

CASE STUDY

Dual Contract vs Platform (Price Arbitrage)

Background

During the firm's 20 years of business, they only worked with managers via dual contracts in separate accounts. As fiduciaries on a journey to reduce the total cost of delivery to their end clients, the advisor engaged Adhesion. After reviewing their manager roster and comparing fee structures, they realized cost savings with manager models via Adhesion rather than the firm's existing dual contract setup.

Key Takeaways

Cost Effective

Adhesion undertook the task of mapping their manager roster and comparing it against the Custodian Marketplace. This comparison revealed that the cost of managers on the Adhesion platform was lower for most managers.

Separate Accounts

The firm expressed a desire to maintain separate accounts but considered using the multi-manager UMA option for new accounts.

Bulk Enrollment

Working closely with the custodian transition team and Advisors, Adhesion facilitated bulk enrollment. This ensured that as accounts transferred over to Schwab, everything was prepared and set up for them.

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C24-21104 | EXP 3/31/2026