

Dalton Nicol Reid seals MBO

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Brisbane-based IMA specialist Dalton Nicol Reid has completed a management buy-out of their business from co-partners and investment advisers Fitzpatricks for an undisclosed sum.

The move allows Dalton Nicol Reid to become totally independent and focus purely on investment, while Fitzpatricks focuses on advice.

While the Dalton Nicol Reid deals with six different advisers/dealer groups, 34 per cent of their business comes from Fitzpatricks.

Founding partner and chief investment analyst Jamie Nicol said strong adviser and client demand for IMAs had helped expand the business.

"The IMA offers many benefits compared to traditional managed funds. Transparency, tax advantages and control of your investments are just three of many," he said.

Co-founder and chief executive officer, Harley Dalton, said he felt the IMA market offered huge growth potential.

"[We] still maintain that we're literally at the bottom or half way up a swell that's gathering momentum," he said.

The firm grew 50 per cent in the last year and looked set to continue that growth, he said.

"I just think that the industry statistics mean that if you can maintain at worst case market performance, you should be able to grow a business at least at twenty per cent per annum."

70 per cent of the company's portfolios are self managed super funds, with average account balances approximately \$1 million.

The company was also previously the target of a takeover bid by ING.

However, Dalton said cultural differences and a desire to keep going with the business they started meant the deal didn't go through.

"At the end of the day it turned out more that we thought it was less of a cultural fit," he said. "We really thought 'We've done all the hard work, why give away the baby now?'"

Chris Nicholls