

# PRIMERICA ADVISORS

## **Lifetime Investment Platform**

Wrap Fee Program Brochure

Form ADV Part 2A Appendix 1

(March 31, 2021)

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This wrap fee program brochure provides information about the qualifications and business practices of Primerica Advisors. If you have any questions about the contents of this brochure, please contact us at (800) 544-5445. The information in this brochure has not been approved by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Primerica Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

This Item requires us to summarize material changes to our Form ADV Part 2A Appendix 1 since our last annual update on March 30, 2020.

**Item 4 - Primerica Advisors as Sponsor and Portfolio Manager** – This section was updated to distinguish between model-delivery strategies and manager-traded strategies. For model-delivery strategies, Primerica Advisors will buy and sell securities on your behalf to align your account holdings with the investment strategies you select. For manager-traded strategies, the asset manager will have authority to place orders to buy and sell securities in your account to align your account holdings with the manager's strategy.

**Item 4 - Asset Managers and Models** – The brochure was expanded to provide you information regarding the three categories of Tax Managed strategies available in the Program: Active Tax Loss Harvesting, Tax Exempt and Tax Aware.

**Item 4 – ESG Strategies** – This section was added to the brochure to provide you with general information regarding ESG strategies. ESG (Environmental Social Governance) is a method of analysis in which an asset manager considers factors, such as environmental practices, diversity and inclusion in hiring and corporate governance policies, among others, when determining whether to buy or sell a particular security.

**Items 4 – Fees** – The Program recently added an Active Tax Loss Harvesting strategy with an Asset Manager fee of 0.50%. As a result, the range of Asset Manager fees was adjusted from 0.00% to 0.30% to a new range of 0.00% to 0.50%. Additionally, The Maximum Program Fee schedule was updated to reflect an increase of 0.20% resulting from the addition of this new strategy. The increase only affects clients who have selected the Meeder Tax Managed strategy.

**Item 4 - Primerica Advisors' Conflicts with Respect to Rollovers and other Transfers** – This section was added to provide additional information regarding conflicts of interest related to Primerica Advisors' compensation.

**Item 7 - Client Information Provided to Portfolio Managers** – This section was updated to state that client information is shared with the Asset Managers of manager-traded strategies as necessary to manage your assets allocated to the strategy, and to clarify that Primerica reserves the right to reject an account based on the volume, magnitude or nature of the investments restrictions, if any, placed on an account.

**Item 9 – Custody** – This section was updated to state that contributions to a Program Account made by check must be made payable to TD Ameritrade Institutional, and that checks received by Primerica Advisors made payable to any entity other than TDAI will be returned to the client or to the sender.

We also made certain non-material revisions to this brochure. We encourage you to review the entire document and to speak with your Advisor if you have any questions.

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## **Item 4 – Services, Fees and Compensation**

### **About Primerica Advisors**

Primerica Advisors is the trade name under which PFS Investments Inc. (“PFSI”) conducts its investment advisory business. PFSI, a SEC-registered investment adviser and broker-dealer, is an indirect, wholly owned subsidiary of Primerica, Inc., a financial services company that is publicly traded on the NYSE. In addition to offering the wrap fee program described in this brochure, Primerica, Inc., through its subsidiaries, assists its clients in North America by meeting their needs for term life insurance, underwritten by Primerica Life Insurance Company, mutual funds, annuities and other financial products, which are distributed primarily on behalf of third parties.

### **The Lifetime Investment Platform – Program Overview**

This brochure describes the Primerica Advisors Lifetime Investment Platform wrap fee program (“Program”). The Program is an investment management platform through which Primerica Advisors (“Primerica”) and its investment adviser representatives (“Advisors”) provide advisory services.

The Program provides you with access to a platform of investment strategies designed to support various investment objectives over your investing lifecycle, while taking into consideration your preferences related to market exposure, taxes, and securities selection. The strategies are created and managed by unaffiliated asset management firms (“Asset Managers”).

### **Primerica Advisors as Sponsor and Portfolio Manager**

Primerica is the sponsor and discretionary portfolio manager for the Program. In this capacity, Primerica evaluates Asset Managers and their strategies for inclusion in the Program. As part of its evaluation process, Primerica relies on an unaffiliated due diligence consultant to review each Asset Manager and strategy that is considered for the Program. The due diligence consultant also provides services to the Program in connection with Primerica’s ongoing oversight of the Asset Managers.

The Asset Managers provide ongoing investment advice to the Program through their respective strategies. Strategies typically fall within one of two administrative categories: model-delivery strategies and manager-traded strategies. For model-delivery strategies, Primerica will buy and sell securities in your account consistent with the holdings of the strategy. . Primerica intends to implement the model-delivery strategies as provided by the Asset Managers. Within this brochure and in other program-related documents, both model-delivery and manager-traded strategies are generically referred to as investment models or “Models”.

For manager-traded strategies, the Asset Manager will buy and sell securities in your account consistent with the holding of the Model. Primerica accesses manager-traded strategies through a contractual relationship with an unaffiliated investment adviser that sponsors an investment management platform through which the strategies are offered. Under this arrangement, Primerica delegates investment discretion and trading authority to the unaffiliated investment adviser who, in turn, through its contractual relationship with the Asset Manager, delegates

investment discretion and trading authority to the manager. If you select a manager-traded Model for your Program Account, Primerica will deliver to you a copy of the Asset Manager's Form CRS and Form ADV brochure. As provided for in the Lifetime Investment Platform Advisory Agreement, Primerica will accept delivery of the platform sponsor's Form CRS and Form ADV brochure on your behalf and will make those documents available to you upon request.

Models that invest in mutual funds generally will purchase an institutional or similar share class that does not charge an upfront sales charge or an annual 12b-1 fee. In the event that an Asset Manager includes a non-institutional share class in a Model, Primerica generally will request that the Asset Manager replace the fund. Alternatively, after consultation with the Asset Manager, Primerica may implement a Model that includes non-institutional shares if the fund authorizes a waiver of the sales load. 12b-1 fees, if any, paid in connection with the purchase of load-waived mutual fund shares will be retained by the broker-dealer custodian. If a Model contains a mutual fund or other holding that Primerica is unable to purchase or is otherwise administratively unable to process, then Primerica will request that the Asset Manager provide an alternative.

Primerica conducts ongoing due diligence of the Asset Managers, and, in its discretion and without prior notice, may add a Model, close a Model to new investments or remove a Model from the Program. If Primerica removes a Model from the Program, or an Asset Manager withdraws from the Program, Primerica, as necessary, will sell all Program holdings associated with the Model, without regard to cost basis or tax consequences. If you are invested in a Model that is removed or withdrawn from the Program, Primerica may, at its discretion, either reinvest your assets in one or more replacement Models that are consistent with your Investment Profile; or hold your assets in cash until you select a replacement and communicate your selection to Primerica.

Investments in the Program are held and managed in an account ("Program Account") registered in your name. Primerica, or the Asset Manager in a manager-traded strategy, periodically will place trades in your Program Account so that the holdings remain consistent with those of the Models you have selected, allowing for reasonable variation due to fluctuations in asset values and the time required to implement Model changes. Trades will occur without regard to tax consequences or cost basis, and may be initiated as a result of deposits into or withdrawals from your Program Account, periodic rebalancing due to changes in the relative market value of investments that caused deviations from a Model, or changes to the Model made by the Asset Manager. If your Program Account holds two or more Models, at its discretion, Primerica will place trades in your Program Account so that the assets are apportioned according to the percentages you select for each Model.

Program Accounts will be managed according to the Model(s) identified in your Lifetime Investment Platform New Account Application. Subject to Primerica's discretionary authority to remove a Model from the Program and to consolidate Models within an underfunded Program Accounts, unless you submit to Primerica a completed Lifetime Investment Platform Model Change Request form, your Program Account will remain invested in the Models identified in your Lifetime Investment Platform New Account Application.

Investors in the Program do not enter written contractual agreements with any of the Asset Managers.

## **Asset Managers and Models**

Each of the Asset Managers is a registered investment adviser that creates and manages investment models that are made available to investors directly and/or indirectly through advisory programs, such as the Lifetime Investment Platform. The Asset Managers create and manage their respective Models utilizing various investment philosophies and types of securities.

The Models are designed with assets allocations ranging from 100% equity to 100% fixed income. Each Model is categorized according to one or more of six risk-based objectives: Aggressive Growth, Growth, Moderate Growth, Conservative Growth, Conservative, and Fixed Income. The Models are described generally as Strategic or Tactical based on the investment style of the Asset Manager. Income distribution and tax managed Models also are available.

Strategic Models generally employ a longer-term outlook and will remain fully invested according to the Model's targeted asset allocation. The Asset Managers of Strategic Models periodically will adjust the weightings of the asset classes within a Model based on the Asset Manager's economic outlook. However, Strategic Models generally will not engage in market-timing transactions or replace equity or fixed-income holdings with cash. Typically, Strategic Models will engage in less trading than Tactical Models.

Asset Managers offering Tactical Models generally focus on shorter-term economic conditions and will tend to adjust the holdings and the asset allocation of a Model more frequently. Tactical Models, like Strategic Models, will have a targeted asset allocation. However, Tactical Models at times deviate from the targeted asset allocation and invest significant portions of the Model's holdings in cash or cash alternatives. Tactical Asset Managers also may respond to perceived market conditions by significantly reducing or eliminating exposure to one or more of the non-cash asset classes within a Model.

Both Strategic and Tactical Models offer potential risks and rewards. Strategic Models, because they are generally managed with a focus on longer-term trends and remain fully invested, generally are expected to experience greater swings in value during periods of market volatility. However, because they remain fully invested, the performance of Strategic Models generally will be less dependent on the timing of the investment decisions made in connection with the management of the Model.

The Tactical Models in which the Asset Managers have the option to overweight cash holdings may experience less volatility than other Models. However, Tactical Models may underperform relative to Strategic Models based on the timing of the Asset Manager's decision to move into and out of cash or other asset classes, particularly in situations when an Asset Manager's decision to move out of cash occurs after equity markets have started to trend upward, or if such moves conflict with the general direction of the markets.

Income Distribution Models are designed and managed specifically to distribute income in set amounts or over set periods of time. For information regarding a specific Income Distribution Model, please ask your Advisor.

Tax Managed strategies fall into one of the three general categories. For information regarding a specific Tax Managed Model, please ask your Advisor.

1. **Active Tax Loss Harvesting:** Customized, manager-traded strategies in which the managers will actively monitor gains and losses associated with the individual stocks held in your account and will harvest losses (sell) to offset gains and limit capital gains taxes. The manager will have investment discretion over your assets and the authority to buy and sell securities in your account.
2. **Tax Exempt:** Customized, tax-managed strategies and model-delivery strategies focused on generating tax exempt income through direct ownership of municipal bonds, or through ownership of exchanged traded funds and mutual funds that hold municipal bonds. Depending on the strategy you select, either the manager will have investment discretion over your assets and the authority to buy and sell securities in your account, or alternatively, Primerica Advisors will have authority to buy and sell securities on your behalf to keep your account aligned with the selected model.
3. **Tax Aware:** Model-delivery strategies invested in mutual funds that seek to reduce capital gains tax exposure by limiting turnover of equity securities and reduce income taxes through municipal bond holdings. Primerica Advisors will have authority to buy and sell securities on your behalf to keep your account aligned with the selected model.

There is no guarantee that any strategy, regardless of the asset allocation or investment style, will result in positive investment performance or achieve an investor's objectives. **Detailed information about each of the Asset Managers is available from Primerica and your Advisor. Before investing in any of the Models you should carefully review an Asset Manager's materials, including its Form CRS and Form ADV Part 2A.**

For Models implemented by Primerica, the investment performance of assets invested in the Model through the Program will likely differ from the investment performance of the same Model or similar strategy as managed outside of the Program at the discretion of the Asset Manager who provides the Model.

### **ESG Strategies**

ESG (Environmental Social Governance) is a method of analysis in which an asset manager considers factors, such as environmental practices, diversity and inclusion in hiring and corporate governance policies, among others, when determining whether to buy or sell a particular security. Certain ESG strategies also incorporate faith-based considerations. ESG factors typically are evaluated in conjunction with traditional metrics, such as a company's revenue, sales, and expected growth, as well as broader market conditions and economic trends. In general, ESG investing is intended to influence corporate behavior across a range of issues and allow investors to express their values through their investment choices. ESG investing does not guarantee any specific corporate outcome and should not be viewed as a promise of superior investment performance. For information about the ESG strategies available in the Program, please consult with your Advisor.

## **Your Advisor**

To determine which Models are appropriately suited to your needs, your Advisor will assist you with completing an Investment Profile. This process is used to identify Models that are consistent with your investment objective, risk tolerance, and investment time horizon. Your Advisor may also collect additional information regarding your preferences related to market exposure, tax concerns, securities selection and investment lifecycle. Using this information, your Advisor will present for your consideration and selection a Model or Models for your Program Account.

After your Program Account is opened, your Advisor will be available on an ongoing basis to discuss your participation in the Program. It is your responsibility to notify your Advisor of any significant changes in your financial circumstances. You and your Advisor will then determine whether to reconsider the Models selected for your Program Account. It is your responsibility to tell your Advisor if you wish to change the Models held in your Program Account. At least once a year, your Advisor or Primerica will undertake reasonable efforts to contact you to determine if there have been any significant changes in your financial situation or investment objectives, and whether you wish to change your existing instructions or impose any new restrictions regarding the management of your Program Account. Your Advisor does not have discretion to change the Models held in your Program Account.

## **Program Administration**

Primerica is responsible for the administration of the Program and provides the centralized technology platform on which the Program operates. Primerica uses the technology platform for administrative functions including but not limited to, communicating with the Asset Managers, new account opening, trading, client communications, fee billing, Program Account rebalancing, performance reporting and Program Account maintenance, including processing contributions to and redemptions from the Program Account.

Primerica requires that certain types of communications be submitted in writing and/or on forms created for a specific purpose. Primerica reserves the right to add, remove or change its administrative forms, procedures and policies at any time.

In general, to receive the services offered by the Program, you must 1.) Complete a Lifetime Investment Platform New Account Application; 2.) Execute the Lifetime Investment Platform Advisory Agreement Signature Page; and 3.) Execute a TD Ameritrade Institutional account agreement. A Program Account is not eligible to be funded until after the application and agreements are reviewed and approved by Primerica Advisors and TD Ameritrade Institutional, respectively.

## **Brokerage and Custodial Services**

Primerica arranges with TD Ameritrade Institutional ("TDAI"), an unaffiliated broker-dealer, to provide custody, trade execution, clearing, settlement and other services for all Program Accounts. TDAI is a qualified custodian, as defined in Rule 206(4)-2 of the Investment Advisors Act of 1940. Investors in the Program direct Primerica to place all transactions in Program Accounts through the TDAI. TDAI may not always obtain as favorable a price as another broker-



dealer. By directing Primerica to place all Program Account transactions through TDAI, investors in the Program agree to look only to TDAI to obtain best execution.

Directing brokerage to TDAI may result in you receiving less favorable execution terms than might be obtained from another broker-dealer and could increase your cost of investing. Other advisory programs may allow you broader discretion to select an executing broker-dealer. Alternatively, other advisors may agree to accept responsibility for selecting an executing broker-dealers on your behalf. You will receive account statements, transaction confirmations, mutual fund prospectuses, tax forms, and other correspondence, as applicable, from TDAI. You should carefully review all account statements and other communications you receive from TDAI. TDAI, a division of TD Ameritrade, Inc., member FINRA/SIPC, is a subsidiary of Charles Schwab Corporation.

Unless you select another option available from TDAI, any cash balances in a Program Account will be held in the default cash sweep option indicated on the TDAI client agreement. Cash held in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

TDAI reserves the right not to accept a deposit of funds or particular securities. Please see the TDAI Managed Account Agreement and related agreements and disclosures for additional information. Funds or securities not accepted by TDAI are ineligible to be used as a funding source for a Program Account.

In addition, TDAI, or its affiliate, serves as the IRS-approved IRA custodian for Program assets held in accounts described in IRC section 403(b)(7), and individual retirement accounts established under IRC section 408 (collectively referred to as “Retirement Accounts”). If your Program Account is a Retirement Account, then you will be subject to the terms of the applicable TD Ameritrade Custodial Account Agreement and Disclosure Statement. Primerica’s ability to manage your Program Account is subject to the terms and conditions contained in the TDAI Managed Account Agreement, and other related TDAI agreements and disclosures. At times, restrictions imposed by TDAI will limit Primerica’s ability to manage your Program Account. Please see Item 9 below for information regarding economic benefits that Primerica receives from TDAI in connection with the Program.

For manager-traded Models, the Asset Manager has discretion to select the broker-dealers through which it will execute securities transactions. TDAI will provide settlement, custody, reporting and other services for manager-traded transactions executed through the broker-dealers selected by the Asset Manager. For information regarding the Asset Manager’s trading practices, including best execution, please refer to the Assets Manager’s Form ADV brochure.

## **Trading Practices and Order Processing**

The Lifetime Investment Platform is an asset management program in which large numbers of clients are invested according to the same or similar investment strategies, and therefore own shares of the same securities. To administer the Program efficiently and seek improved trade execution, for the Models implemented by Primerica, securities trades associated with the management of your individual Program Account are aggregated by Primerica with the trades of

other clients invested in the Program. This means that when we buy or sell securities for your Program Account, including trades related to Model updates submitted by an Asset Manager, rebalancing transactions initiated by Primerica, and client-initiated transactions, such as withdrawals, transfers between Models and liquidation requests, we combine the trades for your Program Account with those of other clients and place those trades with TDAI as block orders. Trades placed through block orders may be executed by TDAI at multiple prices, in which case Primerica will allocate the trades to individual Program Accounts based on the average price per unit of the executed trades.

Primerica typically submits block orders to TDAI once during a market trading day. Client-initiated transactions in existing Program Accounts will be included in the block trades on the day the request is processed. Client-initiated transactions received by Primerica in good order typically are processed within three to five business days. During periods of high trading volume, processing times may be longer. Your Program Account will remain allocated to your Model selections and subject to all risks associated with the Models until your request is processed and the block orders in which your assets are included are placed by Primerica and executed by TDAI. Once executed, block orders are allocated to individual Program Accounts after the market close and will not be viewable in your Program Account until the next day.

For Manager-Traded strategies please refer to the Assets Manager's Form ADV brochure for information regarding trading practices, including best execution and order aggregation.

### **Non-Program Accounts**

As an accommodation to participants in the Program, a Non-Program Account ("NPA") is available to clients who wish to hold assets at TDAI outside of the Program Models. The Non-Program Account is a self-directed account. Neither Primerica nor your Advisor will provide investment advice for the assets in a Non-Program Account or place orders in a Non-Program Account on your behalf. For all transactions in a Non-Program Account, you must contact TDAI directly.

To establish a Non-Program Account, you must identify in the Lifetime Investment Platform New Account Application the specific securities you wish to hold as Non-Program Assets. By entering into the TDAI account agreement, you authorize Primerica to establish a Non-Program Account on your behalf and authorize Primerica to instruct TDAI to hold any securities identified as Non-Program Assets in the Non-Program Account. If at any time you transfer securities held in a Non-Program Account to your Program Account, Primerica will consider such action as an instruction from you to liquidate the securities and to invest the proceeds in the Models held in your Program Account.

The Non-Program account is offered as an accommodation to clients with an active advisory agreement with Primerica. By entering into the Advisory Agreement, you grant "view only" access for your Non-Program Account to Primerica and your Advisor. Primerica reserves the right to monitor trading activity in Non-Program Accounts consistent with applicable law. Assets in a Non-Program Account are not considered by Primerica or your Advisor in connection with the management of your Program Account. The fees applicable to Non-Program accounts are established by TDAI and are separate from the Program Fee (discussed below) that you will pay

to Primerica Advisors.

## Fees

Investors in the Program agree to pay an annual program fee (“Program Fee”) for the services provided through the Program. Primerica Advisors has established the following fee schedule for the Program.

### **Program Fee Schedule**

<b>Account Value</b>	<b>Program Fee (Maximum)</b>
\$250,000 or less	2.24%
\$250,000.01 - \$500,000	2.21%
\$500,000.01 - \$1,000,000	2.17%
\$1,000,000.01 - \$3,000,000	1.98%
\$3,000,000.01 and up	1.70%

The **Program Fee** consists of three components: 1. Advisor; 2. Administration; and 3. Asset Manager.

**Advisor:** The maximum Advisor fee is determined according to the following schedule.

<b>Account Value</b>	<b>Advisor fee (Maximum)</b>
\$250,000 or less	1.25%
\$250,000.01 - \$500,000	1.25%
\$500,000.01 - \$1,000,000	1.25%
\$1,000,000.01 - \$3,000,000	1.10%
Over \$3,000,000	0.85%

The Advisor fee is the component of the Program Fee you pay for the advice and services provided to you by your Advisor. A portion of the Advisor fee is retained by Primerica Advisors. The Advisor fee is negotiable. Whether to negotiate generally is a decision made by the Advisor. Primerica limits the amount by which your Advisor is permitted to negotiate a reduction in the Advisor fee.

**Administration:** The Administration fee is determined according the following schedule.

<b>Account Value</b>	<b>Administration fee</b>
\$250,000 or less	0.49%
\$250,000.01 - \$500,000	0.46%
\$500,000.01 - \$1,000,000	0.42%
\$1,000,000.01 - \$3,000,000	0.38%
\$3,000,000.01 and up	0.35%

The Administration fee is the component of the Program Fee charged by Primerica Advisors for its services as sponsor, portfolio manager and the administrator of the Program, as well as for the custody and brokerage services provided to the Program by TDAI. Primerica Advisors collects the Administration fee from your account. TDAI bills Primerica Advisors for the services it provides to the Program. In turn, Primerica Advisors pays a portion of the Administration fee to TDAI.

**Asset Manager:** The Asset Manager fee ranges from **0.50% to 0.00%** annually depending on the Models selected for the Program Account. The Asset Manager fee is what you pay for the services provided to the Program by the Asset Manager. The full amount of the fee is paid to the Asset Manager. Asset Manager fees vary so that your Program Fee will be more or less depending on which Model(s) you select for your Program Account. Certain Asset Managers, or their affiliates, serve as the investment adviser to the mutual funds or ETFs that are used to construct the Asset Manager's Models. These Asset Managers, or their affiliates, receive compensation from the fees and expenses charged to the shareholders of the mutual fund or ETF. The Program Fee for Program Accounts invested in the Models provided by such Asset Managers may not include an Asset Manager fee component. Please speak with your Advisor regarding Models that include or are limited to proprietary mutual funds or ETFs, including whether there is an Asset Manager fee for the Model. Additional information regarding Models that include proprietary mutual funds or ETFs is located in this brochure under the heading *Other Considerations Regarding Fees*.

**Your Lifetime Investment Platform New Account Application will include a Fee Schedule that establishes the rates your Program Account will be charged for each of the fee components. These rates will be used to determine your Program Fee and to calculate the amount of the Program Fee due each billing cycle.**

The actual fees you pay will vary depending on the value of your Program Account when the fees are calculated for each monthly billing cycle. The Asset Manager fee and Administration fee generally are not negotiable.

### **How the Program Fee Is Assessed**

The annual Program Fee is payable in arrears on a monthly basis. For purposes of determining the amount of the Program Fee that you will be charged each billing cycle, Primerica will calculate the total market value of your Program Account at the end of each business day, defined as any day the New York Stock Exchange is open for trading, including trading on an emergency venue. Using the total market value of your Program Account for each business day of the billing cycle, Primerica will calculate an average daily value. Based on the average daily value of your Program Account during the relevant billing cycle, Primerica will charge you a prorated share of the annual Program Fee according to the Fee Schedule applicable to your Program Account. For the initial month that you are invested in the Program, you will pay a prorated Program Fee based on the average daily value of the assets from the date your Program Account is funded through the last day of the monthly billing cycle.

For Program Accounts invested in Models that assess different Asset Manager fees, the Program Fee is adjusted based on the portion of the Program Account allocated to each Model. The Program Fee

deducted from your Program Account, when stated as a percentage, may vary from the percentage shown in your Fee Schedule based on the amount of your Program Account that is allocated to each Asset Manager at the time the Program Fee is calculated.

All assets held in the Program Account are subject to the Program Fee, including assets acquired through dividend reinvestments and automatic investment programs, as well as any portion of the Program Account maintained in cash or short-term vehicles including, but not limited to, money market funds. For limited periods of time, you may elect to allocate all of the assets in your Program Account to cash. If you make this election, you will continue to pay the Program Fee on the full value of your Program Account. For administrative purposes, the monthly billing cycle generally will not track the calendar months.

Primerica will debit the Program Fee directly from your Program Account. Primerica, in its discretion, will determine which assets in the Program Account will be liquidated to cover the Program Fee, without regard to tax consequences or cost basis. TDAI will send you a statement, at least quarterly, indicating all amounts disbursed from your Program Account, including the amount of the Program Fee. If the Lifetime Investment Platform Advisory Agreement is terminated other than on the last day of a monthly billing cycle, the Program Fee for the final month will be prorated and calculated based on the average daily value of the assets in your Program Account over the number of days during the final monthly billing cycle that the Program Account is funded. The Program Fee will be deducted from the liquidation proceeds. In certain instances, and in our discretion, Primerica may reduce your Program Fee for one or more monthly billing cycles.

For purposes of calculating the Program Fee, Primerica will combine the dollar value of accounts owned by family members who reside in the same household. Eligible accounts are linked based on addresses. Abbreviations, misspellings and other variations may prevent eligible accounts from being linked. Please work with your advisor to ensure the address for each of the accounts owned by your household is an exact match. Eligible accounts are linked periodically. The Program Fee will be assessed without regard to any other account until linking is completed. Primerica reserves the right to refuse to household accounts.

### **Additional Fees You May Incur**

The mutual funds, ETFs and other exchange traded products (ETPs) held in your account charge fees and expenses that are in addition to the Program Fee. The fees and expenses of the mutual funds and ETFs, including management fees, distribution fees and administrative expenses, are discussed in each fund's prospectus or statement of additional information and are charged against the assets in the fund. You will not pay a sales charge or a brokerage transaction fee on the purchase or sales of securities in your Program Account. Some mutual funds impose short-term trading fees, as described in their prospectuses.

The Program Fee does not include the charges, if any, for ancillary services provided by TDAI, such as returned checks or drafts, express mail fees, wire transfer fees and fees associated with a Non-Program Account. Please see the TDAI Client Agreement for additional information regarding fees for ancillary services.

## **Other Considerations Regarding Fees**

Certain of the Asset Managers that provide Models to the Program offer the same or similar investment strategies directly to investors. Before investing in the Program, you should consider whether you are eligible to have your assets managed directly by the Asset Manager, and whether it would be less expensive to do so.

Additionally, certain Asset Managers construct their Models, in whole or in part, using proprietary mutual funds and ETFs. Meaning the mutual funds and ETFs are sponsored by an affiliate of the Asset Manager, and the Asset Manager, or an affiliate, is an investment adviser to the mutual funds and ETFs. Asset Managers that utilize proprietary mutual funds and ETFs may make their Models available to the Program with or without an Asset Manager fee. If a Model is available without an Asset Manager fee, then the Asset Manager will receive no compensation from the Program Fee. Instead, the Asset Manager, or its affiliate, will receive compensation from the fees charged by its proprietary mutual funds or ETFs held in the Model. If a Model includes proprietary funds and charges an Asset Manager fee, then the Asset Manager, or its affiliates, will receive compensation from both the Program Fee and the fees charged by its proprietary mutual funds or ETFs held in the Model. Generally, Models that do not charge an Asset Manager fee are limited to proprietary mutual funds or ETFs. However, the Program may include Models that are limited to proprietary funds and that also charge an Asset Manager fee. For additional information regarding Models that include proprietary mutual funds or ETFs, including whether there is an Asset Manager fee for the Model, please speak with your Advisor.

When selecting a Model, you should carefully consider your investment objective, the Program Fee and each of its components, and whether the Model includes or is limited to proprietary funds. Models for which there is no Asset Manager fee provide you with the opportunity to reduce your Program Fee. However, the full cost of a Model is the Asset Manager fee plus the annual fees charged by the mutual funds or ETFs, if any, held in the Model. Even though a Model charges no Asset Manager fee, the fees charged by the mutual funds and ETFs could cause the full cost of a Model to be more than a Model that does charge an Asset Manager fee. Information regarding the annual expenses charged by a mutual fund or ETF can be found in a fund's prospectus.

Because of the fees associated with investing through a wrap fee program, such as the Lifetime Investment Platform, assets invested in a Model through the Program generally will experience reduced investment performance compared to assets invested in the same or similar strategy that is managed directly by the Asset Manager outside of the Program.

Participating in the Program may cost you more or less than purchasing advice, brokerage services and custody separately, depending on factors such as the cost of the services if provided separately and the level of trading in the account. You may be able to purchase the securities held in the Program Account in a brokerage account outside of the Program, which may be more economical depending on a number of factors including, share class availability, the length of time the securities are held, whether you pay an annual advisory fee, whether you pay a front-end or back-end sales charge, the level of trading activity in the account, and whether mutual fund shares, if any, are purchased from a single fund family or multiple fund families. Generally, the type of clients that may find a commission-based account to be a more cost-efficient option are those who plan to buy and hold their mutual funds for long periods, those that will qualify

for breakpoint commission discounts, and those that are not interested in the investment advice, active management and additional services offered through the Program. You should carefully consider whether your financial needs are best met through an account with potentially lower costs that offers fewer services or through an account with potentially increased costs that provides you with enhanced services, such as ongoing investment advice and monitoring. If you plan to sell securities or liquidate other investment vehicles to fund your Program Account, you should also consider the cost of any back-end sales charges, surrender penalties, taxes, other fees or loss of contractual benefits that you may incur.

Rebalancing and other transactions performed to facilitate changes to the Models in your Program Account will not result in any additional charges. The frequency of transactions within your Program Account will vary based on the investment style of the Models you select, and the adjustments made to the Models by the Asset Managers. Generally, Tactical Models are likely to experience a greater frequency of the trading than Strategic Models. As a result, paying a fixed fee that covers transactions may be of more benefit to clients who select Models with more frequent trading.

Individual stocks, ETFs and other ETPs are not available through PFSI's broker-dealer business. Additionally, the selection of mutual fund families available through PFSI's broker-dealer business is significantly more limited compared to the universe of mutual funds from which the Asset Managers can select when creating a Model. Investors who prefer ETFs and having access to a broader range of mutual funds, but not within an advisory program, are unable to satisfy those preferences investing through the Program or through a PFSI brokerage account. As a result, Primerica Advisors has a potential conflict of interest that could cause the firm and its Advisors to recommend the Program to such an investor. Primerica mitigates this conflict through disclosure.

## **Compensation**

Primerica is compensated through the receipt of a portion of the Program Fee and will continue to receive such compensation for as long as your assets remain in the Program. Your Advisor is compensated through the receipt of a portion of the Advisor fee component of the Program Fee. The amount of this compensation may be more or less than what would be received if you paid separately for the investment advice, brokerage and other services provided by the Program or participated in other types of advisory or brokerage programs.

Additionally, if you invest in mutual funds through PFSI's brokerage business, or invest in annuities through PFSI or its affiliates, your Advisor typically will receive upfront compensation based on the amount of your investment, as well as annual trail commissions based on your account value. The amount of compensation received annually from the Advisor fee typically will be less than the upfront compensation generated by an investment in mutual funds or an annuity, but more than an annual trail commission generated by an investment in mutual funds or an annuity. However, assuming you maintain your Program Account for a sufficient period of time, the annual compensation derived from the Advisor fee over time will exceed the amount of compensation that would have been received from an equivalent investment amount in mutual funds or annuities. Therefore, if you plan to invest for longer periods of time, your Advisor has a financial incentive to recommend the Program over other services offered by PFSI and affiliates. Conversely, if you intend to invest for shorter periods of time, your Advisor has an

incentive to recommend that you invest in mutual funds or annuities that generate upfront compensation at the time of your investment. Primerica mitigates this potential conflict through its supervisory practices and by disclosing it to you.

Your Advisor will receive the same compensation regardless of the Models recommended for your Program Account. Primerica's and your Advisor's compensation will vary from the compensation received from other investors in the Program based on the Advisor fee agreed to between you and your Advisor.

### **Primerica Advisors' Conflicts with Respect to Rollovers and other Asset Transfers**

Primerica Advisors' compensation is derived from the Program Fee charged to assets held in a Program Account. Therefore, we have an incentive to encourage you to transfer assets out of your employer sponsored retirement plan, accounts at other financial institutions and brokerage products sold by PFS Investments into a Program Account. We mitigate this conflict by disclosing it to you, through our obligation as a fiduciary to act in your best interest, and through our policies and procedures designed to ensure that an investment in the Program is consistent with your best interest.

### **Primerica Advisors' Conflicts with Respect to Investments in No-Transaction-Fee Funds and Commission-Free ETFs.**

As discussed above, and pursuant to our agreement with TDAI, Primerica Advisors compensates TDAI for its services from the Administration fee, which is a component of the total Program Fee you pay to Primerica Advisors. With respect to Program investments in certain mutual funds and ETFs, commonly referred to as no-transaction-fee funds ("NTF Funds") and commission-free ETFs, TDAI is also compensated through its agreement with the fund or ETF sponsor. While the Program Fee and Administration fee you pay do not vary based on the assets held in your Program account, Primerica Advisors retains a greater percentage of the Administration fee when you invest in NTF Funds or commission-free ETFs than it retains when you invest in other investment options available through the Program. This creates a conflict of interest for Primerica Advisors to favor Models that include NTF Funds or commission-free ETFs.

Primerica Advisors mitigates this conflict by disclosing it to you, and through its policies and procedures that require its Advisors to recommend Asset Managers and Models that are appropriate for you. Additionally, the compensation your Advisor receives does not depend on the Asset Managers and Models he or she recommends, including whether the Asset Manager selects NTF Funds or commission-free ETFs for its Models. Moreover, the Asset Managers, and not Primerica Advisors, determine which securities to include in a Model, and therefore, whether a client's assets are invested in NTF Funds or commission-free ETFs.

### **Conference and Training Assistance Provided to Primerica Advisors**

Because Primerica Advisors, the Asset Managers and TDAI are generally compensated from the Program Fee (as discussed in more detail above), Primerica Advisors, the Asset Managers and TDAI have a common financial interest in increasing the total assets invested in the Program. In furtherance of this common interest, the Asset Managers and TDAI assist Primerica in promoting the Program and provide financial support for conferences, incentive trips and training seminars



designed in part to educate Advisors on the features and services offered by the Program. Primerica hosts these events on an annual basis and seeks financial support from the Asset Managers and TDAI each year. With respect to the Asset Managers, Primerica requests a standard contribution from each manager; however, some managers pay less. These payments create an incentive for Primerica Advisors to continue its relationship with the Asset Managers and TDAI as service providers, and to favor the Asset Managers that make the higher payments to us. Primerica Advisors mitigates these conflicts by disclosing them to you and through its policies and procedures that are designed to monitor the quality of the services provided by the Asset Managers and TDAI.

### **Promotional Items and Seminar Support Provided to Investment Adviser Representatives**

Advisors are permitted to conduct seminars to educate potential clients about the Program and to encourage them to invest through the Program. Asset Managers are permitted to participate in and contribute to the cost of these client seminars and provide promotional items of nominal value. These seminars could influence the Advisor's decision to recommend Asset Managers that provide such support. Primerica Advisors mitigates this conflict by disclosing it to you and through its policies and procedures that limit the contributions Asset Managers are permitted to make toward client seminars and that require pre-approval from Primerica's supervisory personnel for such events.

### **Due Diligence and Wholesaling Events**

On occasion, Asset Managers may hold meetings at their respective offices, or travel to a Primerica branch office, to educate Advisors about the Asset Manager's investment philosophy and investment strategies. In connection with these meetings, the Asset Manager may provide meals and entertainment to Advisors and may contribute in whole or in part to an Advisor's travel and lodging expenses incurred to attend such a meeting. These events create a conflict of interest for Advisors who participate in that the support provided by an Asset Manager could influence an Advisor's decision as to which Asset Manager to recommend. Primerica Advisors mitigates this conflict by disclosing it to you and through its policies and procedures.

### **Mutual Fund Share Classes**

For Models that include mutual funds, Primerica will seek to invest in institutional or similar share classes that do not impose an upfront sales charge or annual 12b-1 fee. Typically, these share classes are available for purchase by retail investors through advisory programs sponsored by a financial intermediary, or under other limited circumstances. If either you or Primerica terminates your Lifetime Investment Platform Advisory Agreement, then the mutual fund companies generally will allow you to continue to hold the mutual fund shares purchased through the Program, but you generally will be unable to make additional investments in those share classes. However, certain mutual funds have policies, outlined in a fund's prospectus, that authorize the redemption or exchange of shares purchased through the Program if you transfer the shares out of your Program Account, or if either you or Primerica terminates your Lifetime Investment Platform Advisory Agreement.

If a fund, or service provider authorized by the prospectus, elects to exchange your shares, generally you will receive Class A or similar shares of the same fund. The shares you receive

from the exchange may have annual expenses that are higher than the shares previously held in your Program Account, and the fund, or service provider authorized by the prospectus, may impose a sales charge in connection with the exchange.

Please review the prospectus for additional information regarding a fund's policies related to the redemption or exchange of shares no longer held in the Program. Shares subject to redemption or exchange may be acquired in your Program Account at any time as changes to a Model are implemented.

Primerica's access to mutual funds and share classes within each fund is limited to the funds and share classes offered by TDAI, which are determined by the agreements entered into between TDAI and the respective funds. As a result, an Asset Manager may select for a Model a mutual fund or share class that is not available through TDAI, and therefore, is not available to the Program. If an Asset Manager selects a fund or share class not available through TDAI, Primerica will request that the Asset Manager select an alternative. The need to select an alternative fund or share class from the options available through TDAI may result in you owning a fund or share class with higher annual expenses than the fund or share class originally selected by the Asset Manager.

#### **Item 5 - Account Requirements and Types of Clients**

The Program is designed for individual U.S. citizens, lawful permanent residents, and certain U.S. entities seeking investment advice regarding both retirement and non-retirement assets. Primerica Advisors does not provide investment advice to institutional clients, such as investment companies or pension plans. Individuals who reside outside of the United States, regardless of status, generally are not eligible to open a Program Account or remain invested in the Program.

The Program generally permits investments in up to three Models within a Program Account. The minimum Program investment is \$25,000.00; however, certain Models have higher minimums. If at any time the total market value of the assets held in a Program Account falls below the Program minimum, as a result of withdrawals or market volatility, Primerica reserves the right to liquidate the securities held in the Program Account, distribute the cash proceeds to you and terminate your Lifetime Investment Platform Advisory Agreement. If the value of a Program Account exceeds the Program minimum but is insufficient to fund each of the Models in the Program Account, Primerica reserves the right to consolidate your holdings into a single Model. Primerica reserves the right to accept or maintain accounts that do not meet the minimum investment requirements. The Models selected for your Program Account will not be implemented until cash sufficient to meet the minimum investment requirements is deposited into your Program Account or becomes available from the liquidation of securities deposited into your Program Account.

You may terminate the Lifetime Investment Platform Advisory Agreement within five (5) business days of its initial execution without charge. Thereafter, either you or Primerica may terminate the agreement at any time upon written notice to the other, which becomes effective when received or as of the date indicated in the notice. In the event that the Lifetime Investment Platform Advisory Agreement is terminated for any reason, your advisory relationship with Primerica and your Advisor will simultaneously terminate, and all features and privileges

associated with the Program will be cancelled and cease. Any assets held in your Program Account or Non-Program Account after the advisory agreement is terminated may be transferred by TDAI to a new account on the TD Ameritrade retail platform pursuant to the authorizations contained in the TDAI account agreement.

## **Item 6 - Portfolio Manager Selection and Evaluation**

### **Selection and Evaluation**

Primerica, as sponsor and portfolio manager for the Program, selects the Asset Managers and strategies available in the Program. The Program seeks to include strategies that align with a range of investment objectives and risk tolerances while seeking to limit duplication of investment styles. Primerica's evaluation process considers both the Asset Manager as an entity, as well as the individual strategies offered by the Asset Managers. Primerica uses internal and external resources to identify and evaluate Asset Managers. The evaluation process considers both quantitative and qualitative factors including the following.

- Investment philosophy and process
- Asset manager personnel
- Assets under management
- Past performance [track record and experience]
- Modern Portfolio Theory statistics, such as Alpha, Beta, R-squared and Sharpe ratio
- Performance relative to an appropriate benchmark
- Consistency of performance
- Performance relative to peers
- Risk adjusted return
- Total return

### **Affiliations**

No related person or affiliate of Primerica acts a portfolio manager for the Program. Primerica is not an affiliate of any of the Asset Managers who provide investment Models the Program. The Asset Managers may be public companies, subsidiaries of public companies or privately held entities. Neither Primerica Advisors nor its parent Company has an ownership interest in the Asset Managers or the Asset Managers' respective affiliates.

Primerica has existing business relationships with certain Asset Managers. Lockwood Advisors previously co-sponsored, along with Primerica, the Freedom Portfolios mutual fund wrap fee program, which was offered from June 2011 until February 2019. Invesco mutual funds, but not Invesco ETFs, and Franklin Templeton (formerly Legg Mason) mutual funds are available from PFSI through its broker-dealer business. PFSI and its representatives receive compensation from Invesco and Franklin Templeton for the sale of their mutual funds. Primerica Shareholder Services, an affiliate of PFSI, receives compensation from Invesco and Franklin Templeton for administrative services provided to owners of Invesco and Franklin Templeton funds who purchase mutual fund shares through PFSI's broker-dealer business. Advisors also may have received non-cash compensation from Lockwood in connection with Freedom Portfolios or

Invesco and Legg Mason in connection with our retail brokerage business. Due to these factors and their prior experience and familiarity with Lockwood, Invesco and Franklin Templeton, Advisors may be more inclined to recommend strategies designed by those Asset Managers or their affiliates. In addition, certain Asset Managers may make greater efforts than others to communicate with and educate Advisors regarding their respective strategies. As a result, an Advisor may be more inclined to recommend the Asset Managers with whom the Advisor has a closer relationship. Primerica mitigates this potential conflict through disclosure.

Primerica Advisors' advice is limited to the assets held in the Program. Primerica does not sponsor or provide portfolio management services to any advisory programs other than the Lifetime Investment Platform. Primerica does not accept performance-based fees.

### **Proxy Voting; Corporate and Legal Actions**

Primerica is not authorized to take any action with respect to the voting of proxies. You retain the right and obligation to vote any proxies relating to securities held in your Program Account and Non-Program Account. You will be sent certain issuer and issuer-related communications (proxies, tender offers, proposed mergers, rights offerings, exchange offers and warrants, among other things) that may require a voting decision or other action regarding investments held in the Program Account. Primerica does not accept proxy-voting responsibility for any client. You are expected to vote your own proxies and will receive proxies directly from TDAI.

For Program assets invested in manager-traded strategies, the Asset Manager generally will be responsible for voting securities on your behalf, as described in the manager's Form ADV. You have the right to retain voting authority. If you prefer to vote, please contact TDAI to have that preference recorded on your account. For information regarding the Asset Manager's proxy voting policies, please review the Asset Manager's Form ADV brochure.

### **Risk of Loss**

Investing in the Program entails risk, including loss of principal. The securities held in your Program Account are subject to multiple risks, including market, credit, liquidity, currency, economic and political risk. Investments in the Program are not insured by the FDIC, FCUA or any other regulatory agency, and are not deposits or obligations of, nor guaranteed by, Primerica, the Asset Managers, any Program services provider, securities issuer or any of their respective affiliates. There is no guarantee that the strategies recommended to you will accomplish your investment objectives.

Strategic, Tactical, Tax Aware and Income Distribution Models offer investors access to varied investment styles and objectives; however, Primerica makes no representation or warranty that any particular investment style or Model will be profitable, or that any style or Model is more likely than another to achieve an investor's objectives. Strategic Models will remain fully invested regardless of market conditions. As a result, Strategic Models in general may experience greater losses during periods of market volatility compared to certain Tactical Models, as the Asset Managers of Tactical Models have the option to recommend substantial holdings in cash or cash alternatives, such as money market funds.

Tactical Models also entail risk, and the investment performance of a Tactical Model will be affected by the Asset Manager's decision as to if and when to move into and out of cash or other asset classes. Significant market declines can occur before an Asset Manager makes a decision to move assets to cash and before Primerica Advisors has the ability to implement Model changes. Asset Managers who employ a Tactical investment style may remain allocated to cash or cash alternatives during periods of market recovery following an actual market decline, causing the Model and the Program Accounts holding that Model to miss out on participation in a market recovery. Similarly, Asset Managers offering Tactical Models may incorrectly anticipate market trends and recommend exchanging equity and fixed-income holdings for cash or cash alternatives during periods in which equity and fixed-income securities appreciate in value.

Income Distribution Models are designed to generate income by distributing assets from the Program Account to you, however there is no guarantee that such Models will generate any specific amount of income, or that the income will be available for a period of time sufficient to meet your needs.

Tax Aware and Tax Exempt model-delivery strategies are not designed or managed to address the specific tax needs of any individual investor. Active Tax Loss Harvesting and manager-traded Tax Exempt strategies can be customized to meet an individual investor's needs; however, tax considerations generally are limited to assets held in the strategy and do not consider an investors overall tax situation. You should consult with a tax professional for advice regarding how investing in a Tax Aware Model might affect your personal tax situation.

#### **Item 7 - Client Information Provided to Portfolio Managers**

When establishing an account, you will be asked to complete a Lifetime Investment Platform new account application and an Investment Profile to document your financial situation, risk profile and investment objective. You will also be given an opportunity to place reasonable investment restrictions on your account. Primerica Advisors will share this information as necessary to establish and maintain your account. For model-delivery strategies your financial information and account restrictions will not be shared with the Asset Managers, or with the portfolio managers of the funds held in your Program Account. For manager-traded strategies, account information will be shared with the Asset Manager as necessary to manager your investments.

We will also collect general information including your name, a street address, date of birth, and an identification number, such as a Social Security Number. We may also ask to see your driver's license or other identifying documents that will allow us to identify you. This information may be shared between Primerica and its affiliates. For additional important information, please review our brochure titled, "What Does Primerica Do with Your Personal Information".

Primerica reserves the right to reject investment restrictions based on the volume, magnitude or nature of the request.

#### **Item 8 - Client Contact with Portfolio Managers**

Primerica is the portfolio manager for the Program. You may contact Primerica at the address

and telephone number listed on the cover page of this brochure. Inquiries about the Asset Managers may be directed to Primerica or to the Asset Managers directly.

Each of the mutual funds, ETFs and ETPs held in your account has one or more investment managers that manage the fund's investments. Generally, these investment managers do not have direct contact with fund shareholders. Mutual funds typically operate client service and investor relations departments that handle client communications. Information regarding how to contact the fund is available in the fund's prospectus.

You may contact your Advisor in person, in writing, or by telephone. Your Advisor is permitted to send this brochure and other Program documents to you by email; however, Advisors are otherwise prohibited from conducting advisory business by email. Advisors are required to be reasonably available to Program participants and to respond promptly to client requests for contact. You and your Advisor may choose how often to have discussions concerning your Program Account. For assistance with your account or to obtain contact information for your Advisor or an Asset Manager, contact Primerica Advisors at 800-544-5445 during normal business hours. To access your account online, visit [www.advisorclient.com](http://www.advisorclient.com).

## **Item 9 - Additional Information**

### **Disciplinary Information**

In August 2012, PFSI entered into an Acceptance, Waiver and Consent with FINRA related to recordkeeping requirements, and mutual fund recommendations made to investors with short-term investment horizons. PFSI accepted FINRA's findings, without admitting or denying the allegations, and agreed to pay a fine of \$100,000. Specifically, FINRA found that during 2008 through 2011, due to programming, design and human errors, PFSI's systems failed to detect that certain customers were not provided with a copy of their account record as required by SEC Rule 17a-3(a)(17). That rule requires a broker-dealer to provide customers with a copy of certain information contained in their account record within 30 days of account opening, and then every 36 months thereafter if another suitability determination had occurred. FINRA also found that from April 2007 through February 2009, the firm's Investor Profile Questionnaire was inadequate in that it did not record the specific rationale for placing customers with a short-term investment horizon in mutual funds. PFSI has implemented corrective measures to address these findings.

### **Other Financial Activities and Affiliations**

PFS Investments, Inc. is an indirect, wholly-owned subsidiary of Primerica, Inc., a publicly traded company (NYSE – PRI) headquartered in Duluth, Georgia. Primerica, Inc. offers financial products and services, including term life insurance, mutual funds, annuities, mortgage loans and other products which are distributed through various subsidiaries. PFSI is registered with the SEC as a broker-dealer and investment adviser. Through its broker-dealer operations, PFSI sells mutual funds, variable annuities, employer-sponsored retirement plans and 529 Plans. Certain of the asset allocation models in the Program are constructed, in whole or in part, using mutual funds. In limited circumstances a Model could include one or more mutual funds that also are available through PFSI's broker-dealer operations. You may be able to meet your investment needs by

purchasing from PFSI or its affiliates products and services other than the Program. Before deciding how to invest, you should carefully consider the costs and services associated with the different products available through PFSI and its affiliates.

## **Code of Ethics**

Primerica Advisors has adopted a Code of Ethics (“Code”) pursuant to Rules 204A-1 and 204-2 of the Investment Advisers Act of 1940. The Code is intended to reflect the principles that govern the conduct of Primerica Advisors and its supervised persons in those situations where Primerica Advisors acts as an investment advisor as defined under the Advisers Act. The Code addresses topics such as standards of business conduct, compliance with applicable federal law and the personal securities activities of associated persons. Primerica Advisors’ associated persons may invest in the same securities as are recommended to clients, at the same or different times. All associated persons are required to acknowledge receipt of the Code policies. A copy of the Code is available upon request.

## **Review of Accounts**

Annually, Primerica or your Advisor will undertake reasonable efforts to contact you to discuss your financial situation and investment objectives to determine whether the account continues to meet your investment needs. Also, on quarterly basis, Primerica will send correspondence reminding you to contact us or your Advisor if there have been any changes to your circumstances that would cause you to alter your responses to the investment profile questionnaire. The quarterly statements you will receive will show the securities held in your account, the value of the securities and any transactions that occurred in the account during the previous quarter. Primerica will monitor and make adjustments to Program Accounts as described in this brochure.

## **Client Referrals and Other Compensation**

Primerica does not directly or indirectly compensate any person for client referrals. Advisors are eligible for cash bonuses. Bonuses are in addition to an Advisor’s compensation derived from the Program Fee. The possibility of receiving this additional compensation could cause an Advisor to favor the Program over other investments options when deciding which products to present to you for your consideration. We mitigate this conflict as follows: (i) through our supervisory practices, and (ii) by disclosing it to you. Beginning in July 2020, bonus compensation will be awarded based on total securities sales. Before investing, you should carefully consider the cost and benefits of the Program along with your investment needs and objectives.

Advisors also participate in award and incentive programs, in which they are eligible to receive commemorative rings or watches, trips or other non-cash compensation based on their securities sales. These programs are based on total securities production, which includes sales of mutual funds, variable annuities, index-linked variable annuities, fixed-indexed annuities, fixed annuities, and managed accounts. These programs provide an additional incentive for our representatives to recommend a securities product to you during program periods, which occur throughout a calendar year. We mitigate this conflict as follows: (i) by awarding program credit for only “new” investment assets brought into the firm, i.e., we do not award credit for exchanges

from one Primerica product to another; (ii) through our supervisory practices, and (iii) by disclosing this conflict to you.

TDAI, or its affiliates, through its institutional services advisor program, offers services to independently registered investment advisors that include custody of securities, trade execution and clearance and settlement of transactions. In addition to these services, TDAI also offers additional services to certain investments advisers, which in the case of Primerica, has included financial support that Primerica uses to purchase administrative services and technology from unaffiliated third parties, FiServ and DocuSign. This support received from TDAI is not based upon any particular securities transaction or client relationship nor does it depend on the amount of brokerage transactions directed to TDAI. However, TDAI considers the profitability of its relationship with the Primerica Advisors Lifetime Investment Platform when determining whether to provide financial support to the Program. The financial support from TDAI does not diminish Primerica's duty to act in the best interest of its clients; however, receipt of financial support from TDAI creates a conflict for Primerica as it could influence us to continue to use TDAI as a service provider to the Program. Primerica mitigates this conflict by disclosing it to you and through its policy and procedures designed to monitor the quality of the services provided by TDAI. The economic benefits received through participation in the institutional services advisor program typically are not available to accounts on TD Ameritrade's retail platform.

### **Financial Information**

Primerica does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and therefore has not included a balance sheet of its most recent fiscal year. Primerica is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has the firm been the subject of a bankruptcy petition at any time during the past ten years.

### **Custody**

TDAI is the broker-dealer that serves as the qualified custodian for assets in the Program. Accordingly, TDAI will hold all book-entry shares of the Program assets and will process all purchases, redemptions and other transfer of such shares. In addition, TDAI will receive and distribute dividends and other distributions and send you statements of all activity in your Program Account on no less than a quarterly basis. Investors in the Program authorize Primerica to give fund and securities disbursement and transfer instructions for the Program Account to TDAI and its agents. Contributions to a Program Account made by check must be made payable to TD Ameritrade Institutional. Checks received by Primerica Advisors made payable to any entity other than TDAI will be returned to the client or to the sender.

### **No Legal or Tax Advice**

Neither Primerica nor its Advisors provide tax, accounting or legal advice. You should consult with your tax advisor regarding the tax consequences of investing assets in or withdrawing assets from the Program. If you plan to sell securities or other assets to fund your Program Account, you should consider the potential for capital gains and other taxes that may be triggered by the sale.