small-cap equities, real estate, currencies, timber and wealth management.

CEO **Norton Reamer** told *FIN alternatives* that he's looking to add hedge funds to the mix as a way to diversify AMF's portfolio.

"Hedge funds have by and large done better than long-only managers," said Reamer.

Reamer said the firm won't invest in strategies such as global macro because they require different expertise, but it will investigate long/short, market-neutral, convertible arbitrage and fund of hedge funds strategies. AMF is currently doing due diligence on 15 managers, more than half of which are hedge funds.

Historically, AMF has invested between \$10 million and \$60 million in managers, but Reamer foresees financing deals of \$100 million and up as a result of the CS transaction, which tripled AMF's equity to some \$350 million.

"We've created the first viable financial mechanism to help the industry preserve and increase its independence long term," said Reamer.

"The challenge for money managers has always been the need for liquidity events and independence in this business has always ended after one generation. Independent managers have always done better for clients rather than being buried under a large organization that serves other masters."

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