Fee Comparison Methodology

Valence Wealth, LLC · Scottsdale, AZ · CRD #343126 · Published August 2026

The fee calculator on valencewm.com illustrates the long-term difference between two advisory fee models applied to the same hypothetical portfolio. It is a **fee comparison only** - not a projection of investment returns, tax savings, or any client's actual outcome.

How the comparison works

Two identical portfolios start at the value you select and grow at the constant annual return you select, with no contributions or withdrawals, over a 30-year horizon. Each year, an advisory fee is deducted from each portfolio: one using a percentage-of-assets (AUM) fee, the other using a Valence flat fee. The difference in ending values is the amount displayed.

AUM fee assumptions

The AUM rate is an industry-average *effective* advisory fee by account size, averaged from two published studies: the Kitces Research study on advisory fees and the Fidelity RIA Benchmarking Study. Anchor rates used: 0.94% at $1M; 0.87% at $2M; 0.75% at $5M; 0.65% at $10M; 0.53% at $20M; 0.39% at $50M. Rates between anchors are linearly interpolated, and the rate is recalculated each year as the portfolio value changes.

Flat fee assumptions

The Valence tier you select ($10,000, $15,000, or $25,000 per year) is deducted annually and assumed to increase 3% per year - a deliberately conservative assumption. Actual Valence fee changes require the client's prior written consent.

Limitations

Actual investment returns vary and may be negative; a constant return is a simplification. The comparison excludes taxes, trading costs, and custodian, fund, or third-party product fees, which are charged separately under both fee models. **At smaller portfolio values, a flat fee may equal or exceed a typical AUM fee, and similar services may be available from other providers for a lower fee.** Valence tier assignment is based on planning complexity, not portfolio size. Advisory services are offered only where Valence is registered, notice-filed, or exempt from registration.