



Principly, Inc. operates under the tradename Backer and is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Below are a series of questions and answers, as well as conversation starters, that are intended to help you better understand our services. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

- **Advice on 529 Plans:** As an investment adviser focused on helping families save for education, we advise on investing in 529 plans, which are tax-advantaged investment vehicles designed to encourage saving for future education expenses. We only advise on certain 529 plans and on certain investment options in those plans.
- **Internet-Based Services:** We are an internet-based adviser and our services are provided exclusively through our interactive website and mobile apps. Our focus is on encouraging you to start saving for college quickly and with the help of family and friends, rather than on chasing specific kinds of investment returns. As part of our services, we provide technology-based solutions for opening or connecting a 529 plan account, automating contributions, setting up a gifting page to receive contributions, accessing account information, and tracking progress. We also provide you with new ways to save more, such as our rewards program.
- **You Decide:** We do not exercise investment discretion for any clients. That means that you decide when and how to invest. Although our software-generated investment recommendation depends on information that you provide, our advice remains impersonal and does not purport to meet your overall objectives or needs.
- **Account Reviews:** We review some or all accounts periodically for manifest error, but we do not otherwise regularly monitor your account to evaluate your investment selection.
- **No Minimums:** We do not require a minimum account size or investment amount to become a client.
- **Additional Details:** Please refer to Items 4, 7, 8, 13, and 16 of our Form ADV Part 2A.

Conversation starter: *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 those qualifications mean?*

### What fees will I pay?

- **Our Fee:** We do not charge an asset-based investment advisory fee where you pay more as you invest more. Instead, we ask you to pay us a monthly investment advisory fee in the amount that you believe is fair, with \$1 per month as the minimum. Our mission is to make college affordable for every American family, so if you cannot afford the minimum fee, please contact us.
- **529 Plan Fees:** Our fee is separate and apart from any distribution or transaction fees charged by the 529 plan or its affiliates. We do not collect those fees. We do not receive revenue from 529 plans or its affiliates, nor from any funds that make up the 529 plan portfolio, nor from any fund manager.

- 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. Please make sure you understand what fees and costs you are paying. For details about our advisory fee, refer to Item 5 of our Form ADV Part 2A. For details about 529 plan fees, refer to your 529 plan program description.

Conversation starter: *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 creates 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 make money in these three ways:
  - **Fees:** We charge clients a monthly investment advisory fee, with \$1 as the minimum.
  - **Tips:** If someone makes a gift contribution to your account, they can add an optional tip for us.
  - **Rewards:** We offer an optional cashback rewards program to our clients. If you choose to purchase a third-party product or service through this program, we receive compensation from the third party and pass on a portion of that to you. We do not evaluate or endorse these third-party offers, but we have an incentive to include offers in our program.
- For additional details, please refer to Item 14 of our Form ADV Part 2A.

Conversation starter: *How might your conflicts of interest affect me, and how will you address them?*

### How do your financial professionals make money?

- Our employees do not receive commissions or other compensation related to client assets, our clients' investment activities, or selection of securities. Instead, they are paid a salary and discretionary bonus based on overall job responsibilities and performance. Certain employees also receive equity in our company.

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

- No. Visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research us and our financial professionals.

Conversation starter: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

### Where can I obtain additional information about your services?

- Additional information about our services can be found on our website and mobile app, our Form ADV Part 2A, and your Investment Advisory Agreement. For answers to frequently asked questions, please visit [backer.com/help](https://backer.com/help). You can download a copy of this client relationship summary at [backer.com/legal](https://backer.com/legal). You can also reach us at [support@backer.com](mailto:support@backer.com) or (844) SAVE-529.

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