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AMF Fosters Asset Management Firm Independence

by Sachiko Ohi

Revenue Share Interests (RSIs), an innovative new financing tool, help preserve asset manager independence, empower managers to perform better

The US asset management industry has been leading the global financial world with innovative products, superior returns and competitive world-class managers. In order to insure its long-term competitive advantages, the industry needs to identify and promote ways to allow for the perpetual independence of creative managers who produce better returns for their clients.

With this in mind, Asset Management Finance Corporation (AMF), led by Mr. Norton Reamer, invented "Revenue Share Interests (RSIs)". RSIs enable the principals of privately-owned asset management firms to manage their businesses without sacrificing autonomy or independence. RSIs also provide for 100% retention of equity by the firm and its owners, and can be used for a number of purposes, including the transfer ownership from the senior to junior partners of a firm.

AMF's business model is attracting the attention of the asset management industry, which is recognizing that RSIs represent a powerful financial tool through which independent firms are able to sustain their competitiveness, build their brand, and enhance franchise value by avoiding the disruptions that accompany a search for liquidity. AMF's success in the US should become a model that can be expanded to other capital markets as a catalyst for innovation in the asset management industry.

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