

Purchase of Australian giant's Canadian operation will bolster Global Maxfin's presence in the West and triple its AUM

By Clare O'Hara

A Richmond Hill, Ont. based mutual fund dealer has acquired the Canadian operations of one of Australia's largest fund dealers. Global Maxfin Investments Inc. is purchasing Calgary-based Professional Investment Services (Canada) Inc. from financial services giant Professional Investment Holdings Group of Brisbane. The deal is part of Global Maxfin's aggressive growth strategy, says Bruce Day, Global Maxfin's president.

"Culture, fit and geography are just a few considerations that dictate whether a particular acquisition is appropriate for our firm," says Day. "We felt Professional Investment Services was an excellent complement to our already strong base and the professionalism of their advisors is in keeping with our goals."

The acquisition bolsters Global Maxfin's coverage of Western Canada, in which PIS has a strong presence. With a head office in Calgary, PIS has advisors in Manitoba, Saskatchewan, Alberta, British Columbia and the Northwest Territories, as well as in Ontario.

"[PIS] makes Global Maxfin a truly national firm," Day says, "operating from Newfoundland to Vancouver Island."

The deal, which is expected to close by the end of the year, is subject to regulatory approval. Its value remains undisclosed. The acquisition will increase the ranks of Global Maxfin's advisors to 250 from 180, and its assets under administration to more than \$1.5 billion from \$500 million.

Like PIS, Global Maxfin is an independent mutual fund dealer that is a component of a larger entity. Global Maxfin is a part of the

Global Family of Companies, which also includes: Global Maxfin Capital Inc., a full-service investment dealer; Global Insurance Solutions Inc., a full-service managing general agency; and Global Educational Marketing Corp., a company that offers registered education saving plans. The Global companies are all owned by chairman and CEO Sam Bouji. The group has corporate offices in Vancouver, Calgary, Toronto, Montreal and Halifax, as well as affiliate offices across Canada.

The acquisition could bring new opportunities for PIS advisors. Global Maxfin is already offering its advisors the option to move over to the Investment Industry Regulatory Organization of Canada world, as well as a "nominee name" platform; PIS ran a Mutual Fund Dealers Association of Canada only, client-name platform.

"We are trying to earn [advisors'] business — whether it be their insurance business, their investment business, their RESP business," says Richard Pyper, Global Maxfin's executive managing director. "And we will do our best to provide advisors with the services that they need to run their independent practices."

Going through a merger is nothing new for PIS advisors. PIS's parent entered the Canadian marketplace in 2006, when it purchased Generation Financial Corp., a privately held mutual fund dealer that covered Western Canada.

At that time, Generation advisors were relieved to hear PIS was stepping in to bring a new sense of stability to their firm, which had been wracked by management shuffles. Advisors were introduced to the Australian parent's "centres of influence" business model, through which advisors work closely with accountants as referral sources.

With many PIS advisors already working in that business model, Global Maxfin plans to continue the strategy upon completion of the acquisition, Pyper says: "The COI model is one



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Why are these men smiling? Sam Bouji (left), chairman and CEO of Global Maxfin Investments Inc., Bruce Day (middle), the firm's president, and Richard Pyper, its executive managing director, are in Vancouver as part of a cross-Canada tour to introduce themselves to Professional Investment Services (Canada) Inc. advisors. Global Maxfin recently purchased PIS Canada from its Australian parent. See story on page 8.

we will continue to work with. And we will look to enhance it and expand the COI channel over time, as well as the network opportunities that will arise."

Both PIS and Global Maxfin run on independent platforms, and Pyper anticipates a seamless transition. PIS president Ken Roussele will remain throughout the transition period but will not be joining the newly amalgamated firm. Global Maxfin will maintain the PIS head office in Calgary, along with two-thirds of the staff — primarily in the areas of compliance, training and development. Processing will be centralized for both firms, while the back-office system will eventually be converted to the Univeris Corp. platform that PIS uses.

To help alleviate any wariness among PIS advisors, Day, Pyper and Bouji are taking a cross-country tour to meet PIS advisors.

"We want to introduce ourselves and the company," says Pyper. "We are a Canadian company, and we are focused in the Canadian marketplace. Unlike some of the other firms the advisors were with, we are very diverse and we are here to stay."

Bouji says Global Maxfin is always considering other opportunities and will pursue growth through future acquisitions.

"[We] will continue to walk down the same trail of acquisitions in our other lines of business," Bouji says, "including insurance, assets under management and administration, education savings plans and our broker-dealer." ...