Item 1 – Cover Page

Donalies Financial Planning, LLC

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This brochure provides information about the qualification and business practices of Donalies Financial Planning, LLC. If you have any questions about the contents of this brochure, please contact us at 240.888.2573 or by email at chuck@donaliesfp.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Donalies Financial Planning, LLC is a Registered Investment Advisor in the District of Columbia. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information with which you determine or retain an Advisor.

Additional information about Donalies Financial Planning, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since the most recent update of this brochure, dated October 24, 2017, Donalies Financial Planning, LLC has made the following material changes:

1. Updated DFP's address on the Cover Page. DFP's office is still located in Washington, D.C., but is now at 641 S Street NW, Office 3062, Washington, D.C. 20001.

Currently, our Brochure may be requested, free of charge, by contacting Chuck Donalies at 240.888.2573 or by email to chuck@donaliesfp.com.

Item 3 – Table of Contents

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Item 4 – Advisory Business

A. Donalies Financial Planning, LLC ("DFP") is a limited liability company formed in April 2012 in the District of Columbia. DFP became registered as an Investment Adviser Firm on August 1, 2012. DFP is owned by Charles E. Donalies, CFP® who is the DFP's Managing Member.

B. As discussed below, DFP offers to its clients (individuals, business entities, trusts, estates, pension and profit-sharing plans, and charitable organizations, etc.) financial and investment advisory consulting services.

DFP works with clients under the following four service levels, which may be personalized to each client's needs:

- On-Going Financial Planning
- Portfolio Management
- Young Professionals Package
- Project-Based Planning

The following section describes DFP's services:

On-Going Financial Planning

This service is designed to help clients understand their entire financial puzzle. We'll cover the following topics over the course of 12 months:

- Initial meeting, in-person or virtual, followed by another after six months
    - Additional meetings as needed
- Budgeting & Cash Flow Management Analysis
- Investment planning
    - Risk assessment that focuses on your ability and willingness to take investment risk
    - Analysis of your current taxable and tax-advantaged investments
    - Creation of an Investment Policy Statement (IPS), which acts as a roadmap for you to follow
    - Recommendations for investments and an asset allocation that suits your goals
    - Discussion of debt-reduction versus investing

- Student Loan Planning
    - Analysis of your student loan(s)
    - Answers to the following questions:
        - Which Income-Based Repayment (IBR) plan is best?
        - Am I eligible for Public Service Student Loan Forgiveness (PSLF)?
        - Is it a good idea to refinance my student loan(s)?
- Retirement Planning
    - Analysis of whether or not you are on track, including projections
    - Recommendations to improve your odds of retiring with enough money to live comfortably
- Tax Planning
- Insurance Planning Analysis
    - While I do not sell life insurance, I will provide you with an analysis of your current life insurance coverage and provide recommendations for additional coverage, if necessary
- Estate Planning Analysis
    - I'm not an attorney, so I cannot draft estate planning documents, but I will discuss the importance of these documents and refer you to an estate attorney who can
- College planning
    - Analysis of your current college savings plan, if any
    - Creation of a plan, which includes how much you need to save in order to send your child(ren) to:
        - A public four-year in-state school
        - A public four-year out-of-state school
        - A private four-year school
- Written plan
    - I'll provide you with a plan that covers all of the topics listed above
- Assistance implementing the written financial plan and someone to speak with when your goals or life circumstances change

- Access to the financial planning software used by DFP

Topics for discussion are not limited to those listed above. Additional correspondence may be required in order to obtain all data necessary to provide financial planning service to the client.

The data-gathering process, plan creation, and implementation processes are crucial for DFP to fully understand the client's financial needs and goals.

Financial plans are based on your financial situation at the time the plan is prepared and are based on financial information disclosed by the client. The client is advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is not an indication of future performance. DFP cannot offer any guarantees or promises that your financial goals and objectives will be met. The components of the financial plan are regularly reviewed and updated to reflect changes in your situation.

It remains the client's responsibility to promptly notify DFP if there is ever any change in his/her/its financial situation, goals, or investment objectives for the purpose of reviewing/evaluating/revising DFP's previous recommendations and/or services.

If requested by the client, DFP may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from DFP.

If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Meetings may be conducted in-person or via phone, Google Hangout, Skype, or any other secure remote meeting technology, depending on client availability. In addition to scheduled meetings, additional face-to-face, email, or phone consultations are included at no additional charge.

Prior to engaging DFP to provide financial planning or consulting services, clients are required to enter into a *Financial Planning Agreement* with DFP setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to DFP commencing services.

Portfolio Management

- Account(s) set-up at TD Ameritrade (DFP is on the TD Ameritrade Institutional platform)
- Investment recommendations as well as implementation of the recommendations once they have been approved by the client
- Access to DFP's performance reporting software
- Monthly or quarterly statements from your custodian, depending on activity in your account(s)
- Quarterly newsletter from DFP
- Custodians and investments have expenses that will be paid by the client.
    - Custodian example
        - TD Ameritrade
            - Stock or ETF trades = $6.95
            - Mutual fund trades = $19.99
    - Investments (i.e., ETFs and mutual funds)
        - Annual expenses range from 0.04% to 1.00%

Past performance is not an indication of future performance. DFP cannot offer any guarantees or promises that your financial goals and objectives will be met.

Prior to engaging DFP to provide Portfolio Management, clients are required to enter into a *Financial Planning Agreement* and complete a financial plan. It is DFP's firm belief that proper investment management cannot be delivered without a financial plan.

Young Professionals Package

This is a flat-rate service designed to help young professionals resolve the financial issues most relevant to them. The service includes the following:

- Two 60-minute meetings
- Budgeting basis
    - How to create a budget
    - How to determine the proper amount of money to maintain in an emergency fund
    - Which budgeting tools to use
- Debt-reduction versus investing
    - How to prioritize paying off your debts

- Best practices for merging finances with your significant other
- How to determine and improve your credit score
- Retirement basics
  - Determine your risk tolerance
  - Create an Investment Policy Statement (IPS) that acts as a roadmap for you to follow as you accumulate wealth
  - How much money to contribute to your retirement plan
  - Where to invest your retirement contributions
- Estate planning basics
  - What is a will, power of attorney, and trust
  - Why/when will I need them

The two 60-minute meetings can be conducted in-person or via phone, Skype, or Google Hangouts.

Project-Based Planning

Clients can hire DFP by the hour for financial coaching or consulting. Prior to engaging DFP to provide Project-Based Planning services, DFP will provide a Proposal for Services, which details the deliverables of the project. In addition, clients are required to enter into a *Financial Planning Agreement* with DFP setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided.

C. Client-Tailored Services and Client-Imposed Restrictions: DFP offers the same suite of services to all clients. However, specific client financial plans and their implementation are dependent upon a client's current needs and situation (income, tax levels, and risk tolerance levels). These variables are used to construct a client-specific plan and/or portfolio. Clients may impose restrictions on investing in certain securities or types of securities.

D. Wrap Fee Programs: DFP does not participate in any wrap-fee programs.

E. Client Assets Under Management: DFP manages $16,507,270 of client assets on a non-discretionary basis. These amounts were calculated as of June 5, 2018.

F. Trade Error Policy: DFP shall reimburse accounts for losses resulting from DFP's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within DFP's custodian firm account and DFP retains the net gains and losses.

G. Limitations on Investment Advice: DFP provides advice on limited types of investments. The investment types are:

- Bonds

- Stocks
- Mutual Funds
- Exchange-traded funds (ETFs)

H. Client Obligations: In performing its services, DFP shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in hi/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising DFP's previous recommendations and/or services.

I. Disclosure Statement: A copy of DFP's written brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Financial Planning Agreement*.

J. Termination of Agreement: A client may terminate the *Financial Planning Agreement* at any time by notifying Donalies Financial Planning, LLC in writing. Writing can be by regular mail, fax, and email. Instant message, texting, or other similar services are not permissible. In the event of termination, where Donalies Financial Planning, LLC has received appropriate written notification, the client will receive a confirmation from DFP regarding the termination of services. In addition, the client shall receive a pro-rata refund of that portion of any prepaid advisory fees that have yet to be earned by Donalies Financial Planning, LLC. Any refund to the client shall be mailed within five (days) of receipt of the confirmation notice.

K. Educational Seminars/Workshops: DFP may occasionally provide educational seminars and/or workshops for the general public, prospective clients, or current clients. Examples of educational seminars/workshops include, but are not limited to, basic concepts of personal finance, college planning, or budgeting.

L. DFP does not sell insurance or investment products, and does not accept commissions as a result of any recommendations. DFP does not pay referral or finders' fees, nor does it accept such fees from other firms.

Item 5 – Fees and Compensation

A. The client can engage DFP to provide financial planning and non-discretionary investment advisory services on a fee-only basis. DFP is a fee-only advisory firm and is therefore compensated only by clients and does not receive compensation or commission from any other parties. DFP believes this method of compensation minimizes conflict of interest. DFP's fee schedule is below, but please be aware all fees are negotiable.

On-Going Financial Planning

The fee for service consists of two parts:

1. A one-time fee of $900 for individuals ($1,800 for couples) due upon execution of the Financial Planning Agreement,
2. $150/month for individuals ($200/month for couples) thereafter for ongoing support and implementation of the plan, and

Portfolio Management

The fee for portfolio management is 0.40% of assets under management per year. For example, if DFP manages a $500,000 portfolio, the annual fee is $2,000, payable in four installments (25% of the total fee) on the first day of each quarter.

Young Professionals Package

This service level is $1,500, payable in two installments:

1. $750 due upon execution of the Financial Planning Agreement, and
2. $750 due after the final meeting.

Project-Based Planning

In certain cases, typically upon client request, DFP can provide project-based financial planning services for clients. A standard hourly rate of $250 is applied (billed in 15-minute increments) and the overall fee can range from $250 to $5,000.

B. When invoicing clients, DFP provides clients with the option to pay fees directly or to have the fees deducted from client assets. Clients also have the choice to be billed monthly or quarterly.

C. In addition to DFP's fee, clients may incur certain other fees and charges to implement DFP's recommendations. Additional charges and fees will be imposed by custodians, brokers, third-party investment and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic funds fees, and other fees and taxes. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to DFP's fees. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted, unless otherwise stated.

D. Clients may be required to pay some fees, such as initial financial planning fees, in advance. In addition, clients may also choose to pay certain fees in advance. For example, some clients have elected to pay six months of the monthly financial planning fees in advance. Please note no more than six months' worth of fees may be paid in advance.

Clients may obtain a refund of any pre-paid fee if the advisory contract is terminated before the end of the billing period. Clients should follow this procedure to obtain a refund:

a. Clients who wish to terminate the *Financial Planning Agreement* should first notify Donalies Financial Planning, LLC in writing. Writing can be by regular mail, fax, and email (sent to chuck@donaliesfp.com). Instant message, texting, or other similar services are not permissible.

b. In the event of termination, where Donalies Financial Planning, LLC has received appropriate written notification, the client will receive a confirmation from DFP regarding the termination of services.

c. In addition, the client shall receive a pro-rata refund of that portion of any prepaid advisory fees that have yet to be earned by Donalies Financial Planning, LLC. Any refund to the client shall be mailed via check within five (days) of receipt of the termination notice.

E. Neither DFP, nor its representatives accept compensation from the sale of securities or other investment products.

F. DFP reserves the right to stop work on any account that is more than 90 days overdue. In addition, DFP reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in DFP's judgment, to providing proper financial advice.

G. Please see Item 12 - Brokerage Practices, for additional information about the custodian(s) DFP works with.

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

DFP does not charge any performance-based fees, i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 - Types of Clients

DFP provides financial planning as well as investment advisory services primarily to young professionals and families with young children. The firm values a diverse clientele and strives to work with people from different walks of life. As such, there is no minimum net worth or asset requirement to become a client. As discussed above, your chosen relationship agreement and fee will be based upon your individual situation. DFP's services are often time intensive. As a result, DFP may limit the number or types of clients that it works with to honor its commitments to existing clients.

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

Investment recommendations are considered in the context of the client's unique personal circumstances

Methods of Analysis

DFP may use one or more of the following methods of analysis before providing investment advice or recommending an investment strategy to a client:

- Current financial situation;
- Current and long-term needs;
- Investment goals and objectives;
- Level of investment knowledge;
- Tolerance or appetite for risk;
- Reasonable investment restrictions involving your account(s); and
- Fundamental Analysis – Involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

The main sources of information DFP may rely upon when researching and analyzing specific investments will include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, and filings with the SEC, as well as research materials prepared by others such as corporate ratings services. DFP also subscribes to various professional publications deemed to be consistent with and supportive of DFP's investment philosophy.

Investment Strategies

We recognize that each client's needs and goals are different; subsequently investment strategies and underlying investment vehicles may vary. Generally, DFP's investment advice is based on Modern Portfolio Theory and the belief that proper diversification and risk management will provide a client with a stable and consistent return over time. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long-term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

In addition, DFP may employ an investment strategy that blends passive (or index) and active investing, where passive investments are used as the basis or core of a portfolio and actively managed investments are added satellite positions. An example of such a strategy is a portfolio with a core of low-cost index funds or ETFs, and satellite holdings comprised of actively managed holdings believed capable of adding long-term value.

Investment Vehicles Generally Recommended

In general, DFP recommends no-load stock and bond mutual funds (i.e., funds that have no sales fees), exchange traded funds (ETFs), U.S. government securities, money market accounts, certificates of deposit, and individual bonds (corporate, agency, and municipal). However, in the course of providing investment advice, DFP may address issues related to other types of investments that a client may already own. Any other products that may be deemed appropriate for a client will be discussed, based upon individual goals, needs, and objectives.

Material Risks in Methods of Analysis and Investment Strategies

Any investing in securities involves risk of loss that clients should be prepared to bear. While DFP will use its best judgment and good faith efforts in rendering services to clients, not every investment decision or recommendation made by DFP will be profitable. DFP cannot warrant or guarantee any particular level of account performance over time. Clients assume all market risk involved and understand that investment decisions are subject to various market, currency, economic, political, and business risks.

We will use our best judgment and good faith efforts in rendering our services to clients. However, we cannot warrant or guarantee any particular level of account performance or that an account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Clients assume all market risk involved in the investment of account assets under the *Financial Planning Agreement* and understand that investment decisions made for this account are subject to various market, currency, economic, political, and business risks. Examples of risk include:

Company Risk: When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as unsystematic risk and can be reduced through appropriate diversification.

Passive + Active Strategy: This strategy may have the potential to be affected by active risk, or a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the deviation may come from a satellite position, or from an index fund or ETF that may not closely align with the benchmark.

Financial Risk: Excessive borrowing to finance a business operation increases profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet the loan obligations may result in bankruptcy and/or a declining market value.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Management Risk: An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

Market Risk: When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systemic or systematic risk.

Passive Markets Theory: A portfolio that employs a passive, efficient markets approach (representative of Modern Portfolio Theory) has the potential risk at times to generate lower-than-expected returns for the broader allocation than might be the case for a more narrowly focused asset class. We believe this variance from the expected return is generally low under normal market conditions when a portfolio is made up of diverse, low or non-correlated assets.

Research Data: When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. Therefore, while DFP makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

Socially Responsible Investing (SRI): If you require your portfolio to be invested according to socially responsible principles, your should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially responsible investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially responsible mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially responsible portfolio, which could be more volatile than a fully diversified portfolio.

ETF and Mutual Fund Risk: ETFs and mutual funds may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning these types of holdings also reflects the risks of their underlying securities.

Fixed Income Risk: Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk including:

- Credit Risk: The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as default risk. Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms for debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and typically have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- Duration Risk: Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.
- Interest Rate Risk: The risk that the value of the fixed income holding will decrease because of an increase in interest rates is termed interest rate risk.
- Liquidity Risk: The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers is a form of liquidity risk. While certain types of fixed income are generally liquid (i.e., bonds), there are risks, which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.
- Reinvestment Risk: With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Index Investing: Investment vehicles such as ETFs and indexed mutual funds have the potential to be affected by tracking error risk (see paragraph under Passive + Active Strategy risks).

QDI Ratios: While many ETFs and index mutual funds are known for their potential tax-efficiency and higher qualified dividend income (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit investors. Shorter holding periods, as well as commodities and currencies (that ma be part of an ETF or mutual fund portfolio), may be considered non-qualified under certain tax code provisions. We consider a holding's QDI when tax-efficiency is an important aspect of the client's portfolio.

Item 9 – Disciplinary Information

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of DFP or the integrity of DFP's management. Neither the firm nor any of our Associated Persons has any reportable disciplinary information.

Item 10 – Other Financial Industry Activities and Affiliations

DFP has not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any types of the entities listed below:

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker;
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund", and offshore fund);
3. Other investment advisor or financial planner;
4. Futures commission merchant, commodity pool operator, or commodity trading advisor;
5. Banking or thrift institution;
6. Accountant or accounting firm;
7. Lawyer or law firm;
8. Insurance company or agency;
9. Pension consultant;
10. Real estate broker or dealer; or
11. Sponsor or syndicator of limited partnerships.

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

DFP has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics include provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of DFP must acknowledge the terms of the Code of Ethics annually, or as amended. The Code of Ethics is available to clients upon request:

DFP and its investment advisor representatives and employees shall:

- As a fiduciary, put the best interests of clients first and disclose fully any potential conflicts of interests to all clients and prospective clients

- Act with the highest professional level of integrity and dignity when dealing with clients, prospective clients, government officials, and other professionals
- Strive to maintain and continually enhance a high degree of professional education regarding all aspects of financial planning
- Seek to preserve the independence of the firm and maintain objectivity with respect to advisory services and unbiased recommendations made to clients
- Provide services in a timely and thorough manner and work to improve the competence and quality of services provided
- To the extent allowed by the law, keep confidential all information shared by clients and prospective clients and treat all private documents with care

DFP does not currently participate in securities in which it has a material financial interest. DFP and its related persons, as a matter of policy, do not recommend to clients, or buy and sell for client accounts, securities in which the firm or its related persons has a material financial interest.

DFP or individuals associated with DFP may buy and sell some shares of the same securities for its own account that DFP recommends for its clients. When appropriate, DFP will purchase or sell securities for clients before purchasing or selling the same securities for DFP's own account. In some cases, DFP may buy or sell securities for its own account for reasons not related to the strategies adopted by DFP's clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of advisory clients while, at the same time, allowing employees to invest for their own accounts.

Certain classes of securities, such as open-ended mutual funds, are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interest of DFP's clients. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as clients, there is a possibility that employees might somehow benefit from the market activity of a client. Accordingly, when applicable, Employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between DFP and its clients.

DFP will disclose to clients any material conflict of interest relating to DFP, its representatives, or any of its employees that would reasonably be expected to impair the rendering of unbiased and objective advice. DFP will notify clients in advance of its policies with respect to officers trading for their own account including the potential conflict of interest that arises when recommending securities to clients in which DFP or its principal holds a position.

Item 12 – Brokerage Practices

DFP does not maintain physical custody of your assets that we manage, although we may be deemed to have custody if you give us authority to withdraw assets from your account. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. DFP does not recommend a specific registered broker-dealer or qualified custodian to clients. DFP is independently owned and operated and is not affiliated with any broker-dealer, bank, or custodian. We do not open brokerage accounts for you, although we may assist you in doing so. See "Your Brokerage and Custody Costs" below for additional information.

How DFP Selects Brokers/Custodians

DFP seeks to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1) Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
2) Capability to execute, clear and settle trades (buy and sell securities for your account);
3) Breadth of available investment products (stocks, bonds, mutual funds, certificates of deposit, etc.);
4) Availability of investment research and tools that assist us in making investment decisions;
5) Quality of services;
6) Competitiveness of the price of those services (commission rates, margin interest rates, mutual fund transaction fees, etc.) and willingness to negotiate the prices;
7) Reputation, financial strength and stability;
8) Prior service to us and other clients; and
9) Availability of other products and services that benefit us, as discussed below.

Your Brokerage and Custody Costs

DFP uses the TD Ameritrade Institutional platform as its primary custodian. However, clients may hold their financial accounts at the custodian of their choice. Custody service fees vary from one custodian to another. For example, clients using TD Ameritrade as their custodian will pay $6.95 per trade for individual stocks and exchange traded funds (ETFs), $19.99 per mutual fund trade (or $0 for no-load, no-transaction-fee funds) regardless of the amount being bought or sold.

DFP does not aggregate trades. Given the individualized nature of DFP's approach to investment management and the fact that all trades must be pre-approved by the client and are implemented immediately after such approval, DFP does not have the opportunity to engage in trade aggregation. In addition, DFP's primary investment vehicle is open-end mutual funds, which are purchased and sold at a price determined at the end of the trading day so there is no benefit to trading at a particular time of the day.

Products and Services Available to DFP from TD Ameritrade

TD Ameritrade Institutional is TD Ameritrade's business serving independent investment advisory firms like DFP. They provide DFP and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to TD Ameritrade retail customers. TD Ameritrade also makes available various support services. Some of those services help DFP manage or administer our clients' accounts; while others help us manage and grow our business. TD Ameritrade's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us.

DFP does not accept any benefits or commissions from TD Ameritrade. We believe this arrangement is best because it removes conflicts of interest, which allows us to better serve our clients.

Item 13 – Review of Accounts

Charles E. Donalies, Principal, is responsible for reviewing and assessing financial recommendations made to clients. Factors triggering review may include significant changes in a client's financial condition, changes in the fundamentals of the companies or entities issuing securities, price fluctuations, and significant industry or economic developments. DFP does not normally change its investment recommendations due to normal market fluctuations absent a significant change in the predetermined investment strategy.

Clients engaged under the On-Going Financial Planning service shall receive recommendations periodically during the term of their engagement with DFP. Financial plans are written and submitted to the client via email in PDF format. The financial plan covers the following topics:

- Cash Flow and Budgeting
- Emergency Fund
- Investments
    - Current Portfolio
    - Recommendations
- Tax Planning
- Education Funding
- Risk Management
    - Disability Insurance
    - Homeowner's Insurance
    - Life Insurance
- Estate Planning
    - Wills, Medical Directives, and Powers of Attorney
    - Beneficiary Designations

If clients maintain any brokerage account(s), your custodian will provide a statement, at least quarterly, that will include a list of all assets held in the account, asset values, and all transactions affecting the account assets, including any additions or withdrawals.

Item 14 – Client Referrals and Other Compensation

DFP does not pay referral or finder's fees, nor does it accept such fees from other firms.

Item 15 – Custody

DFP does not have custody over client funds and securities. Accordingly, DFP shall have no liability to the client for any loss or other harm to any property in the account.

The client will receive statements at least quarterly from the broker-dealer, bank, or other qualified custodian that holds and maintains client's investment assets. DFP urges all clients to review carefully such statements and compare such official custodial records to any statements that we may provide to you. DFP may also provide client(s) with periodic reports on your accounts. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

DFP's role is to make investment and planning recommendations. DFP does not have full discretionary trading authority over client funds, but can execute trades in client's account(s) upon receipt of written consent. **Please note:** Written consent consists of handwritten letters, faxed or scanned letters where the client's signature is clear, and email; text messages will not be considered.

The client is not required to follow any recommendations made by DFP.

Item 17 – Voting Client Securities

As a matter of firm policy, DFP does not have any authority to and does not vote proxies on behalf of DFP clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. At the request of a client, DFP may provide advice to client regarding the client's voting of proxies. Clients will receive their proxies or other solicitations directly from their custodian.

Item 18 – Financial Information

Registered investment advisors are required to provide you with certain financial information or disclosures about their financial condition. DFP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisors

Education and Business Background

Charles E. Donalies, Principal

Born: 1975

Educational Background

2011 *Certified Financial Planner™* Professional

2006 Masters in Business Administration, Johns Hopkins University, Baltimore, MD

1999 Bachelor of Science in Kinesiology, University of Maryland, College Park, MD

Business Background

2012 – Present	Donalies Financial Planning, LLC, Principal
2006 – 2012	Investment Planning Associates, Inc., Associate
1999 – 2006	Edvotek, Inc., Vice President of Operations

Other Business Activities

Charles E. Donalies does not receive performance-based fees.

Neither DFP nor any management personnel of DFP have ever been found liable or been required to pay for an arbitration claim or other civil proceeding to an investment-related activity.

DFP has no relationship or arrangements with any securities issuers.

Item 1 – Cover Page

Donalies Financial Planning, LLC

Charles E. Donalies, Principal

641 S Street, NW

Office 3062

Washington, DC 20001

Phone: 240.888.2573

www.donaliesfp.com

chuck@donaliesfp.com

June 5, 2018

This brochure supplement provides information about Charles E. Donalies that supplements the Donalies Financial Planning, LLC brochure. You should have received a copy of that brochure. Please contact Charles E. Donalies if you did not receive Donalies Financial Planning, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Donalies Financial Planning, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Donalies Financial Planning, LLC ("DFP") has one employee whose background is as follows:

Charles E. Donalies, CFP®, President, founder and sole Principal. Mr. Donalies founded DFP in April 2012. Mr. Donalies was born on December 27, 1975 in Cleveland, Ohio. Mr. Donalies' educational background includes a B.S. in Kinesiology from the University of Maryland at College Park and a M.B.A. from Johns Hopkins University. He earned the Certified Financial Planner™ designation in January of 2011. Prior to founding DFP, Mr. Donalies worked at Investment Planning Associates, Inc. (2006 – 2012), a boutique financial planning firm based in Rockville, Maryland.

Explanation of "Certified Financial Planner"

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® (with flame design) marks (collectively, the CFP® marks) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

1) Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
2) Examination – Pass the comprehensive CFP Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
3) Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

4) Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

1) Continuing Education – Complete 30 hours of continuing education every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
2) Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 3 – Disciplinary Information

Charles E. Donalies, President of DFP, has not been the subject of any disciplinary action.

Item 4 – Other Business Activities

DFP, nor its officers or employees is engaged in any other business than the financial planning and investment management services described in detail in the brochure ADV Part 2A.

DFP, nor its officers or employees, does not receive any form of compensation, monetary or otherwise, based on the sale of securities or other investment products.

Item 5 – Additional Compensation

DFP nor its officers or employees receives no additional compensation of any kind beyond the management fees described in ADV Form Part 2A.

Item 6 – Supervision

All activities of DFP are supervised by Charles E. Donalies, President. Mr. Donalies is responsible for and reviews all investment recommendations, portfolio construction and financial planning advice prior to it being given to a client.

Mr. Donalies is the Chief Compliance Officer of DFP. Mr. Donalies' direct telephone number is 240.888.2573.

Mr. Donalies is the supervisor responsible for ensuring that all investment advisor representatives of DFP are in compliance with state regulations. DFP will maintain a compliance manual to ensure that DFP and its staff are in compliance with the District of Columbia Security Division's rules and regulations.

Item 7 – Requirement for State Registered Advisors

There have been no disciplinary actions against Charles E. Donalies, President of DFP. Charles E. Donalies has never declared bankruptcy.