

PFSL CONFLICTS OF INTEREST DISCLOSURE

PFSL Investments Canada Ltd. (PFSL), as a member of the Mutual Fund Dealers Association of Canada (MFDA), has an obligation to approach and address any material conflicts of interest it encounters in your best interest. This document sets out important information about your relationship with PFSL and your PFSL representative. It explains what our material conflicts of interest are, what risks they may pose to you, and how we manage them.

Conflicts of interest can arise in a number of different situations, including where the interests of different parties, such as the interests of a client and the interests of a client's investment advisor or mutual fund dealer, are not the same. A conflict of interest may also arise where a client's investment advisor or mutual fund dealer is influenced to put their interests ahead of their client's interests as a result of monetary or other benefits available to the advisor or dealer. Generally, a conflict of interest is material if the conflict may be reasonably expected to affect your decisions as a client and/or PFSL or its representatives' decisions, in the circumstances.

In general, we manage material conflicts of interest as follows:

- We have policies and procedures in place to assist us to identify and manage conflicts of interest.
- If we are unable to eliminate a material conflict of interest, we address the conflict in the best interest of our client.
- PFSL representatives and Primerica employees are required to comply with PFSL policies and procedures, which are designed to meet all regulatory requirements and to put the interests of our client first.
- PFSL strives to maintain consistent compensation practices across its product offerings so that we minimize any financial or other benefits to its representatives that could influence their investment recommendations.
- We provide clients with information about our material conflicts of interest so that you may consider if these conflicts are important to you, and we encourage you to speak with your Primerica representative if you have any questions or concerns.

PFSL's Material Conflicts of Interest and How They are Managed

The Primerica Canada Group of Companies

PFSL is a member of the Primerica Canada group of companies ("Primerica Canada" or "Primerica"), which includes Primerica Life Insurance Company of Canada ("PLICC") and PFSL's wholly owned subsidiary, PFSL Fund Management Ltd. ("PFSL Fund"). Primerica Canada companies are related parties, with common ownership and management. Primerica Canada companies are governed by the laws and are subject to regulatory supervision based upon the type of company and its product offering. For example, as a retail mutual fund dealer, PFSL is subject to oversight by the Mutual Fund Dealers Association of Canada (MFDA). In addition, all Primerica Canada employees are required to comply with the Primerica Canada Code of Conduct and Primerica's compliance policies and procedures.

Primerica Canada, through its member companies, is able to offer clients a range of products to meet their financial needs. These products include term life insurance and segregated funds that are offered by PLICC, proprietary mutual funds that are managed by PFSL Fund, and third-party mutual funds that are available through PFSL. Information regarding the Primerica products available is included in the PFSL account opening documentation.

PFSL representatives who also hold a life license can offer both life insurance and mutual fund products to their clients. Life insurance and mutual fund products have different features and PFSL representatives may be perceived as being predisposed towards offering one product over the other based upon personal preferences. PFSL and PFSL representatives manage this conflict by working with their clients to make product recommendations that are suitable and in keeping with clients' investment objectives. In addition, all mutual fund sales are subject to review at the PFSL branch and by PFSL head office.

Investment Recommendations for the Primerica Concert™ Allocation Series of Funds

PFSL's mutual fund product offerings include the Primerica Concert™ Allocation Series of Funds (the "Concert Funds") offered by its subsidiary, PFSL Fund, and third-party mutual funds offered by other non-related fund managers. PFSL representatives can make recommendations for their clients to invest in Concert Funds and third-party mutual funds; however PFSL representatives could be perceived as biased in offering Primerica's Concert Funds over other mutual funds.

PFSL manages this conflict of interest by requiring that investment recommendations are suitable for the client based upon the client's personal and financial circumstances. PFSL representatives do not receive any financial or other incentive to sell Concert Funds instead of third-party mutual funds and they do not have any sales or revenue targets. The PFSL account opening documentation includes information about the nature of PFSL's products and service offerings and the sale of the Concert Funds. PFSL also evaluates the mutual funds offered through PFSL, including the Concert Funds, in a similar manner, to be satisfied that its products are suitable for a broad range of mutual fund clients.

Compensation Received from Mutual Fund Companies

Each mutual fund offered through PFSL has a sales charge and trailing commission rate that is established by the fund manager and is detailed in the Fund Facts documentation.

PFSL, as a retail mutual fund dealer, principally uses the embedded compensation model.

This means we may receive compensation for our services from fund managers in the form of an upfront sales commission when mutual funds are purchased by a client. We also receive ongoing trailing commissions from the fund manager based on the amount of assets held in the client's account. PFSL representatives are paid a fixed percentage of the sales and trailing commissions received by PFSL.

The timing and amount of compensation received by PFSL and its representatives depends upon the sales charge option chosen by the client and the type of investments principally held by the mutual fund. For sales commissions, there are three models available, a deferred sales charge (DSC), a low load sales charge (LL) and a front-end sales charge. The DSC model favours a larger upfront sales commission, but reduced trailing commission amounts relative to LL or FE, for example. It is anticipated that the DSC and LL options will no longer be available to clients by June 2022. For trailing commissions, investments in mutual funds holding equities may provide more trailing commissions to PFSL and its representatives than mutual funds holding fixed income investments. These circumstances could potentially influence PFSL, and PFSL representatives' investment recommendations.

PFSL manages these conflicts of interest by informing clients about the sales charge options available and by requiring client sales options and fee schedules to be suitable and in alignment with the client's personal financial circumstances, including time horizon and investment objectives. PFSL representatives review with, and provide written disclosure to, their clients on the sales charge options and the related fee schedules before the purchase of a mutual fund. Afterwards, client transactions are reviewed for suitability purposes, which includes oversight performed by PFSL.

PFSL Incentive Programs

PFSL representatives and Primerica employees have the opportunity to participate in a range of incentive programs offered by Primerica. The eligibility criteria for these incentive programs may change from time to time, but the programs are generally reviewed with a view to ensuring, amongst other things, that they do not encourage inappropriate behavior. The incentive programs available to PFSL representatives may include credit for mutual fund sales to meet the eligibility criteria, in which case all mutual fund sales, including Concert Funds and all third-party mutual fund sales for all PFSL client accounts, will apply to satisfy the eligibility criteria. In addition, PFSL representatives can be disqualified from participation in current and future incentive programs if their activities related to qualifying for an incentive program do not comply with PFSL's policies and procedures or are otherwise determined to be inappropriate. The compensation paid to Primerica employees and incentive programs available, including salary, bonuses and other incentive programs, are not based upon mutual fund sales or revenue or tied to PFSL's performance.

Supervisory Level Conflicts of Interest

PFSL Branch Managers perform certain supervisory activities over the PFSL representatives in their branch offices, which includes the review of client account openings and purchase and sale transactions. Branch Managers are generally paid for these services from the mutual fund sales revenue generated by the PFSL representatives in their branch office, although a few Branch Managers are paid by a senior PFSL representative in their branch office. These circumstances could potentially influence a Branch Manager's decision-making.

Branch Managers are responsible for properly performing their supervisory activities and they have specific contractual obligations to PFSL and regulatory obligations arising from their registration as a Branch Manager. PFSL makes available Branch Manager manuals and conducts training for Branch Managers that deals with their specific supervisory role and responsibilities. PFSL oversees the supervisory activities performed by Branch Managers through its Branch Review Program and other monitoring activities, and PFSL's head office team also performs a supplemental supervisory role, including a review of client transactions for suitability purposes.

Outside Business and Volunteer Activities of PFSL Representatives

PFSL representatives and Primerica employees may participate in outside business and volunteer activities, if the representative or employee meets applicable PFSL, Primerica and regulatory requirements and restrictions. These activities may include engaging in business interests outside of PFSL or Primerica, which for PFSL representatives could be full or part-time employment, serving on a board of directors of a charitable or non-charitable organization, or other paid or unpaid activities. PFSL and Primerica manage potential conflicts of interest arising from outside activities of PFSL representatives and Primerica employees by requiring disclosure and approval of such activities, and in certain instances PFSL representatives are required to comply with specific conditions regarding the conduct of their outside activities, which may include informing clients or potential clients in writing about an outside activity.

Personal Financial Dealings with Clients

Personal financial dealings with clients includes, but is not limited to, borrowing from or lending funds to clients, being involved in private investment schemes with clients, sharing client investment profits or losses, giving to, or receiving from, clients monetary or other benefits, purchasing assets from clients outside normal course business, and having full control or authority of client financial affairs, such as acting as a power of attorney for a client or executor of a client's estate. For the most part, PFSL manages material conflicts of interest arising from personal financial dealings with clients by prohibiting such arrangements. In limited circumstances, the conflict may be managed by placing specific conditions on the arrangement. These prohibitions and restrictions are set out in PFSL policies and procedures and reinforced through periodic compliance training.