FINANCIAL POST

November 23, 2017, 6:41 PM EST

Barry Critchley

Familiar name has new plans for state-of-the-art multi-family office.

Neil Nisker plans a new venture, set to open in December, known as Our Family Office Inc.

The Nisker name, first the dad Mac and then the son, Neil has been part of Bay Street for almost 60 years.

The elder Nisker, now 92, had his name on the institutional brokerage firm, Brown Baldwin Nisker, which spawned a couple of investment legends — Tony Arrell, founder of Burgundy Asset Management, and Ira Gluskin, a founder of Gluskin Sheff + Associates — before being acquired by HSBC Securities in 1988.

The younger Nisker, who started in 1972, worked at the family firm, managed investments for Sir John Templeton for a decade, and set up his own shop Nisker Associates Inc. in 1996. A few years later his firm was acquired by YMG Capital and, in 2006, Fiera Capital bought YMG.

Nisker, 65, who left Fiera in 2014, has been planning his venture, which will be officially unveiled next month. It will be known as Our Family Office Inc. and intends to be a state-of-the-art investment management, financial planning and family continuity operation that will, Nisker, says incorporate "best practices" to the target audience — families which have about $50 million of net worth.

"The type of clients we want are those who, when given a choice on an extra one per cent return and the interests of the family, will pick the family," said Nisker, who hopes to attract enough families to run a multi-family office. In this way, Nisker's firm will be the outsourced executive suite for the families. It's not known the size of the country's multi-family office market but a 2016 report from Credit Suisse estimated about 3,000 had a net worth between US$50 million and $500 million.

As part of the push for best practices, Nisker has enlisted Boston-based Ballentine Partners, which, it says, offers "independent, objective, and comprehensive advice to wealthy families." According to its website, the firm serves the interest of 185 families, provides investment advice on almost US$6.9 billion of assets and advises on US$11.3 billion of assets.

"They are our partners, they have an option to buy into the firm. We will lever off their 30-year track record," said Nisker, adding the leverage will include access to Ballentine's stable of external money managers and its information technology. "We want to bring to Canada real due diligence (for families) on managers," an attention that covers third-party risk and back-office risk.

Aside from investment advice, tax, estate and financial planning will be a key part of Nisker's offering. That focus helps explain why Tim Cestnick, founder of WaterStreet Family Offices and a columnist for the Globe & Mail, is one of the four founding partners.

But the key focus will be on "family continuity," or ensuring that family wealth is not only maintained but grows. The idea is to avoid shirtsleeves to shirtsleeves in three generations. (That focus explains why Dr. Julie Morton, an executive coach, is the third partner. She will deal with family governance and family mission statements. A fourth partner cannot be named because the person is finalizing matters with his current employer.)

Part of Nisker's push will be to lower fees. "We will charge as low as 10 basis points, depending on the size of the assets," said Nisker.

But in what is a major point of difference, the clients will be able to buy an equity stake in the firm.

"If we intend to serve three generations, you have to be here for three generations," said Nisker when referring to a concept that's unusual but which has been used at least once in Canada.

In 2008, Cymbria Corp. went public and investors received a stake in EdgePoint Wealth Management.

Financial Post
bcritchley@postmedia.com