

Client Relationship Summary

08/15/2021

1. **Introduction.** Applied Finance Capital Management, LLC (“AFCM”), is an Investment Advisory Firm and is registered as such with the Securities and Exchange Commission (the “SEC”).

Investment advisory services are not the same as brokerage services, and the fees charged by each type of provider also differ. It is important that you as a retail investor understand the differences between the two. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

2. **What investment services and advice can you provide me?** The following table summarizes the types of services we can provide to you.

<i>What principal investment advisory services do you offer to retail investors?</i>	For retail investors like yourself, we provide investment advice, investment management and supervision, and general financial management.
<i>Can I give you discretionary authority?</i>	You can certainly give us discretionary authority. When you give us discretionary authority, we will make investment decisions on your behalf without first getting your permission to do so. We are constrained by law to act in your best interests, and we are also constrained by any limitations or investment strategies that you determine when you become a client. You always have the right to give us specific instructions on how to manage your account.
<i>Do you recommend securities?</i>	We do recommend securities to our non-discretionary accounts, but the decision to accept or reject that recommendation rests exclusively with the client.
<i>How do you monitor my account(s)?</i>	We periodically review your account to ensure that your account is being managed in accordance with your investment objectives and needs. We make sure that you receive quarterly statements from your custodian showing your current holdings, current market value, performance, and fees charged.
<i>Are my investment choices limited?</i>	You can generally purchase any security. Your only limits are those that are contractual or governed by regulation, such as a variable annuity that is no longer accepting new business.
<i>What are the account minimums and other account requirements?</i>	For our retail accounts, we normally require a minimum market value of \$150,000 to \$200,000. We reserve the right to waive this minimum at our discretion.

For More Information please see Items 4 (Advisory Business) and 7 (Types of Clients) of our “Firm Brochure” (Form ADV Part 2)”
The Firm Brochure is available at <https://adviserinfo.sec.gov/firm/summary/226755>

Conversation Starters: When considering the services of an investment advisor, here a few questions you should ask:

“Given my financial situation, should I choose an investment advisory service? Why or why not?”

“How will you choose investments to recommend to me?”

“What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”

3. **What fees will I pay?**

We charge fees based upon what type of service you choose. For separately managed accounts, fee-based securities accounts and other investment management programs, you pay fees based on a percentage (%) of assets under management. Our maximum annualized advisory fee is 1.5% (150 basis points) of assets under management. Our fees do not include program or product fees, servicing fees or any other fees imposed on your account by a third-party advisory program manager or its affiliates. Each third-party manager maintains its own fee schedules, which will be provided separately to you by the third party advisor. Our total maximum annualized fee, including all third-party fees and our advisory fee, will not normally exceed 2.25% (225 basis points). Some platforms may charge fees that we are not aware of, so be sure to carefully review your custodial statements. All fees are deducted from your third-party custodial account. You never pay fees directly to us. While third-party fees are not negotiable, our advisory fee on such accounts may be negotiable for clients with multiple accounts.

If you choose to trade in mutual funds, ETFs, common stock, options or other securities in a brokerage account, you must understand we are acting as your agent only. The broker may impose additional charges, such as transaction costs, custodial and mutual fund 12b-1 fees.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make in your investments over time. Please make sure you understand what fees and costs you are paying.

Another question you should ask your securities professional: *“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”*

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money may create some conflicts with your interests. You should understand and ask us about these conflicts, because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

We may enter into a revenue sharing agreement with third party money managers from time to time. This revenue share is based on the Firm’s level of production and assets with the third party advisor. This is paid by the third party advisor out of their portion of the management fee collected from the client.

We have an affiliate that provides investment management services to certain series of the World Funds Trust and the ETF Opportunities Trust. Choosing these funds as investments for our clients may result in you indirectly paying higher fees to us.

Certain Firm representatives may have other professional designations and may receive fees for other services. This can include but is not limited to, legal, estate, accounting and insurance services.

4. How do your financial professionals make money?

Our firm receives payments based on the total net assets in your account. Our Investment Advisor Representatives receive a salary and annual bonuses, based on firm performance. *Payments based on total net assets could create the incentive for your Investment Advisor and our firm to make more purchases than you need, or larger purchases of the securities in your portfolio.*

Another question you should ask your securities professional: *“How might your conflicts of interest affect me, and how will you address them?”*

5. Do you or your financial professionals have legal or disciplinary history?

No

You can find more information on us by clicking here : <https://adviserinfo.sec.gov/firm/summary/226755>

Investment Advisor Representative Disclosures. Security professionals may or may not have additional disclosures. A comprehensive report on security professionals can be found at <https://www.investor.gov/CRS> .

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

Your primary contact is Jun Wang. Jun Wang is a Member of AFCM, an Investment Advisor Representative, and a Chartered Financial Analyst. You may contact her at 787-626-0404.

To obtain more information on AFCM, or to request a current copy of this *Relationship Summary*, call us at 787-626-0404. This information will be provided to you free of charge.

If you ever have any concerns about how a securities professional or associate treats you, please call 210-540-1681 and request to speak to David D. Jones, Esq., our independent Chief Compliance Officer.

Item 1 - Cover Page

APPLIED FINANCE CAPITAL MANAGEMENT, LLC

FORM ADV

PART 2A INFORMATION

March 31, 2024

Applied Finance Capital Management, LLC
53 Calle Palmeras, Suite 601
San Juan, Puerto Rico 00901

Phone (800) 673-0400

info@appliedfinance.com

This Brochure provides information about the qualifications and business practices of Applied Finance Capital Management, LLC (“AFCM”) (CRD No. 226755). If you have any questions about the contents of this Brochure, please contact us at (800) 673-0400. 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.

Item 2 - Material Changes to This Brochure Since Its Last Annual Update on March 31, 2023.

This Brochure has been amended to update the following Items:

The Firm updated its financial information and contact information.

Item 3

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Item 4 - Advisory Business

Applied Finance Capital Management, 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. All issued and outstanding Membership Interests in AFCM are owned by Rafael Resendes (50%) and Daniel Obrycki (50%). 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 1, 2024, AFCM provided discretionary and non-discretionary investment management services to 20 clients, with a total of approximately \$3.011 billion in assets under advisement.

Unified Management Account (“UMA”) and Non-Discretionary Asset Management Accounts (“NDMA”)

AFCM provides portfolio modeling and research to UMA providers. Through the UMA 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.

AFCM provides portfolio modeling and research to NDMA clients. Through the NDMA program, clients receive investment analysis, portfolio composition and allocation instructions, rebalancing instructions, and buy/sell instructions. The NDMA client is responsible for executing such instructions and may reject any of the instructions made by AFCM.

SMA Management

AFCM also provides direct account management to individual clients through SMA platforms and referring advisors. All such accounts are managed to one or more model portfolio strategies developed by, and proprietary to, AFCM. SMA accounts are generally managed on a discretionary basis.

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 charges performance-based fees to one client.

Item 7 - Types of Clients/Minimum Account Size

AFCM makes its advisory services available to broker/dealers, registered investment advisers, trusts, and other financial institutions. AFCM does not provide direct retail advisory services. **AFCM does manage retail funds allocated to it through advisory platforms** 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 every day 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 First Dominion Capital Corp. (“FDCC”), a licensed, limited-service securities broker/dealer. FDCC is a member of the Financial Industry Regulatory Authority (“FINRA”). FDCC 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 Applied Finance Advisors, LLC (formerly “Toreador Research & Trading, LLC”) (“AFA”), 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 AFA. Further, AFA engages AFCM to provide research and portfolio management assistance.

Rafael Resendes is a co-founder and executive of AFG, AFA 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 AFA. 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, AFA 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 AFA 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 FDCC, AFCM has no affiliations with any broker/dealer. FDCC 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 services from AFCM 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 UMA clients. AFCM does execute securities transactions for its SMA clients.

Item 17 - Voting Client Securities

AFCM will vote proxies on behalf of its clients, if requested. AFCM also takes action on legal notices it or a client may receive from issuers of securities held in a client’s managed account, if requested.

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 FINANCE CAPITAL MANAGEMENT, LLC (“AFCM”) DO WITH YOUR PERSONAL INFORMATION?

WHY?	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.
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WHAT?	<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"> • Social Security Number • Assets • Retirement Assets • Transaction History • Checking Account History • Purchase History • Account Balances • Account Transactions • Wire Transfer Instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this Notice.</p>
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HOW?	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.
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<i>Reasons we can share your personal information.</i>	<i>Does AFCM share?</i>	<i>Can you limit this sharing?</i>
<p>For our everyday business purposes- Such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.</p>	<p>Yes, such as to individuals and/or entities not affiliated with AFCM including, but not limited to your other professional advisors and/or certain service providers that may be recommended or engaged by AFCM in furtherance of your engagement of AFCM including, attorneys, accountants, broker-dealers, custodians, investment advisers, record keepers, proxy management service provider, account reporting solution providers, credit bureaus, and in response to legal investigations or court orders.</p>	No

For our marketing purposes- to offer our products and services to you.	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes- information about your transactions and experiences.	Yes	No
For our affiliates' everyday business purposes- information about your creditworthiness	No	We don't share
For non-affiliates to market to you	No	We don't share

Questions?	Call 800-673-0400
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Who we are

Who is providing this Notice?	APPLIED FINANCE CAPITAL MANAGEMENT, LLC 53 Calle Palmeras, Suite 601 San Juan, Puerto Rico, 00901 800-673-0400 (P) info@appliedfinance.com (email)
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What we do

How does AFCM protect your personal information?	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. Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.
How does AFCM collect your personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> • Open an account • Provide account information • Give us your contact information • Make deposits or withdrawals from your account • Make a wire transfer • Tell us where to send the money • Tell us who receives the money • Show your government-issued ID • Show your drivers' license We also collect your personal information from other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes-information about your creditworthiness. • Affiliates from using your information to market to you. • Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

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