

# RELATIONSHIP DISCLOSURE DOCUMENT

## Nature of the Advisory Relationship

By entering into an advisory relationship with PFSL Investments Canada Ltd. (PFSL), and your PFSL representative (Representative), you will become a client of PFSL, a mutual fund dealer. You will be responsible for making any and all investment decisions relating to your account. When making your investment decisions, your Representative will provide you with advice. PFSL and your Representative are responsible for the advice that is given to you regarding your investments and for assessing the investments in your account for suitability based on your investment needs and objectives.

## Nature of the Products and Services Offered

PFSL offers mutual funds to clients in all Provinces and Territories of Canada. PFSL also distributes its own proprietary funds known as the Primerica Concert™ Allocation Series of Funds. Your Representative is an independent contractor who sells mutual funds and guaranteed investment certificates exclusively on behalf of PFSL. In addition to the sale of mutual funds, Representatives may provide referrals for debt consolidation loans. Other products or services, if offered by a Representative, are not the business of PFSL and PFSL has no responsibility for such other business activities. Life insurance and segregated fund products are offered through an affiliate of PFSL.

Mutual funds own different types of investments, depending upon their investment objectives, including stocks, bonds and cash. The value of these investments will change from day to day, reflecting changes in economic conditions and the market, company news and interest rates. As a result, the value of the securities held by a mutual fund may go up and down and the value of your investment in a mutual fund may be more or less when you sell it than when you purchased it.

In investing terminology, a benchmark is a standard against which the investment performance of a security, mutual fund or investment manager is measured. Generally, a broad-based stock and/or bond market index is used for this purpose. For example, the S&P/TSX Composite index (Canadian equities) or Standard & Poor's 500 index (U.S. equities) can be used as benchmarks for accounts that primarily hold equity-based mutual funds.

A benchmark analysis compares your actual investment returns against an appropriate benchmark, allowing you to assess the relative performance. When comparing actual returns to that of a benchmark, be careful to ensure that the benchmark accurately reflects the composition of your portfolio, the timing and amount of your transactions, and any costs of ownership that would not apply to the benchmark itself. While PFSL will not automatically provide a benchmark analysis for your account, if you are interested please speak with your Representative who can assist you in this regard.

## Procedures Regarding Handling Cash and Cheques

PFSL does not accept cash for the purchase of securities. Cheques must be made payable to the applicable fund company / issuer or intermediary dealer, and should not be made payable to PFSL or your Representative.

## Suitability of Orders Accepted/Recommendations Made

PFSL is required under securities legislation and Mutual Fund Dealers Association of Canada (MFDA) Rules to ensure each investment recommendation made by your Representative is suitable for you in relation to your individual investment objectives, level of risk tolerance and other personal circumstances. PFSL's obligation to make a suitability determination also extends to trades proposed by you, whether or not a recommendation was initiated by your Representative.

There may be other circumstances which will trigger an assessment of suitability of the investments in your account, such as when you transfer assets into an account at PFSL, when PFSL or your Representative becomes aware of a material change in your client information, or when there is a change in the Representative responsible for your account.

## Defining Know-Your-Client Terms

PFSL would like to ensure that you understand the basis upon which your investments are assessed. Accordingly, the PFSL account application form sets out Know-Your-Client (KYC) information in a clear and concise way to assist you in understanding what the KYC terms mean and how the criteria will relate to the specific investments recommended or accepted by PFSL and its Representatives.

The collection of your KYC information allows PFSL to assess the suitability of your investments in accordance with your personal and financial information, investment goals, and appetite for risk. KYC information includes your age, investment knowledge, annual income, net worth, time horizon, investing goals, and risk tolerance. PFSL uses this information to assist you in choosing an Overall Investment Objective for your account. To assist you in understanding the meaning of risk tolerance, investing goals, and Overall Investment Objective we have provided a definition of these terms below:

**Investment Goal:** Your investment goal is the type of financial gain you would like to earn in your account. The investments PFSL offers can focus on earning regular income in the form of interest and / or dividends; can focus on the production of capital growth (capital gains), or contain a combination of income and capital growth.

**Risk Tolerance:** Most of the investments PFSL offers have the potential to increase or decrease in value as market conditions change. Your risk tolerance selected should be the lesser of (i) your

willingness to accept investment risk in your account; and (ii) your ability to withstand financial losses in your account.

**Overall Investment Objective:** Before making an investment recommendation for your account, your Representative will use your selection of an investment goal and risk tolerance to suggest an Overall Investment Objective (Objective) to you. Detailed descriptions of each of our Objectives can be found on PFSL's standard forms that have been provided to you. You should consider your investment goal and risk tolerance, review the descriptions of each of the Objective categories, and then select an Objective that best matches your goal and risk tolerance.

## Content and Frequency of Reporting

Trade confirmations are sent to you as trading in your account occurs. You will also receive a quarterly statement from PFSL containing information about your investment holdings and any transactions that occurred during the period. On an annual basis you will receive an Investment Performance Report, which provides information on the performance of your account since it's opening and throughout the past year. You will also receive an annual Report on Charges and Other Compensation, which provides a breakdown of the costs and compensation that was paid to PFSL over the past year.

## Compensation and Reference to Other Sources of Information

Whether or not you pay an initial sales charge or select a low load or deferred sales charge option when making an investment, PFSL and its Representatives may receive a commission from the fund manager on the transaction. PFSL may also be paid an ongoing commission (trailer fee) from the fund manager for as long as you hold the investment.

There may also be other fees and costs charged by the fund manager depending on the nature of your investment. Please review your fund company prospectus or fund facts document for a more detailed description of compensation payable to PFSL and other costs associated with your investment. You may also speak to your Representative for more information about the nature of any fees or compensation paid to PFSL.

## Switching Dealers

You may only hold your units of the Primerica Concert™ Allocation Series of Funds (Concert Funds) with PFSL. Your Representative or another PFSL representative, who is registered in your province of residence, may service your account. If you transfer your account to another dealer, PFSL will redeem your units in Concert Fund(s) which may precipitate deferred sales charges, low load sales charges and/or taxes, as applicable.