



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://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.
- **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 periodically review some or all accounts for manifest error (e.g., monitor asset changes that cannot easily be accounted for, confirm investment changes you requested, check that your investment selection appropriately reflects the beneficiary's age); we do not otherwise regularly review your account to evaluate your investment selection, but we may upon your request.
- **Minimums:** We require a minimum investment amount ranging from \$10 to \$25, depending on the selected 529 plan, to become a client. We do not require a minimum account size to remain 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:** Clients who signed up prior to 2/1/2023 or after 1/31/2024 are charged an investment advisory fee ranging from free to \$6/month based on the fee structure option selected by the client. Clients who signed up between 2/1/2023 and 1/31/2024 have their investment advisory fee waived and are instead charged an administrative fee of \$1.99 per contribution made into their 529 account. Clients may switch to a new fee structure we offer. Backer may change its fee structure upon notice.
- **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.

- 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 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:*
  - Backer compensates or provides other benefits to third parties and existing clients for referrals, which creates an incentive for these third parties and existing clients to promote our business. Clients do not incur any additional fees or costs for being referred to us.
  - Backer acquired Saving for College, LLC (“SFC”), which operates an educational website about 529 plans. SFC does not provide investment advisory services to clients and is not paid in connection with sales of securities. Backer expects to benefit indirectly from SFC’s economics which are based, in part, on a “pay-per-click” advertising model in which 529 plans pay SFC for referral traffic. Backer will assess and seek to mitigate any conflicts of interest that may arise in connection with any initiatives with SFC.

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 [help.backer.com](https://help.backer.com). 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?*