

## Item 1: Introduction

Applied Capital LLC is an investment advisor registered with the SEC (Securities and Exchange Commission) offering investment management services. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about investment advisors and investing.

## Item 2: Relationship and Services

### Conversational Questions:

When should I work with a financial professional? How will you choose investments for me?  
What is your relevant experience, including your licenses, education and other qualifications?

### What investment services and advice can you provide me?

We offer ongoing investment management services. After a thorough conversation about your needs and investment experience, we will explain the types of accounts and investments that could benefit you. Then we will select an appropriate model portfolio for each account based on your investment objective, time horizon, and risk tolerance. We will regularly monitor the accounts and adjust as needed while teaching you the principles of investing.

We primarily manage accounts under discretionary authority, (where we make the decision regarding the purchase or sale of investments) but can also serve you under nondiscretionary authority (where you make the ultimate decision). We generally limit the types of investments to mutual funds and ETFs (exchange-traded funds) for most clients due to the inherent diversification at a low cost. Our preferred account minimum is \$100,000, but we often make exceptions. Please also see our Form ADV 2A, specifically Items 4 & 7 for more details.

## Item 3: Fees, Costs, Conflicts, and Standard of Conduct

### What fees could I pay if I become a client of Applied Capital?

All clients will pay the advisor fee and expense ratio, but some accounts may not be charged custodian transaction fees or the quarterly administrative fee for smaller accounts.

1. **Advisor Fee** is set by your personal investment advisor but will not exceed 1.00% annually. This fee is charged quarterly in arrears based on your account's average daily balance. This fee simply and transparently motivates us to grow your account.
2. **Expense Ratio** is the internal cost of the investment vehicle such as a mutual fund or ETF (exchange-traded fund). The average expense ratios in our model portfolios are just 0.05% - 0.25% which is much lower compared to most investments.



3. **Custodians** hold your account and execute trades for transaction fees. The investments in our model portfolios have \$0 - \$24 custodian transaction fees.
4. **Other Fees** include custodian statement fees, annual IRA fees, or administrative fees. Applied Capital may charge a \$10 quarterly administrative fee on accounts under \$100,000 and only uses custodians that do not charge statement or annual IRA fees.

Please also see our Form ADV 2A, specifically Items 4, 5, 6, 7 & 8 for more details.

**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 on your investments over time.**

What are your legal obligations to me when acting as my investment advisor?

When we act as your investment advisor, we are held to a fiduciary standard which means we have to act in your best interest at all times and not put our interest ahead of yours.

How else does your firm make money and what conflicts of interest do you have?

Most of our investment advisors are also individually licensed insurance agents. This conflict of interest is minimal since our investment advisors with insurance licenses only utilize term life insurance, disability income insurance, and long-term care insurance. Any additional independent business ventures, and potential conflicts of interest, are listed in each advisor's individual ADV Form 2B, which is publicly available.

How do your financial professionals make money?

Our financial professionals receive financial compensation from the investment management services we provide to you from the advisor fees we received from your managed accounts. Our investment advisors personally receive a high percentage of the advisor fee collected from the accounts of clients they directly manage.

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## Item 4: Disciplinary History

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

We have never had legal or disciplinary events. Visit [investor.gov](https://www.investor.gov) for a free, simple search tool to research us and our financial professionals.

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## Item 5: Additional Information

For additional information on our investment management services, please see our Form ADV 2A available at [adviserinfo.sec.gov/firm/summary/166175](https://adviserinfo.sec.gov/firm/summary/166175) and any individual brochure supplement your investment advisor provides. If you have any questions, need additional up-to-date disclosures, or want another copy of this Client Relationship Summary, then please contact our Chief Compliance Officer, Chris Williams, at (501) 500-0897.