

*Item 1 - Cover Page*

**APPLIED FINANCE CAPITAL MANAGEMENT, LLC**  
**(formerly Applied Finance Group International, LLC)**

FORM ADV – PART 2A INFORMATION  
March 31, 2019

Applied Finance Capital Management, LLC  
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**This Brochure provides information about the qualifications and business practices of Applied Finance Capital Management, LLC (“AFCM”) (CRD No. 226755)(formerly Applied Finance Group International, LLC). If you have any questions about the contents of this Brochure, please contact us at (559) 436-4270. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about AFCM, including a copy of its Form ADV Part 1, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

***Item 2 - Material Changes To This Brochure Since Its Last Annual Update on March 31, 2018.***

***This Brochure has been amended to update the following Items:***

***The name of the firm has changed from Applied Finance Group International, LLC to Applied Finance Capital Management, LLC.***

***Item 4- Advisory Business, to include current assets under advisement and to update client information.***

***Item 7- Types of Clients, to update client information.***

***Item 10- Other Financial Industry Activities and Affiliations, to update disclosures relating to Mr. Resendes and Mr. Obrycki.***

### ***Item 3***

#### **Table of Contents**

<u>Item</u>		<u>Page</u>
2	Material Changes Since Last Annual Update.....	2
3	Table of Contents.....	3
4	Advisory Business.....	4
5	Fees and Compensation.....	4
6	Performance Based Fees and Side-by-Side Management.....	4
7	Types of Clients.....	4
8	Methods of Analysis, Investment Strategies and Risk of Loss.....	5
9	Disciplinary Information.....	5
10	Other Financial Industry Activities and Affiliations.....	5
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	6
12	Brokerage Practices.....	6
13	Review of Accounts.....	7
14	Client Referrals and Other Compensation.....	7
15	Custody.....	7
16	Investment Discretion.....	7
17	Voting Client Securities.....	7
18	Financial Information.....	7
	Privacy Policy .....	8

#### ***Item 4 - Advisory Business***

Applied Finance Capital Management, LLC (formerly Applied Finance Group International, LLC) (“AFCM”) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Individuals associated with AFCM provide advisory services on behalf of the firm. These individuals are appropriately licensed, qualified and authorized to provide advisory services on AFCM’s behalf and are called Investment Adviser Representatives (“Representatives”). AFCM has been offering advisory services since June, 2015. Membership interests in AFCM are owned by Rafael Resendes and Daniel Obryki. AFCM does not control any other firm. AFCM provides investment management, investment modeling and research services to Unified Management Accounts (“UMA’s”), other investment advisers, trusts and other financial institutions. As of March 31, 2019, AFCM provides discretionary and non-discretionary investment management services to 13 clients, with a total of approximately \$574.333 million in assets.

#### **UMA Management**

AFCM provides portfolio modeling and research to UMA providers. Through the program, clients receive investment analysis, allocation recommendations, portfolio composition recommendations, rebalancing recommendations, and buy/sell recommendations. The UMA provider has complete discretion with respect to accepting or rejecting any of the recommendations made by AFCM, and AFCM has no discretion to directly manage any UMA client account.

#### ***Item 5 - Fees and Compensation***

Fees paid to AFCM are for AFCM advisory services only. The fees do not include, for example, the fees charged by third parties such as third-party managers, accountants and attorneys assisting with providing the client with accounting and legal advice. Commissions on transactions and other account fees will also be charged by brokerage firms in accordance with the account’s brokerage firm’s normal commission schedule. See Item 12, Brokerage Practices. Customary commissions on insurance are also not included.

AFCM does not have a fixed fee schedule. Investment advisory fees are negotiated on a case-by-case basis.

#### ***Item 6 - Performance Based Fees and Side-by-Side Management***

AFCM does not charge any performance-based fees. All fees are disclosed above.

#### ***Item 7 - Types of Clients/Minimum Account Size***

AFCM makes its advisory services available to UMA Accounts, investment advisers, trusts, and other financial institutions. AFCM does not require a minimum account size.

### ***Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss***

AFCM's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically) All securities analysis methods and strategies, even those used by AFCM may involve a high degree of risk and losses can occur.

AFCM does not rely in any meaningful manner on information provided by any broker dealer. AFCM develops its research by utilizing published financial information provided by companies for public consumption. In addition, AFCM utilizes assorted non broker dealer research services, the most prominent of which is The Applied Finance Group ("AFG"). AFG is owned by Rafael Resendes and Daniel Obrycki, both of whom are principals of AFCM.

AFCM incorporates The Economic Margin Framework, developed by AFG, as a tool to analyze thousands of companies everyday on a consistent basis. The Economic Margin Framework is more than just a performance metric, as it encompasses a valuation system that explicitly addresses the four main value drivers of enterprise value: profitability, competition, growth, and cost of capital. Unlike traditional valuation approaches that utilize highly sensitive perpetuity assumptions, this approach incorporates the widely accepted economic principle that competition will compete away excess returns over time. The EM Framework explicitly models the effects of competition to gradually eliminate the excess spread a firm generates above or below its cost of capital.

AFCM does not guarantee the results of the advice given. Thus, losses can occur by investing in any security, or by following any strategy, including those recommended or applied by AFCM.

### ***Item 9 - Disciplinary Information***

AFCM does not have any disciplinary information to report regarding itself or any of its Representatives or other related persons.

### ***Item 10 - Other Financial Industry Activities and Affiliations***

Certain persons associated with AFCM, including its Representatives, may be registered as securities representatives of Unified Financial Securities, Inc. ("UFSI"), a licensed, limited-service securities broker/dealer. UFSI is a member of the Financial Industry Regulatory Authority ("FINRA"). UFSI serves as the Principal underwriter to various mutual funds.

Mr. Rafael Resendes and Mr. Daniel Obrycki own The Applied Finance Group, Ltd ("AFG"), a research firm. AFG, in turn, owns 75% of Toreador Research & Trading, LLC ("Toreador"), an SEC registered investment advisory firm that is the investment manager to a family of U.S. open-end mutual funds. Accordingly, Mr. Resendes and Mr. Obrycki are affiliated persons of Toreador. Further, Toreador engages AFCM to provide research and portfolio management assistance.

Rafael Resendes is a co-founder and executive of AFG and AFCM. AFG is an investment consulting firm that provides financial analyses, equity research, and valuation services to financial institutions. AFG provides research and operational support services to AFCM, and AFCM pays AFG for these services. In order to avoid conflicts of interest or potential misuse of information, AFCM has implemented policies and procedures to restrict access to certain types of information until generally published, and requires outside compliance involvement to oversee and pre-approve certain types of transactions where conflicts may arise.

Mr. Resendes is also a portfolio manager for Toreador. Portfolio managers may carry on investment activities for their own account(s) and/or the accounts of immediate family members; as a result, each portfolio manager may engage in activities other than on behalf of the Funds or AFCM clients. Conflicts may arise as a result of the portfolio manager's differing economic interests in respect of such activities, such as with respect to allocating investment opportunities. Pursuant to the Code of Ethics adopted by each of the Funds, Toreador and AFCM, the portfolio managers are prohibited from effecting certain transactions for their personal accounts unless such transactions receive the prior written consent of the Chief Compliance Officer, who is independent of Toreador and AFCM, or such transactions are specifically exempted from pre-clearance in the Code of Ethics.

#### ***Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Representatives of AFCM may buy or sell securities for themselves that they also recommend to clients. Where a transaction for a Representative, or an account related to the Representative, is contemplated, a client's transaction is given priority. AFCM has developed a Code of Ethics applicable to all persons who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires such "access persons: to obtain pre-approval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for clients' accounts. The Code also establishes certain bookkeeping requirements relating to federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code is available upon request.

#### ***Item 12 - Brokerage Practices***

Other than as described above with UFSI, AFCM has no affiliations with any broker/dealer. UFSI does not place or execute securities transactions.

AFCM has no "soft dollar" or other direct or indirect compensation arrangement with any broker/dealer.

AFCM does not process transactions through broker/dealers in return for broker/dealers referring new clients to AFCM.

### ***Item 13 - Review of Accounts and Reports***

Clients receiving UMA Account Services, receive reports as determined in advance between the client and AFCM.

### ***Item 14 - Client Referrals and Other Compensation***

AFCM does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party, including Service Providers, in return for client referrals.

### ***Item 15 - Custody***

AFCM does not take custody of client funds or securities. These safekeeping services are typically provided to managed accounts only by the brokerage firm processing the securities transactions ordered by AFCM.

To the extent a client receives any account or other investment ownership statement from AFCM recommends the client carefully compare the information in the report to that in the custodian's statements.

### ***Item 16 - Investment Discretion***

AFCM does not execute securities transactions for its clients.

### ***Item 17 - Voting Client Securities***

AFCM does not vote proxies on behalf of its clients. AFCM also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

### ***Item 18 - Financial Information***

AFCM does not require or solicit fees of more than \$1,200 six months or more in advance, thus no financial statement for AFCM is attached. AFCM does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any clients.

# Privacy Notice

## FACTS

### WHAT DOES APPLIED CAPITAL MANAGEMENT, LLC (“AFCM”) DO WITH YOUR PERSONAL INFORMATION?

<b>WHY?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all information sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this Notice carefully to understand what we do.
<b>WHAT?</b>	<p>The types of information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security Number</li> <li>• Assets</li> <li>• Retirement Assets</li> <li>• Transaction History</li> <li>• Checking Account History</li> <li>• Purchase History</li> <li>• Account Balances</li> <li>• Account Transactions</li> <li>• Wire Transfer Instructions</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this Notice.</p>
<b>HOW?</b>	All financial companies need to share your personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons AFCM chooses to share; and whether you can limit this sharing.

<i>Reasons we can share your personal information.</i>	<i>Does AFCM share?</i>	<i>Can you limit this sharing?</i>
<b>For our everyday business purposes-</b> Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	Yes	No
<b>For our marketing purposes-</b> to offer our products and services to you.	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes-</b> information about your transactions and experiences.	Yes	No
<b>For our affiliates' everyday business purposes-</b> information about your creditworthiness	No	We don't share



For non-affiliates to market to you	No	We don't share
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Questions?	Call 559-577-0081
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## Page 2

### Who we are

Who is providing this Notice?	APPLIED FINANCE CAPITAL MANAGEMENT, LLC
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### What we do

How does AFCM protect your personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse or your nonpublic personal information.</p>
How does AFCM collect your personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• Open an account</li> <li>• Provide account information</li> <li>• Give us your contact information</li> <li>• Make deposits or withdrawals from your account</li> <li>• Make a wire transfer</li> <li>• Tell us where to send the money</li> <li>• Tell us who receives the money</li> <li>• Show your government-issued ID</li> <li>• Show your drivers' license</li> </ul> <p>We also collect your personal information from other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes-information about your creditworthiness.</li> <li>• Affiliates from using your information to market to you.</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

### Definitions

Affiliates	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <p><i>Toreador Research &amp; Trading, LLC and The Applied Finance Group are affiliates of AFCM.</i></p>
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>AFCM does not share with non-affiliates so they can market to you.</i></li> </ul>
Joint marketing	A formal agreement between non-affiliated financial companies that together

	<p>market financial products to you.</p> <ul style="list-style-type: none"><li>• <i>AFCM does not jointly market.</i></li></ul>
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