Item 1 Cover Page

Donnelly Investments, LLC

Form ADV Part 2A Firm Brochure

8605 Santa Monica Boulevard 53781
West Hollywood, California 90069
thomas@donnelly.investments
323-304-9297

July 11, 2022

This Brochure provides information about the qualifications and business practices of Donnelly Investments, LLC ("Donnelly Investments"). If you have any questions about the contents of this Brochure, please contact us at 323-304-9297. 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 Donnelly Investments is available on the SEC's website at www.adviserinfo.sec.gov using the identification number 316460.

Item 2 Material Changes

We have no material changes to report as of our initial filing. We will review and update our Brochure as needed and at least annually to ensure it remains current.

Item 3 Table of Contents

Item 4 Advisory Business

Donnelly Investments ("we," "our," and "us") is an advisory firm dedicated to helping people build and preserve significant wealth. We were organized as a Limited Liability Company (LLC) under the laws of the State of California in 2022. Thomas Donnelly, JD, CFP® is the principal owner of Donnelly Investments.

Our investment advisory services are highly differentiated. We believe accelerating technological change will have profound implications for investors in the coming years and decades. We specialize in positioning clients for that change with an extremely selective approach to security selection. See *Methods of Analysis, Investment Strategies, and Risk of Loss* for more information.

We tailor our services to each client's individual needs by gathering information related to their financial position and investment objectives at the beginning of the advisory relationship. We summarize this information in a written Investment Policy Statement ("IPS"), which is reviewed and updated periodically. We advise clients to notify us of any changes to their financial position or investment objectives.

Clients may request reasonable restrictions on specific securities or types of securities as part of their IPS. For example, a client may want to avoid investments that have negative social or environmental impacts. All restrictions are subject to our approval. As explained throughout this brochure, we have strong and well-developed views on markets and may not be willing to accept all restrictions.

We provide strategic financial planning services to investment management clients upon request at no additional fee. We specialize in providing oversight and guidance on various tax and estate planning strategies. These services include reviewing our clients' tax returns and estate documents and developing actionable planning recommendations.

Under California Code of Regulations ("CCR") Section 260.235.2 we must disclose all conflicts of interest related to financial planning recommendations. For example, it would be a conflict of interest if we referred clients to a specific tax preparer who paid our firm for the referrals. While we don't participate in any such arrangements, we are required to inform clients that they are under no obligation to act upon our recommendation. Moreover, clients who elect to act on our recommendations are under no obligation to do so through our firm or any outside firm we may recommend.

We are committed to the highest levels of ethical and professional standards and continually strive to act with integrity, objectivity, competence, fairness, and diligence. We will always put our client's best interests first and act with due care and in good faith.

Mr. Donnelly does not practice as a lawyer, is not licensed as a lawyer, and has never been licensed as a lawyer.

We do not participate in wrap fee programs.

We have no assets under management to report as of our initial filing.

Item 5 Fees and Compensation

We charge an annual advisory fee of 1 % of assets under management, subject to a minimum fee requirement of $ 10,000, which may be negotiable based on the size and service requirements of the advisory relationship. The advisory fee and all relevant terms are documented in an Advisory Agreement.

Clients authorize us to deduct our advisory fee directly from their assets under management. Fees are deducted quarterly in advance and are based on the value of the assets under management on the last day of the previous calendar quarter. Adjustments for mid-quarter deposits and withdrawals are applied during subsequent periods. Prorated refunds will be issued to clients who terminate our services mid-quarter.

Our advisory fee is in addition to any account fees, fund fees, transaction fees, margin interest, wire transfer fees, or other related costs incurred by the client in connection with the management of their investments. See *Brokerage Practices* for more information.

We do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Please note that lower fees for comparable services may be available from other providers.

Item 6 Performance-Based Fees and Side-By-Side Management

We do not charge performance-based fees or participate in side-by-side management.

Item 7 Types of Clients

We provide advisory services to high-net-worth individuals. In some cases, we may also advise various trusts, corporations, and other legal entities related to our individual clients.

We are highly selective when considering new clients. For example, we only accept clients whom we expect to work with for the long term. Additionally, we believe it is important that clients are intellectually curious and open to our unique investment strategies. Prospective clients looking for more traditional — and in our view, flawed — approaches will not be a good fit for us. Our strategies will experience periods of high volatility, and it is important that clients understand this and have the emotional fortitude to stay invested during routine drawdowns.

We require a minimum relationship size of $ 1,000,000. Exceptions may be made on a case-by-case basis.

Item 8 Methods of Analysis, Investment Strategies, and Risk of Loss

We believe most advisory firms have a fundamentally flawed approach that conflates risk with volatility. We reject this line of thinking. Our view is that risk is not a function of volatility per-se but results from volatility that is disproportionate to the investment time horizon.

We help clients understand their time horizons by projecting the amount and timing of future withdrawals they may need to take from their assets. The present value of all withdrawals expected in the next five years is allocated to a short-term oriented *Fixed Income Strategy.* The present value of withdrawals anticipated in the following five years is allocated to an intermediate-term *Equity Index Strategy.* All other assets are assumed to have a time horizon of ten years or more and are allocated to our flagship *Equity Growth Strategy.* Each client's specific allocations are documented in their custom IPS.

Our approach may result in a more aggressive allocation than some clients are accustomed to. We believe this is appropriate and necessary. For example, someone entering retirement today likely has more than three decades ahead of them, and we believe that advisors who put such clients in a cookie cutter 60 % equity and 40 % fixed income allocation are doing a profound disservice to their clients. Indeed, longevity risk, which is the risk of outliving one's assets, is increasingly the single most significant risk most investors face. Our approach is designed to address longevity risk head-on.

A tradeoff with our approach is that it increases horizon risk, which is the risk that withdrawals could be more significant than anticipated or needed earlier than expected. Unanticipated withdrawals might require selling securities intended to be held long-term at unfavorable prices. Clients should promptly notify us of any change to their financial position or investment objectives.

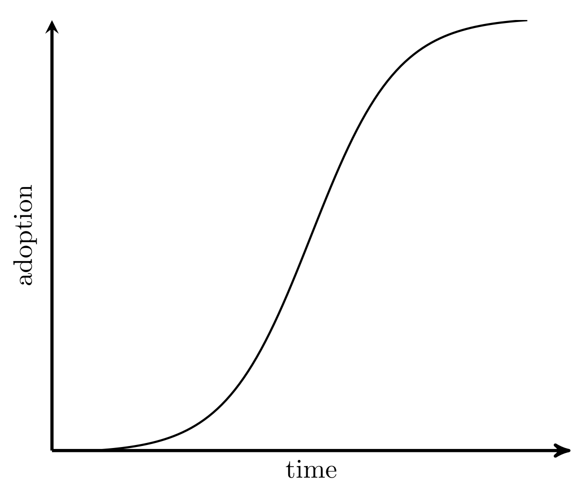
Investing in securities involves substantial risks, including the risk of loss, which clients must be prepared to bear. There is no guarantee that our approach to asset allocation or any of our investment strategies will produce the intended results. Donnelly Investments is not liable for any losses.

Equity Growth Strategy

Our flagship Equity Growth Strategy aims to achieve substantial long-term capital appreciation by investing in a selection of individual equity securities that we believe will experience superior growth over ten years or more. We believe that while markets are efficient over the long term (i.e., market prices will eventually reflect intrinsic value), pricing dislocations and other inefficiencies are common in the short term.

Diffusion of Innovation Theory is a foundational theoretical framework that helps us identify potential pricing dislocations. This theory states that the adoption of new technologies follows the s-shaped curve, whereby adoption is slow to start, accelerates exponentially, and then slows again with saturation. This adoption curve is why technological change happens slowly, then all at once. We believe there is a natural dislocation at the front end of the adoption curve because most investors project trends linearly.

The Adoption Curve



We conduct top-down research into a wide array of emerging technologies. Based on that research, we have identified several transformational technologies that we believe are at the front end of the adoption curve. These include artificial intelligence and machine learning, autonomous mobile robotics, blockchain, genomic engineering, open banking, solid-state energy storage, and synthetic biology. The impacts these technologies are expected to have are so profound that World Economic Forum has designated the age we are entering as the Fourth Industrial Revolution. Others have made comparisons to the Cambrian Explosion in reference to the unprecedented volume of innovation we are likely to experience in the years ahead.

We seek to identify commercial applications where we believe these technologies will enable products and services with value propositions that are an order of magnitude (i.e., 10-times) better than those available today. We explicitly look for commercial applications with large, trillion-dollar-plus addressable markets. Companies we believe may participate in or benefit from developing such commercial applications may be added to our "coverage universe" for this strategy.

We conduct extensive bottom-up research into companies within our coverage universe. We evaluate companies on various quantitative and qualitative factors, including company culture, competitive advantages, engineering talent, management quality, and unit economics. We specifically look for founder-led companies where the founder-CEO maintains a significant equity position. We forecast a company's cash flows out 5-years and apply a conservative terminal valuation multiple to those cash flows. We generally require a projected doubling in valuation over five years before we consider investing. This process is highly selective, and very few companies meet our stringent investment standards. Coverage may be terminated for any reason.

This strategy involves significant risks and uncertainties, both known and unknown. There is no guarantee that our investment decisions will produce the intended results. The technological advancements we expect may fail to materialize. Our expectations for commercial applications may be wrong. Many of the companies in our coverage universe may fail. Even those that succeed initially may attract competition from better-resourced companies or government regulatory scrutiny.

This strategy is concentrated in a small number of individual equities — typically less than twenty — and is only appropriate for clients willing to tolerate a high degree of market volatility. There are no restrictions on the number of securities or their relative weightings unless clients specifically impose them as part of the IPS. The market values of individual equity securities may fluctuate rapidly and unpredictably due to various factors, including the issuer's operational and financial results, macroeconomic changes, regulatory and legal changes, or social events. Unless the facts supporting our underlying investment thesis or target valuation have changed, we believe that short-term volatility should not concern long-term investors.

Counterintuitively, we embrace concentration as a risk-mitigation strategy. Innovation does not happen in a vacuum but is part of a continuous cycle of creative destruction whereby new products and services obviate the need for old ones. We believe this is ultimately a very healthy cycle akin to how wildfires benefit woodland ecosystems. That said, the sheer volume of creative destruction we expect in the future poses an existential risk to the vast majority of today's public companies. The threat of mass obsolescence may be one of the most profound risks that equity investors face long-term, and we see concentration as the best way to guard against it.

We are "buy-and-hold" investors with a time horizon of ten years or more. We do not attempt to time the market or tactically trade around short-term economic and market conditions. We generally only sell or trim a position once it hits our target price or if we believe there is a better long-term return on capital elsewhere. That said, we may sell securities for various other reasons, including raising cash for administrative purposes or harvesting tax-losses to offset gains taken elsewhere. Some securities, especially from smaller companies, might have low trading volumes, making it hard to sell even small amounts without affecting the market price. This liquidity risk might worsen during a crisis when such securities might not be able to be traded at all.

Equity Index Strategy

Our Equity Index Strategy is designed to provide equity diversification appropriate for a time horizon of five-to-ten years.

We generally select a single exchange-traded fund ("ETF") that tracks the performance of the Nasdaq-100® for this purpose. The Nasdaq-100® is an index of equity securities issued by 100 of the largest non-financial companies listed on the Nasdaq stock exchange. Having only been founded in 1971, the Nasdaq stock exchange lacks significant exposure to areas of the economy that developed in the early-to-mid twentieth century (e.g., basic materials, energy, industrials, and utilities). These are the sectors, along with financials, that we believe will see the most disruption in the years ahead. In other words, the Nasdaq-100® effectively screens out the areas of the market we seek to avoid. See our *Equity Growth Strategy* for more information.

While the diversification of an index mitigates some of the specific business risks that individual equity securities have, indices are still highly sensitive to general economic and market conditions. Consider that the Nasdaq-100®, which delivered a compound annual return of 13 % from 2002 through 2021, also experienced drawdowns of −52 % in 2002 (dot-com crash), −50 % in 2008 (great financial crisis), and −29 % in 2020 (covid pandemic). Volatility is very much to be expected, even with diversification.

The performance of an ETF will not match its underlying index exactly. This tracking error is caused, at least in part, by the internal operating expenses of the ETF, which impact performance. Additionally, ETF prices may vary significantly from their Net Asset Values due to market conditions. It is not possible to invest directly in an index.

Fixed Income Strategy

Our Fixed Income Strategy is intended to cover anticipated distributions over the next five years.

The securities we select for this strategy include non-callable, interest-bearing US Treasuries, Agencies, and general obligation municipal securities. The intent is to hold such securities until they mature, which effectively locks in a return equal to the stated yield to maturity ("YTM") at purchase. While the market values of fixed-income securities are affected by changes in interest rates, such fluctuation should not concern investors holding through maturity.

We focus on investment-grade (i.e., high credit quality) securities backed by a taxing authority to mitigate the risk of issuer default. Treasuries and Agencies are backed by the full faith and credit (i.e., the power to tax and borrow) of the United States. Meanwhile, general obligation municipal securities are backed by the taxing authority of the municipality.

Securities purchased under this strategy are laddered over rolling 5-year periods, with approximately 20 % of the securities maturing each year. The intent is to meet distribution needs with interest payments and reinvest principal as it matures.

Item 9 Disciplinary Information

We have no information regarding legal or disciplinary events that would be material in evaluating our advisory business.

Neither our firm nor any related persons have been involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction; an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or, a self-regulatory organization (SRO) proceeding.

Item 10 Other Financial Industry Activities and Affiliations

We do not engage in other financial industry activities or affiliations that would create a conflict of interest with our clients or could reasonably be expected to impair the rendering of unbiased and objective advice.

Neither our firm nor any related persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither our firm nor any related persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

We only receive compensation directly from clients. We do not receive compensation from any outside source.

We may recommend or select other investment advisors for clients but do not receive any compensation from those advisors, either directly or indirectly, related to our recommendation. We have no business relationships with any other investment advisors.

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

We have adopted the Code of Ethics and Standards of Conduct published by the Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The Code details the ethical and professional standards which govern our relationships with clients. Specific commitments include acting with honesty, integrity, competence, and diligence; avoiding, managing, and disclosing conflicts of interest; and, maintaining the confidentiality and privacy of client information. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Neither our firm nor any related person is authorized to recommend to a client or effect a transaction for a client involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, or advisor to the issuer, etc.

Our firm and related persons may buy or sell securities similar to or different from those we recommend to clients for their accounts. To reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require restricting or prohibiting associates transactions in specific reportable securities transactions. The firm principal must approve any exceptions or trading pre-clearance before trading in an account, and we maintain the required personal securities transaction records per regulation.

Item 12 Brokerage Practices

Clients must establish a brokerage account with Charles Schwab & Co., Inc. ("Schwab") to maintain custody of assets and effect trades. Although clients may incur higher brokerage costs with Schwab than with other broker-dealers, we believe that Schwab meets the requirement for "best execution" based on qualitative factors, including financial strength, reputation, and stability. We do not support client-directed brokerage arrangements.

Schwab doesn't charge account fees but is compensated by our clients in other ways, including through brokerage commissions, margin interest, net interest earned on cash deposits, payment for order flow, and wire transfer fees. We believe that Schwab's compensation is reasonable given the value of its services.

Soft dollar arrangements are when an advisory firm receives products or services (other than securities execution) from a broker-dealer in return for directing client securities transactions to that broker-dealer. We do not receive soft dollar benefits.

While not considered soft dollar benefits, we receive access to Schwab's institutional platform, which includes services related to client billing, reporting, and other administrative functions. These services constitute an economic benefit to our firm; therefore, we have a conflict of interest in recommending Schwab. Nevertheless, we believe that recommending Schwab is entirely in keeping with our fiduciary duty to clients. We do not receive client referrals from Schwab.

We do not aggregate or "block" trades. Clients may incur higher brokerage costs as a result.

Item 13 Review of Accounts

We continuously monitor client holdings and review accounts on a quarterly basis. Accounts are reviewed in accordance with the client's stated investment objectives as documented in a written Investment Policy Statement. The Investment Policy Statement is reviewed with clients on an annual basis and updated as necessary. Additional reviews are conducted upon request. Mr. Donnelly is responsible for all reviews.

We provide written investment performance reports to clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian.

Item 14 Client Referrals and Other Compensation

We do not directly or indirectly compensate any person who is not a supervised person for client referrals.

We do not receive any compensation or other economic benefit from non-clients in connection with our advisory services.

Item 15 Custody

We do not maintain physical custody of client assets. However, we may be deemed to have limited custody to the extent we are authorized to deduct our advisory fees from client assets.

We adhere to the limited custody safeguard provisions under CCR Section 260.237(b)(3) by obtaining written authorization from clients permitting us to deduct fees directly from their accounts and providing clients and custodians with invoices itemizing the fee to be collected.

Clients receive account statements from their custodian. Clients should review these statements for accuracy and compare them against the invoices and any other written report they receive from us.

Item 16 Investment Discretion

We require clients to grant us discretionary authority as part of their Advisory Agreement with our firm. This discretionary authority gives us the power to determine the securities and amounts to be bought and sold on their behalf. We exercise this authority in a manner consistent with each client's investment objectives as documented in a written IPS. Clients' may limit our discretionary authority as part of their IPS.

Item 17 Voting Client Securities

We vote proxies as a courtesy for clients; however, clients can retain proxy voting authority themselves if they prefer. Clients who retain proxy voting authority will receive proxy materials and other solicitations directly from their custodian (i.e., Schwab) or the transfer agent of the security.

As a policy, we vote proxies as recommended by a company's Board of Directors. We only deviate from this policy if we determine that doing so would not be in the best interests of our clients. Boards of Directors must act in the best interests of shareholders — which, more often than not, aligns with the best interests of our clients. However, there are rare occasions when these interests do not align. For example, a proposal to raise capital in a way that would dilute current shareholders would not be in the best interests of our clients if we anticipated exiting the position in the short term. We keep written documentation of our reasoning in all such cases. This documentation is available to clients upon request. In the unlikely event that we have a conflict of interest in the outcome of a vote, our policy is to notify clients and abstain from voting unless clients provide written instructions for how they would like us to vote their shares. This is the only circumstance where clients may direct our vote on a particular solicitation.

A copy of our proxy voting policies and procedures is available upon request. Clients can request information on how we voted their securities or with questions about a particular solicitation.

Item 18 Financial Information

We have no information regarding any financial condition that could impair our ability to meet contractual commitments to clients. We have not been the subject of a bankruptcy proceeding. We do not require the prepayment of advisory fees of $ 500 per client, six months or more in advance.

Item 19 Requirements for State-Registered Advisors

Thomas Donnelly, JD, CFP® (born 1982) graduated from The State University of New York at Buffalo with a Bachelor of Arts (BA) in 2004 and a Master of Education (EdM) in 2009. He then obtained his Juris Doctor (JD) from Saint Louis University School of Law in 2011. He is the founder of Donnelly Investments. Before founding Donnelly Investments, Mr. Donnelly was an Investment Advisor Representative with Gerber Kawasaki Wealth & Investment Management from 2020 to 2022, with AdvicePeriod from 2017 to 2020, and with Calamus Financial Planning from 2015 to 2017.

Mr. Donnelly is certified for financial planning services in the United States by the CFP Board. CFP® professionals have met the CFP Board's high standards for education, examination, experience, and ethics. Detailed information regarding the minimum qualifications for certification can be found on the CFP

Board's website at www.cfp.net. The CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold the CFP® certification.

Neither Donnelly Investments nor Mr. Donnelly are compensated for advisory services with performance-based fees. Neither has any relationship or arrangement with any issuer of securities.

Neither Donnelly Investments nor Mr. Donnelly have any reportable legal or disciplinary history or outside business activities. Neither have ever been involved with or found liable in an arbitration claim of any kind. Neither have ever been involved with or found liable in a civil, self-regulatory organization, or administrative proceeding of any kind. Neither have ever been the subject of a bankruptcy petition.

Mr. Donnelly is responsible for all advisory services provided by Donnelly Investments. He may be contacted at the phone number on this Brochure.

Donnelly Investments maintains a written Business Continuity Plan that identifies procedures related to an emergency or significant business disruptions, including the death of the investment advisor or any related persons.

All material conflicts of interest have been disclosed pursuant to California Code of Regulations Section 260.238(k).