Primerica Common Sense Funds

An Investment Program For Every Phase of Life

Performance & protection

PRIMERICA®

Primerica Life Insurance Company of Canada

SAVING FOR RETIREMENT

Not always an easy decision

If you are like most Canadians, you realize the importance of saving for retirement, but may be finding it daunting to do so. Busy lives and multiple obligations may make it difficult to take the time to develop a financial plan and stick to it. What to invest in, how, when and with who are all considerations you need to think about.

At Primerica, we firmly believe informed investors are smart investors. Understanding and appreciating the principles of investing can give you greater peace of mind and ultimately, can better help you achieve your goal.

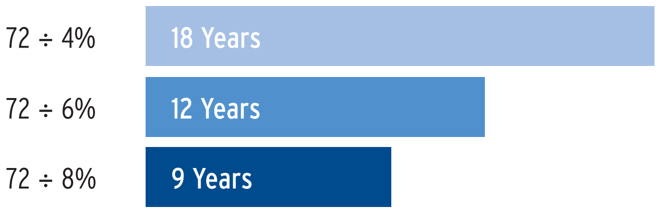
Three things to keep in mind as you set out are:

- Shelter your investment from taxation during the accumulation phase
- Start as early as you can even if it's just putting aside a small amount per month
- Understand the benefits and risks of what you are investing in

Establish a plan, use the rule of 72

Maximize the power of tax-deferred and tax-free savings with a Registered Retirement Savings Plan (RRSP) and Tax-Free Savings Account (TFSA). The magic of compounding growth is easily shown by the "rule of 72" – which is a simple way to determine what rate of return you'll need to double your contribution in a set number of years.

This simple calculation (72 divided by the interest rate) gives you the approximate number of years it will take to double your investment:

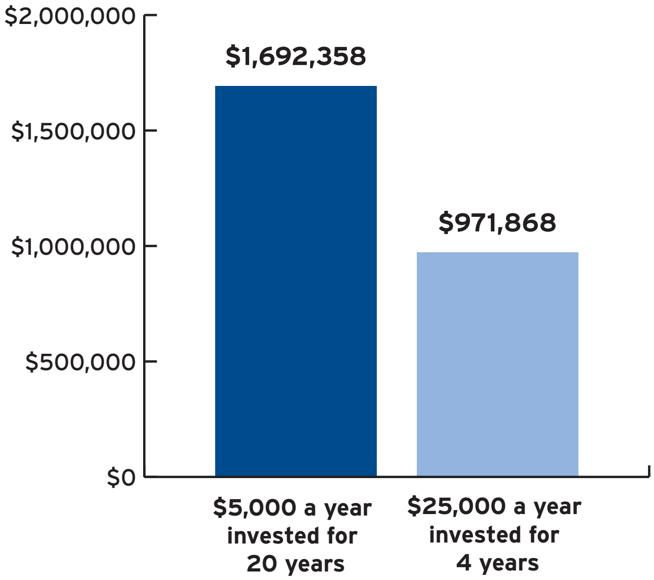


The table serves as a demonstration of how the Rule of 72 concept works from a mathematical standpoint. It is not intended to represent any specific investment, which will fluctuate in value. It does not include fees or taxes, which would lower results. For illustrative purposes only.

STARTING EARLY CAN HAVE ITS REWARDS

Starting early and tax-sheltering compounding growth can magnify results even if it is just a small amount set aside annually. Compare the results of annually contributing $5,000 early in life versus starting later in life when you have more disposable income. Both examples add up to a $100,000 total principal investment but through compounded growth over time the ending value can substantially differ.

Keep in mind that few, if any, variable investments return the same growth rate year in and year out. Most investments vary in return and over the course of your investment you are likely to experience volatility in the value of your account/portfolio.



All values are hypothetical and are intended for illustrative purposes only. Comparative is based on the assumption of starting early at age 20 and allocating $5,000 towards your RRSP for twenty years (adding up to a $100,000 principal investment) versus starting later in life at age 34 and making four annual contributions of $25,000. Average annual compounded rate of return presumed until age 65 is 8% and results as shown do not account for possible taxation in the case of non-registered accounts.

Three additional time-tested principles to keep in mind for successful investing

- Make market volatility work for you by buying upon price weakness and employing a dollar-cost averaging program
- Diversify across asset classes to help increase return and lower risk
- Keep a long-term view and stay invested

GET MORE FOR LESS BY HAVING PRICE VOLATILITY WORK TO YOUR ADVANTAGE

Saving and investing takes discipline. It is natural to want to get in on a good thing but you may hesitate to invest in a down market period. Being contrarian though can have its benefits. One of the best ways to save and take advantage of the ups and downs of markets is to invest regularly. Dollar-cost averaging, whether by monthly pre-authorized deposits or an annual RRSP lump-sum contribution, can work to smooth out the average cost of an investment since you buy more units upon price weakness. The result is you can get more for your money and the average price you have paid may be less than market price—contributing to gains. See below how dollar-cost averaging can help build wealth even in a fluctuating market period.

Rising markets

Investor A		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Amount invested in 6 months	Number of units accumulated	Avg. cost per unit
Invests $100/month	Price per unit:	$10.00	$12.00	$14.00	$16.00	$18.00	$20.00	$600	42.28	$14.19
	# of units:	10.00	8.33	7.14	6.25	5.56	5.00			

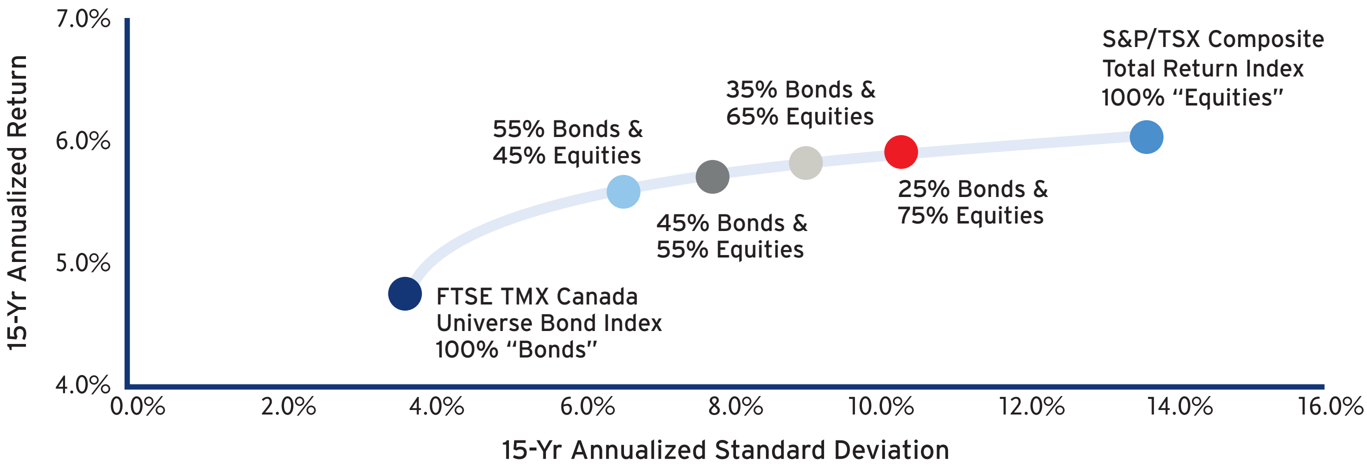
Fluctuating markets

Investor B										
Invests $100/month	Price per unit:	$10.00	$7.00	$4.00	$2.00	$6.00	$10.00	$600	125.95	$4.76
	# of units:	10.00	14.29	25.00	50.00	16.67	10.00			

All values are hypothetical and are intended for illustrative purposes only.

Understanding the risk/reward trade off

Different asset classes typically fluctuate in price to different degrees. While equities have historically provided greater overall return than bonds they also tend towards greater price volatility. Bonds tend to have less dramatic price swings and offer more stability. When blended they can create a portfolio that can increase return without assuming an equal measure of increased risk.



For illustrative purposes only. You cannot invest directly into an index.

Remember, to double your investment in less years you'll need a higher average rate of return. The higher return potential of equities may accomplish this but as you near your goal the diversification mix of equities and bonds should become more conservative and the percentage of bond holdings increased.

Efficiency Frontier Risk/Reward trade off based on 15-year return of FTSE TMX Canada Universe Bond Index and S&P/TSX Composite Total Return Index as of December 31, 2020.

Common Sense Asset Builder Funds

DECIDING WHAT STRATEGY IS RIGHT FOR YOU

The combination of investments that is most appropriate for you will depend on your personal situation. The rule of thumb is that the longer the investment period, the greater the equity portion in order to get a higher long-term return, subject to your comfort level with near-term fluctuations. As you near your retirement target date, you'll move from the accumulation growth phase into a preservation period where a larger bond holding is prudent.

Accummulation

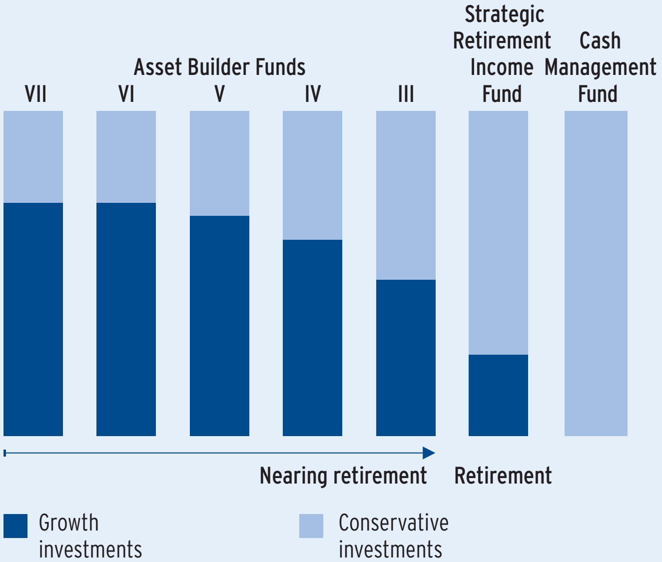
Primerica Common Sense Asset Builder Funds have been designed with this in mind and can help relieve you of some of the pressure and concerns about what mix is most appropriate. Its five portfolio choices offer a mix of equities and bonds, each geared to an investor's target date and risk tolerance. For short-term horizons and emergency funds there is a Cash Management Fund.

Decumulation

When you get into your retirement years, the Strategic Retirement Income Fund is designed to provide a stream of income from your Registered Retirement Income Fund (RRIF). Its focus is on preserving capital, while still affording some growth, so you can relax about your finances and enjoy retirement.

There's a Common Sense Fund that's right for you

Built-in glide path asset allocation increases the portion of conservative investments held as one nears retirement.



Primerica Common Sense Funds

BETTER FIT, BETTER PEACE OF MIND

Protecting what you've worked hard for

Untimely setbacks and loss of principal is a real concern when pursuing the higher return potential of your investments. Common Sense Funds remove some of that worry by guaranteeing 75% of the amount invested.[1] If you were to near retirement (i.e. the contract maturity date) during a period of market uncertainty, this guarantee can provide some reassurance.

In the event of untimely death, the same 75% guarantee also ensures your beneficiaries are similarly protected.[1,3] Furthermore, your Common Sense Funds investment can pass to your named beneficiaries without probate fees.[3] Unlike probated wills, Common Sense Funds are not public disclosures so your designation can be private and confidential.

Also of concern for many entrepreneurs, small business owners and professionals such as doctors, lawyers, corporate officers and directors, is the risk of personal liability. As a segregated investment, Common Sense Funds can provide you with limited personal liability and creditor protection in the event of judgment and bankruptcy.[2]

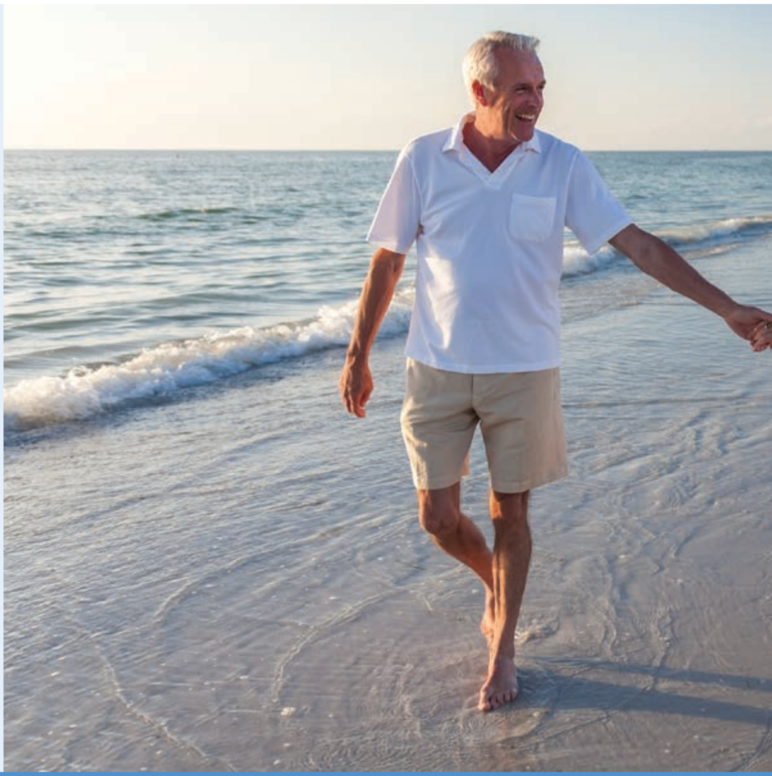
In combination, these features and benefits make Common Sense Funds a powerful tool to help you achieve peace of mind as you save for and near your retirement.

Please see disclosures at the back of this document for important information.

What if you had retired in 2020?

In 2020, investors became increasingly concerned as the COVID-19 virus arrived in North America and began to spread. As the case count began to increase and fears of economic lockdowns set in, equity markets dropped between February and March, with the S&P 500 and the S&P/TSX falling 27.0% and 36.9%, respectively, in Canadian dollar terms. Thankfully, North American equity markets recovered quickly as vaccine development efforts began to take shape. Market corrections can be unnerving to investors trying to understand if the decline is a shorter-term pullback or the beginning of a sustained downturn. With its 75% principal protection,[1] Common Sense Funds would have provided a floor to help minimize setbacks and provide peace of mind.

See the Common Sense Strategic Retirement Income Fund overview "Invest with Ease and Confidence" for how the Fund can protect, grow and defend your accummulated retirement savings and provide you with an income stream in retirement.



SECURE YOUR FUTURE AND LEGACY TODAY

To determine which Common Sense Fund is most appropriate for your investment time horizon and risk tolerance, please speak to your Primerica representative. Subject to your own personal circumstances, the following is a general guideline for which Fund and asset allocation may be appropriate for a given target date.

Years before retirement	Common Sense Fund	Target mix* as of December 31, 2020
0	Strategic Retirement Income Fund	(71% Bonds / 24% Equities / 5% Cash)
10	III	(53% Bonds / 46% Equities / 1% Cash)
20	IV	(46% Bonds / 54% Equities)
30	V	(40% Bonds / 59% Equities / 1% Cash)
40	VI	(36% Bonds / 62% Equities / 2% Cash)
50	VII	(31`% Bonds / 65% Equities / 4% Cash)

*Source: AGF Investment Operations

Partnering for excellence

AGF Investments Inc., an independent and globally diverse asset management firm, has been contracted by Primerica to bring their domestic and foreign investment expertise to Common Sense Funds.

Tristan Sones, Vice-President and Portfolio Manager, Co-Head of Fixed Income, at AGF Investments Inc. oversees the fixed income investment decisions of Common Sense Asset Builder Funds. And Mark Stacey, Senior Vice-President, Co-CIO AGFiQ Quantitative Investing, Head of Portfolio Management, and Stephen Duench, Vice-President and Portfolio Manager, at AGF Investments Inc., manage the equity investment decisions of the Funds.

Together, Primerica and AGF are committed to helping you achieve financial success with less risk and greater peace of mind.

Sound financial strategy begins and ends with Common Sense

- Professional money management
- Capital appreciation potential from a selection of five target date Asset Builder Funds
- Focus on capital preservation designed to provide an income stream you can count on from the Strategic Retirement Income Fund
- Capital guarantee[1] and creditor protection[2]
- Built-in estate and family wealth transition advantages
- Convenient regular purchase plan options
- RRSP and TFSA eligible

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AGF Management Limited (AGF) is an independent and globally diverse asset management firm. AGF Investments Inc., is a subsidiary of AGF and portfolio manager of the Primerica Common Sense Funds. Primerica Common Sense Funds are Individual Variable Insurance Contracts through Primerica Life Insurance Company of Canada. A description of the key features of the individual variable insurance contract is contained in the Primerica Common Sense Funds Information Folder. **Subject to any applicable death and maturity guarantee, any part of the premium or other amount that is allocated to a segregated fund is invested at the risk of the contract holder and may increase or decrease in value according to the fluctuations in the market value of the assets of the segregated fund.** Commissions, trailing commissions, management fees and expenses all may be associated with fund investments. Please read the Information Folder before investing. Funds are not guaranteed, their values fluctuate and past results are not necessarily indicative of future returns. For illustrative purposes only. May not be suitable for all investors. Not to be considered as an offer or solicitation to buy or sell segregated funds.

[1] The sum of 75% of the amount of all contributions made to the Primerica Common Sense Funds, reduced by any partial withdrawals as described in the withdrawal of units provision in the Primerica Common Sense Information Folder.

[2] Subject to federal bankruptcy legislation and provincial legislation that could void transactions intended to defeat creditors. Possible creditor protection may also be subject to your particular circumstances, maturity option chosen, beneficiaries selected and the legislative requirements of the province in which you reside. For more information, you should seek independent legal advice.

[3] Investments can be transferred to a named beneficiary upon death without incurring a probate fee. Contract Owners are advised to consult their own tax and/or legal advisors about their individual circumstances.

Prepared and paid for by AGF Investments Inc.

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