

Peerbackers Advisory LLC

Mailing address: 6671 W. Indiantown Rd., #50-102
Jupiter, FL 33458

Telephone: 561-316-7766, Contact: Sally@peerbackers.com

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Form ADV Part 2A Brochure

This brochure provides information about the qualifications and business practices of Peerbackers Advisory LLC. If there are any questions about the contents of this brochure, please contact us at 561-316-7766. 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.

Additional information about Peerbackers Advisory LLC is available on the SEC website at www.adviserinfo.sec.gov.

Peerbackers Advisory LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2- Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate and to annually update their brochure to reflect changes in their assets under management and any other material changes. If there are any material changes to an adviser's disclosure brochure, we are required to notify you and provide you with a description of the material changes.

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Item 4- Advisory Business

Description of Services and Fees

Peerbackers Advisory LLC is a registered investment adviser based in Florida. We are organized as an LLC under the laws of the State of Florida and we have been providing investment advisory services since 2015. Sally Miller Outlaw and Andrew Rachmell are our principal owners. Currently, we offer internet only investment advisory services. We do not offer personal advice to clients but, rather, utilize software to assist clients in selecting primarily loans in which to invest.

The following paragraphs describe our services and fees. Refer to the description below for information on our advisory services. As used in this brochure, the words “we”, “our”, and “us” refer to Peerbackers Advisory LLC and the words “you”, “your”, and “client” refer to you as either a client or prospective client of our firm.

Peerbackers Advisory LLC offers a web-based portal and mobile application for clients to easily and regularly invest in alternative investment opportunities primarily in the peer lending industry. Peer lending – where borrowers avoid banks and turn to individual investors to fill their financing needs –allows borrowers to acquire loans at terms that are more appealing than those offered by traditional banks while offering our clients, the backers of those loans, a financial return on this investment. These loans to borrowers are structured in the form of Notes and are bought and sold in online marketplaces such as Lending Club and Prosper Marketplace (hereinafter referred to as the “Platforms”). We do not offer personal investing advice to clients but rather utilize interactive software to assist clients in selecting the peer loans in which to invest based on personalized information that each client shares through our website or mobile application.

Peerbackers Advisory LLC’s assists you in selecting and managing a portfolio of loans that best fits your investment objectives. The Platforms’ Notes are graded and listed with projected returns. In order to select which Notes to invest in you can set various parameters or criteria and our web platform or application will recommend the grade or grades and desired return that fits your investment goals. Clients may

manually override and select other portfolio variations than the allocation recommended by our software.

We provide automated investing in the Notes with criteria you specify. Investing may occur in the primary market, with loans that are under issuance, or on the secondary market, with loans that were issued previously that are bought from other investors. We may also provide the option to put Notes for sale on the secondary market, and to automatically lower their ask price based on other criteria.

In order to invest your funds in the Notes, we require that you give us discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific loans, or Notes, to invest in as well as the amount of money to be invested in each loan and the number of loans to fund without your approval prior to each transaction, or the loans to sell and their selling price. Discretionary authority is typically granted by the investment advisory agreement to sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of loans that can be funded from your account) by setting your parameters.

Types of Investments

We primarily offer advice on notes, which are fixed-income investments that generate monthly cash flow in the form of payments of principal and interest. We may also offer advice on Regulation A equity investments in emerging companies.

Assets Under Management

We provide investment advice to clients exclusively through our interactive website and mobile application. We have not yet begun to accrue assets from clients.

Item 5- Fees and Compensation

We charge an annual fee of 0.25% of the Client's account value above \$5,000. charged monthly.

Your account value is equal to the remaining principal balance of the loans funded through Peerbackers Advisory LLC plus the cash available for investment on deposit in your Platform accounts. Pending loans are valued at their investment amounts. Fees accumulate for a month, and are charged on the closest corresponding date of the following month anniversary. Unless they reach \$1.00, fees will be carried over to the next billing period.

We will charge your credit card for the fee due and provide you with a statement detailing the fee. The qualified custodian is responsible for providing you with account statements detailing the activity in your account. These accounts

statements will be provided in accordance with the terms disclosed by the custodian in their disclosure documents. You should review all statements for accuracy.

You may terminate the portfolio management agreement at any time by closing your account on our website. When you terminate the agreement, we will only charge you the fees that accumulated since your last billing cycle.

We do not require prepayment of a fee more than six months in advance and in excess of \$500.

Additional Fees and Expenses

The fees that you pay to our firm for investment advisory services are separate and distinct from any fees and expenses charged by the Platform(s). You will generally incur transaction charges and/or other fees imposed by the Platform, broker/dealer or custodian through whom your account transactions are executed. We do not share in any portion of the charges imposed by the Platform, broker/dealer, or custodian. To fully understand the total cost you will incur, you should review all the fees charged by the Platform, broker/dealer, or custodian.

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

Form ADV Part 2 requires investment advisers such as Peerbackers Advisory LLC to disclose whether the firm or any person associated with the firm accepts performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. This section is not applicable to our firm because we do not charge performance-based fees.

Item 7- Types of Clients

We offer investment advisory services to individuals.

We do not require a minimum dollar amount to open and maintain an advisory account; however, some Platforms have minimum income requirements and/or minimum account sizes, which may vary from one Platform to another. You are advised to review the disclosure documents provided by each Platform for details.

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

We use third party algorithms provided primarily by the platforms themselves to determine portfolio allocations. These algorithms use statistical analysis of the loans' returns based on historical data.

Investment Strategies

Our investment strategy is designed primarily for long-term purchases meaning securities purchased with the expectation that the value of those securities will

grow over a relatively long period of time, generally greater than one year. Our strategies do not incorporate overall financial or tax planning.

Risk of Loss

Investment performance of any kind can never be guaranteed. Neither Peerbackers Advisory LLC nor the Custodian represent or warrant the present or future level of risk or volatility in, or the future performance of, any portfolio, or your account. Investing in the Notes involves risks, including the risk borrowers will not repay their loans and the risk of the Platform(s) discontinuing the servicing of the loans. The Platforms obligation to make any payment on a Note is wholly dependent upon a borrower paying Platform on the corresponding loan in which you invested.

The risks of investing mean that you may lose all or most of your investment. Investments are not guaranteed or insured by the Federal Deposit Insurance Corporation, any bank, any governmental agency or any third party. Additionally, state and/or federal regulations may change and fundamentally affect the nature of the industry.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the services we provide. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Recommendation of Particular Types of Securities

As disclosed under the Advisory Business section in this brochure, we primarily provide advisory services regarding notes, which are fixed-income investments that generate monthly cash flow in the form of payment of principal and interest. We may also offer advice on Regulation A equity investments in emerging companies.

Item 9- Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10- Other Financial Industry Activities and Affiliations

We have 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 entities listed below.

1. Broker-dealer, municipal securities dealer, or government securities deal 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 adviser 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.
11. Sponsor or syndicator of limited partnerships.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at info@peerbackers.com.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal trading practices

Our firm, or individuals associated with our firm, may recommend securities for you at the same time we, or individuals associated with our firm, buy or sell such securities of our own account.

To mitigate conflict of interest and so we will not have the ability to trade ahead of you, Peerbackers Advisory LLC does not allow our firm, or any individual associated with our firm, to buy or sell securities prior to a transaction implemented for an advisory account.

Item 12- Brokerage Practices

We maintain relationships with several Peer Lending Platforms. We require that you establish an account with one of the Platforms with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that the Platforms we use provide quality services for our clients. In reviewing the Platforms we refer clients we consider the quality of the services provided by the Platforms, including the value of the firm's reputation, execution capabilities, fees, and responsiveness to our clients and our firm. In recognition of the value of the services the Platforms provide, you may pay higher transaction costs than those that may be available elsewhere.

Research and Other Soft Dollar Benefits

We do not receive any soft dollar benefits from any broker-dealers or Platform.

Brokerage for Client Referrals

We do not receive client referrals from any broker-dealers or Platform in exchange for cash or other compensation.

Directed Brokerage

Since Peer Lending transactions can only happen through certain platforms, we do not allow for directed brokerage.

Block Trades

Peer Lending does not permit block trading, and therefore this section does not apply.

Item 13- Review of Accounts

Form ADV Part 2 requires investment advisers such as Peerbackers Advisory LLC to disclose whether the firm periodically reviews client accounts and the frequency of reports that are provided to clients.

Peerbackers Advisory LLC reviews accounts on a limited basis monthly for accounting purposes. Additionally, a current activity log is also available on our website and on user dashboards in our mobile application so users can access daily reports on their account holdings and returns. Peerbackers Advisory clients are encouraged to update us of any change in their objectives.

Item 14- Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Item 15- Custody

We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive activity emails from the Platform holding your funds and securities and can view current account statements on the Platform's website. The account statements will indicate the activity for the period. You should carefully review account statements for accuracy.

Item 16- Investment Discretion

As noted above in Advisory Business, once you set your parameters, Peerbackers Advisory LLC's will automatically find and purchase (or invest in) various loans or Notes and submit investment orders on your behalf without any further input from you. Consequently, we require that you grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). Please refer to the Advisory Business section in this brochure for more information on our discretionary management services.

Item 17- Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. We do not offer an advice regarding corporate actions and the exercise of your proxy voting rights. To the extent applicable, you are responsible for exercising your right to vote as a shareholder.

Item 18-Financial Information

We are not required to provide a balance sheet or other financial information to our clients because we do not require the prepayment of fees in excess of \$1,200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subjects of a bankruptcy petition.

Item 19- Requirements for State-Registered Advisers

We are registered with the US Securities and Exchange Commission and therefore this section does not apply.

Item 20- Additional Information

Your Privacy

Peerbackers Advisory LLC is committed to maintaining confidentiality, integrity and security of any personal information about our users. We view protecting your private information as a top priority. We have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. Peerbackers Advisory LLC uses and discloses your personal information only as follows: to analyze site usage and improve the service, to deliver to you any administrative notices, money alerts, and communications relevant to your use of our service; to fulfill your requests for certain products and services; to service providers including transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys that agree to be bound by these privacy restrictions.

We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact us at info@peerbackers.com if you have any questions regarding this policy.

Trade Errors

We do not execute securities transactions and therefore this section does not apply.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.