Finnacl Research

R11 · EXECUTIVE SUMMARY

# What Your Peers Actually Charge

The findings in brief — free edition

As of 2026-09-12

Every figure carries its source and its as-of date.

# What Your Peers Actually Charge

**The adviser industry, read from its own filed disclosures.**

One SEC firm roster of 16,621 rows funnelled to **10,418 registered advisers with at least one individual client**. **10,491 structured brochure extractions and 8,377 raw brochures** read by two independently written parsers, scored against **thirty-six brochures read by hand**. **Raw Part 1 filings for 6,836 firms** as the independent replication. No survey, no aggregator, no press figure anywhere in it.

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## The finding we did not get

We set out to measure the industry's **effective fee rate** — what clients pay, as against what brochures say. **It cannot be built from Form ADV.** The form has no field for revenue, fees billed, fees collected, fees waived, fees discounted, the billing basis or the billing frequency. The word "revenue" does not appear anywhere in a Part 1 filing.

We print that first rather than substituting a survey for it. Every "average effective fee" in circulation comes from a self-selected sample whose denominator you cannot inspect.

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## The finding we did get

**The published price is 1.00%, and it is 1.00% at every size.** Across 5,544 filed schedules the median first-band rate is 1.00%, the interquartile range 1.00% to 1.50%, and the bucket medians run 1.00 / 1.20 / 1.10 / 1.00 / 1.00 / 1.00 from the smallest firms to the largest. A third of schedules state exactly 1.00%. **Big firms do not quote a lower first number** — they quote a longer schedule that reaches a lower number further out, breaking at $2m where everyone else breaks at $1m and ending at $20m where the industry ends at $5m.

**The schedule bites between $1m and $5m, and almost nowhere else.** At $1m the median schedule is still on its opening rate, and 53.6% of schedules have not moved off the first band at all. By $5m the median has fallen to 0.825% and only 8.9% are still on the first band. The median schedule prices a $5m account at **73.2% of its own first-band rate**.

**A quarter of firms decline to publish a point rate.** Of the 8,896 firms whose fee section could be read, 1,227 state only a range and 945 only a cap — **24.4%**. And the largest firms are the least explicit, not the most.

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## The better finding: the denominator

Evaluate each firm's own schedule at its own average **account** — regulatory assets over the account count it files — and **65.5% of firms have an average sitting inside their own first band**. Evaluate the same schedules at each firm's own average individual **relationship** — individual assets over the individual client count it files — and that share falls to **34.3%**.

Same firms, same schedules, same formula. The median average account is $518,987; the median average individual relationship is $1,220,767, **2.35 times larger**. Neither denominator is wrong. An account count is not a client count: a household with a joint account, two IRAs and a trust is four accounts. Nor is the client count a household count, because the form's own instruction puts a family's trusts and IRAs in the individuals line.

**Any effective-rate figure quoting one of these without the other is quoting the denominator, not the rate.**

## The three numbers

| | |
|---|---|
| **1.00%** | Median stated first-band rate across 5,544 filed schedules. Four of the six size buckets sit exactly there; the other two, at 1.20% and 1.10%, sit above it |
| **53.6%** | Schedules still charging their first-band rate on a $1,000,000 account |
| **65.5% → 34.3%** | Firms whose own average sits inside their own first band, on accounts then on clients |

## A glimpse of the scorecard

Eight markers, re-scored quarterly against a fresh roster and a fresh brochure pull.

| Marker | Reading, 2026-09-12 | What would change our mind |
|---|---|---|
| The headline rate | **1.00%**, 32.7% exactly at it | It leaves 1.00% |
| Where the schedule bites | **53.6%** still on the first band at $1m | Falls below 40% |
| The first breakpoint | **$1,000,000** | Moves to $2,000,000 |
| Point-rate disclosure | **24.4%** publish only a range or a cap | Falls below 15% |
| The denominator gap | **65.5% / 34.3%** | The gap narrows below 15 points |
| Filing quality | **144 of 1,917** wrap filers file above their own assets | Falls below 3% |

## Two things about the filings themselves

**The form's numbering is a trap in at least one place.** Item 5.K.(3) is the *derivatives* question; the custodian gate is Item 5.K.(4), and it routes to Schedule D Section 5.K.(3). A data column labelled `5K(3)` is therefore the derivatives answer. This research walked up to that and prints it rather than burying it.

**144 of 1,917 wrap filers report amounts that sum to more than their own reported assets**, against the instruction printed on the form beneath the boxes — and **70 of them file the identical amount in all three boxes**. The total by which those filings exceed their own reported assets is **$533,210,384,678**. It is a fact about filings, not an allegation about firms: a box repeated in a line nothing reconciles is a filing habit, and the same habit lives in fields nobody has checked.

## What is in the full report

The distribution of stated schedules by size and by client mix; where each schedule bites, at seven account sizes, on both readings of a range schedule; the denominator problem worked bucket by bucket; what advisers cannot look up about each other — custodians, advisory staff, wrap posture, discretion; **six segment snapshots**, one per size bucket; eight markers with thresholds; and a **42-row claim-level citation register** naming the document behind every claim, including six rows recording what was **not** verified.

## What we cannot tell you

- **What any firm charges any client.** There is no realised rate in Form ADV, and none is invented here. Three brochures in the hand-read sample print their own worked example of a blended rate. Those are the only effective-rate figures any adviser in the sample files.
- **How many custodians a firm uses.** Two filed fields answer two narrower questions, and they disagree constantly: more than a quarter of firms naming exactly one concentrated custodian report two or more custodial persons in the other field.
- **Whether a firm runs model portfolios.** There is no field. The 30.6% we can measure is a phrase count in brochures and is labelled as one.

## What this research corrected in its own work

A corpus count was described as 9,839 distinct firms. It came from a name-to-file map, and an audit of 400 entries found **152 — 38% — naming a file that never mentions that firm**. Read from each file's own header the true count is 5,850. A sampling rule stated as "every 155th of 5,598, giving 36 firms" actually returns 37, and the 37th was never read. A comparison between two readings of a schedule was printed upside down in the draft. Each is corrected in place, with the old figure quoted.

**2,135 automated checks pass; 135 planted defects were caught, all of them.**

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