PFSL CONFLICTS OF INTEREST DISCLOSURE

PFSL Investments Canada Ltd. (PFSL), as a member of the Mutual Fund Dealers Association of Canada (MFDA) and Autorité des marchés financiers (AMF) in Quebec, 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 when 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 PFSL 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 head office 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 clients first.
- We strive to maintain consistent compensation practices across our product offerings so that we minimize any financial or other benefits to PFSL representatives that could influence their investment recommendations.
- We provide clients with information about PFSL and PFSL representatives' material conflicts of interest so that clients may consider if these conflicts are important to them, and we encourage clients to speak with their PFSL representative if they have any questions or concerns.

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

1. The Primerica Canada Group of Companies

PFSL is a member of the Primerica Canada group of companies ("Primerica"), which includes Primerica Life Insurance Company of Canada ("PLICC") and PFSL's wholly owned subsidiary, PFSL Fund Management Ltd. Primerica is governed by and is 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) throughout Canada and Autorité des marchés financiers (AMF) in Quebec. In addition, all Primerica employees are required to comply with the Primerica Code of Conduct and Primerica's compliance policies and procedures.

Primerica offers clients a range of products to meet their financial needs. These products include mutual funds, which are offered by PFSL, and life insurance products, which are offered by PLICC. Information regarding the available Primerica products is included in the PFSL account opening documentation.

PFSL representatives who are also licensed to sell life insurance products can arrange for clients to purchase life insurance products and to invest in mutual funds. Life insurance products and mutual funds have different features and PFSL representatives may be perceived as being predisposed towards offering one product over the other. 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.

2. Sale of Principal Distributor Funds and Other Funds by PFSL Representatives

PFSL acts as the exclusive principal distributor for two families of mutual funds that are managed by well-established, unrelated investment fund managers ("PD Funds"). These PD Funds are: (i) the AGF Platform Funds, which consist of a range of mutual funds managed by AGF Investments Inc. ("AGF"); and (ii) Mackenzie FuturePath Funds, which consist of a range of mutual funds managed by Mackenzie Financial Corporation ("Mackenzie"). PFSL has an exclusive right to distribute these PD Funds, and, as a principal distributor, it markets the PD Funds through its representatives. PFSL representatives no longer recommend other mutual funds that were previously available for purchase through PFSL, which we refer to in this document as Legacy Funds. Legacy Funds may be available on a limited basis only. As well, PFSL representatives do not consider in their suitability determination the larger market of non-PD Fund products or whether those non-PD Fund products would be better, worse or equal in meeting a client's investment needs and objectives.

PD Funds cannot be transferred to another dealer; so if you decide to leave PFSL you will be required to redeem your PD Fund units, which may precipitate charges and/or taxes, as applicable.

The compensation available to PFSL representatives from investments in the PD Funds may be more than the compensation available in respect of the Legacy Funds. Clients of PFSL may continue to hold Legacy Funds. There may be a perceived incentive for PFSL representatives to recommend clients sell their Legacy Funds and purchase PD Funds. PFSL manages this conflict by requiring suitable investment recommendations for their clients based on the client's personal and financial circumstances, product features, among other factors, and by putting the client's interests first. In addition, no advance is paid on transfers of assets from Legacy Funds to PD Funds, as described in the "Advance Compensation Received by PFSL Representatives" section. PFSL monitors for any unsuitable movements of client assets out of Legacy Funds into the PD Funds.

3. Favoring one Fund Family over Another

In exchange for PFSL acting as the principal distributor and providing services to AGF and Mackenzie and the PD Funds in that capacity, AGF and Mackenzie pay a percentage of the management fees that they collect to PFSL. The percentage rate depends on the assets invested in the PD Funds and increases as more assets are invested. This compensation may be different between the fund families and may change from time to time; however, the maximum amount paid to PFSL by AGF would be 55% of the management fee of the AGF Platform Funds and the maximum amount paid to PFSL by Mackenzie would be 65% of the management fee of the Mackenzie FuturePath Funds.

PFSL's arrangements with each fund manager creates an incentive for PFSL to promote the PD Funds of one fund family over another. This conflict is managed by having contractual arrangements in place that give AGF and Mackenzie equal access to PFSL representatives, participation in PFSL events, and PFSL marketing efforts. As well, PFSL representative compensation is not dependent on the fee arrangement with the fund managers and PFSL does not incentivize PFSL representatives in any way to recommend any specific PD Fund – whether AGF Platform Funds or Mackenzie FuturePath Funds.

4. Advance Compensation Received by PFSL Representatives

When you purchase units of one of the PD funds, your PFSL representative can choose to receive compensation as it is earned, to receive an advance against the future dealer service fees to be earned on your account, or as a combination of these two options. The advance option is designed to change the timing of their compensation and not increase total compensation. The advance option has no impact on the fees and charges payable by you. The compensation option applicable to your purchase will be reflected on your account statement, so you can know which option your PFSL representative selected.
The advance payment is funded by PFSL in exchange for reduced ongoing compensation to your representative over the next five years. If you redeem your units within five years of the original purchase date, we may recover all or part of the advance from your PFSL representative. Other than any accrued dealer service fees or annual account fee, there are no redemption charges payable by you to PFSL on the sale of your units.

The existence of an advance payment may influence your PFSL representative to recommend that you continue to hold your investment with PFSL. In order to manage this conflict, we have incorporated the following features into the advance program:

- An advance payment is only available in respect of purchases for accounts with a "long term" investment time horizon (i.e. seven years or more).
- At least 20% of the assets of each purchase will not be subject to an advance payment.
- PFSL representatives cannot receive more than $15,000 in advance payments per client (regardless of the number of accounts the client holds).
- No advance payment will be paid on transfers of assets from Legacy Funds to new PD Funds.
- PFSL may recover all or part of an advance only if assets on which an advance payment was made are withdrawn or transferred out of PFSL. Switches between PD Funds or PD Fund families will not give rise to the recovery of an advance payment.
- PFSL's advance payment recovery process will include reasonable recovery options in order to limit the impact of recovering an advance from a PFSL representative.

5. 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, 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 directly based upon mutual fund sales or revenue or tied to PFSL's performance.

6. 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 staff perform an additional level of oversight, which includes, among other activities, a review of client transactions for suitability purposes.

7. 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 or refraining from advising clients that could be adversely affected by the representative's participation in the outside activity.

8. 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, unless permitted by regulation, 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, reinforced through periodic compliance training and reviewed through the PFSL Branch Review Program.