



# The Applied Finance Group

## Rafael Resendes Biography

Co-Founder

Rafael Resendes



Rafael Resendes co-founded The Applied Finance Group (AFG) in 1995 with Daniel J. Obrycki to develop an investment research firm that helps: institutional investors construct portfolios that outperform their benchmarks, and corporate executives understand the growth and profitability embedded in their firm's share price. They focused their research on understanding:

- Why earnings do not reflect a company's true profits,
- Why P/E ratios are poor proxies for company value, and
- Why sales growth does not lead to higher stock prices.

Resendes and Obrycki concluded that existing financial analysis tools were inadequate and a new approach was required. This led them to create AFG's Economic Margin Framework™, which begins by correcting the various distortions and flaws with "As Reported" accounting figures, such as EPS, to measure a firm's economic profit, then links a firm's performance to its market value by modeling the interaction of: Economic Profitability, Growth, Competition and Risk.

Over the last decade, AFG's buy-and-sell recommendations, and model portfolios have consistently outperformed their benchmarks across size, style and economic sectors. Currently, over 175 investment houses, corporations, and consulting firms around the world utilize AFG's research.

As a widely recognized expert on equity markets and valuation, Rafael is a frequent contributor to leading financial publications and investment programs such as: The Wall Street Journal, Forbes, CNBC Squawk Box, and Forbes on Fox among others. For the past three years, Rafael has served on the CFA Institute's Speaker Retainer program, speaking to over 25 Financial Analyst Societies in 8 countries. Rafael is a guest lecturer at University of California at Berkeley, and served as an Adjunct Professor at DePaul University in Chicago.

Prior to co-founding AFG, Resendes was a member of the Chicago Board of Trade, where he traded Treasury Note Options, and served as director of research for HOLT Value Associates. Rafael graduated Phi Beta Kappa from The University of California, Berkeley, with a bachelor of science in finance and economic analysis, and obtained his MBA from the University of Chicago.