PFS Investments Inc.
Member of FINRA

Primerica Advisors

Important Information About Your Investments

PRIMERICA®

INVESTING WITH PRIMERICA

This brochure contains important information about investing with Primerica, Inc., a financial services company whose stock is traded on the NYSE under the ticker symbol "PRI." PFS Investments Inc. (PFSI), the registered broker-dealer subsidiary of Primerica Inc., offers mutual funds, variable annuities, and college savings plans to the saving and investing public. PFSI is also a SEC-registered investment advisor offering wrap-fee investment advisory accounts under the trade name Primerica Advisors. Fixed indexed annuities are offered through Primerica Financial Services Inc., an insurance affiliate of Primerica, Inc. This document contains important information about investing in each of these products available through Primerica, including an explanation of the types of costs associated with these investments, suggestions on how to reduce those costs, the different features of these products, and an explanation of how we are compensated for our services. We hope you will take the time to read it carefully, and to fully discuss your investment goals and objectives with your Primerica representative. At Primerica, we believe that an informed investor has a much greater chance of success, and we are committed to your success. PFSI and our representatives are registered with the Financial Industry Regulatory Authority ("FINRA") and must observe high standards of commercial honor and just and equitable principles of trade.

Primerica and our representatives offer and recommend the mutual funds, and the variable and fixed index annuities of those product sponsors with whom we have entered into selling and distribution agreements. We do not offer every mutual fund or variable and fixed annuity available in the marketplace. You may be able to obtain the same or similar investment products and services from another financial institution at a lower cost.

PRIMERICA®

BROKERAGE SERVICES

Brokerage Services

PFSI is a registered broker-dealer that offers mutual funds, variable annuities and college savings plans. In a brokerage relationship, or when you purchase a mutual fund or annuity from PFSI as a broker-dealer, the primary service you obtain from us is the recommendation and execution of individual securities transactions. Our recommendations will reflect the information you provide us about your investment objectives, risk tolerance, financial circumstances, and investment needs. We will not be responsible for any information you fail to provide, omit, or provide incorrectly. You generally pay PFSI and your representative through sales charges associated with each transaction. Therefore, your total costs will generally increase the more transactions you execute. In a brokerage relationship, you do not pay for or receive ongoing advice, but advice that is incidental to a transaction, and PFSI does not have an obligation to monitor your investment after the transaction is completed. We do not guarantee the performance of any investment or that your investment objectives will be achieved. Investing in securities involves the risk of loss that you should be prepared to bear. We have no obligation to update statements made, or information provided, with respect to a previous recommendation. PFSI and its registered representatives may utilize financial tools in providing advice in connection with these brokerage services. PFSI and its registered representatives DO NOT: (i) offer "financial planning services," hold themselves out as "financial planners," or create or deliver "financial plans"; (ii) accept cash; and (iii) provide tax or legal advice. These materials and any tax-related statements are not intended to be used, and cannot be used or relied upon, by any taxpayer for the purpose of tax planning or avoiding tax penalties. Any taxpayer should seek advice, based on the taxpayer's particular circumstances, from a competent tax advisor.

MUTUAL FUNDS

Mutual Funds Offered by PFSI

With the large number of mutual funds available in the marketplace today, PFSI believes that it can better service its clients by focusing our representatives on a smaller group of fund families that offer a wide selection of top-quality funds. We call this group of fund families our Select Group and we allow them greater access to our representatives to provide training, marketing support and educational presentations. Fund families may be chosen to be in the Select Group for any number of reasons including popularity among our representatives and clients, strength of fund offerings in a particular category, marketing support made available to our representatives, revenue sharing payments to the firm, or an agreement to obtain transfer agent or other services from Primerica Shareholder Services ("PSS"), an affiliate of PFSI. While our representatives are free to sell funds from other fund families offered by the firm, the relationship PFSI maintains with the Select Group funds will influence our representatives to sell these funds. The Select Group consists of the Platform Funds discussed below.

The Primerica Shareholder Services Mutual Fund Platform ("PSS Platform")

Primerica Shareholder Services ("PSS"), an affiliate of PFSI, provides transfer agent or other shareholder services for the following mutual fund companies: American Century Investments, Franklin Templeton Investments, Invesco, Legg Mason, and Pioneer Investments (the "Platform Funds"). PSS provides these services exclusively for PFSI's clients and is compensated in the form of recordkeeping or other fees paid by the fund companies. At any time, PSS may add additional mutual fund families to the PSS Platform. Because of these payments to its affiliate, PFSI has an incentive to sell Platform Funds over mutual funds that are not on the PSS Platform. PFSI facilitates the sale of Platform Funds, in comparison to non-platform funds, as follows:

- All mutual fund sales by PFSI are processed "application-way" direct to the fund. To facilitate Platform Fund investments, PSS has created, and provided to PFSI reps, a proprietary software tool *(TurboApps MF)* that has removed the majority of paper applications from the purchase process for Platform Funds. Among other benefits, *TurboApps MF* helps to greatly reduce human error in the mutual fund application process and the receipt of "not-in-good-order" trades. Applications processed via *TurboApps MF* are transmitted electronically, and avoid the time and expense of mailing paper applications to PSS. In addition, the use of the proprietary *TurboApps MF* tool results in significant cost savings for PSS. As of April 2017, approximately 87% of all purchases of Platform Funds were received by PSS via *TurboApps MF*. Sales of non-platform funds continue to be processed via paper applications.

- PSS staffs and makes available to PFSI representatives, based on Platform Fund sales volume, a telephone line where specially trained service personnel assist these PFSI representatives with advanced transaction and client service support.

Clients may access their PSS Platform mutual fund accounts online at www.portfolio.primerica.com.

The Costs Associated with Investing in Mutual Funds

Before investing in mutual funds, it is important that you understand the fees and expenses that you will be charged. All mutual funds have fees and expenses. These costs are important because they affect the return on your investment. A fund with high costs must perform better than a lower-cost fund to generate the same returns for you. Generally, for the mutual funds offered by PFSI the costs fall into two categories: (i) sales charges and (ii) annual expenses. Sales charges are fees that the mutual fund charges you in order to pay your representative and PFSI. The mutual funds offered by PFSI have different sales charges, which depend on several factors including share class, the amount of your investment, fund family, and the asset class in which your fund invests. Annual expenses include management fees, distribution and service (12b-1) fees, the cost of shareholder mailings, and other fund operating expenses. The fees associated with your mutual fund investment are disclosed in the fee table found in the front of your fund's prospectus.

(i) Sales Charges and Share Classes

Most mutual funds offer different pricing arrangements, or different "classes" of shares, to meet the needs of different investors. Share classes represent ownership in the same mutual fund but offer investors a choice in how to pay the sales charges for the fund. PFSI offers mutual fund investments only in Class A shares which are described below. You may be able to obtain other share classes from another financial institution. Other share classes can cost more or less than Class A shares depending upon a particular investor's facts, including investment size, expected holding period, other mutual fund holdings, etc.

Class A Shares

Class A shares generally have a front-end sales charge, paid at the time you purchase the fund, and lower annual expenses. For example, if you have $10,000 to invest in a fund and the front-end sales charge is 5%, you would be charged $500, and the remaining $9,500 would be invested in the fund. The $500 would be paid to the fund's distributor, PFSI and its representatives as compensation. The mutual fund family you choose and the type of fund you purchase will affect the sales charges you pay. Class A sales charges for equity funds are generally higher than those for fixed income (i.e. bond) funds. Most Class A equity funds offered through PFSI have a maximum sales charge of 5.75%, and most bond funds have a maximum of 4.5%. Sales charges vary by mutual fund family. For any mutual fund you are considering, ask your representative for a prospectus, which has information on the exact sales charges associated with the fund.

Breakpoints – Typically, Class A shares allow discounts to the sales charge for larger investments. These discounts, known as "breakpoints," help to reduce the overall cost of investing. Each prospectus contains a "breakpoint" schedule that indicates the sales charge based on the amount invested. These breakpoint schedules may vary depending on the fund family in which you invest. Some breakpoints begin at $25,000, while others start at $50,000. Ask your representative for details. You may be able to qualify for a breakpoint on the basis of a single purchase, or by aggregating multiple purchases by using "Rights of Accumulation" or a "Letter of Intent", which are explained below.

Rights of Accumulation – Most mutual funds allow investors to add the value of previous purchases of Class A shares within the same fund family, to the value of the current A share purchase, to qualify for breakpoint discounts. These previous purchases may include purchases in accounts you hold or in accounts held by certain of your relatives, such as spouses or children. Each mutual fund family is different; you should consult with your PFSI representative and review the mutual fund's prospectus or Statement of Additional Information to determine what the rules are. Finally, if you wish to rely upon investments in accounts of related persons to qualify for a breakpoint discount, you must advise your representative of those accounts.

Letters of Intent – Many mutual funds allow investors to qualify for breakpoint discounts by electing or signing a Letter of Intent, which commits the investor to purchasing a specified amount of Class A shares within the next 13 months. For example, if an investor plans to purchase $50,000 of Class A shares over the next 13 months in multiple transactions, electing a Letter of Intent would allow the investor to receive the $50,000 breakpoint on all of the individual purchases made in that period. If an investor fails to invest the amount required by a Letter of Intent, at the end of the 13 months the fund is entitled to collect sales charges based upon the amount ***actually*** invested. If you intend to make multiple purchases within a 13-month period, you should consult your PFSI Representative and the mutual fund prospectus to determine if it would be beneficial for you to elect a Letter of Intent.

As you can see, understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. If you wish to learn more about mutual fund breakpoints, you should review the investor alert "Mutual Fund Breakpoints: A Break Worth Taking" on FINRA's website (www.finra.org).

We invite our clients to review the important information on FINRA's web site (www.finra.org) regarding mutual fund share classes, and its mutual fund expense calculator.

(ii) Annual Expenses

In addition to the sales charges discussed above, you will pay annual fund operating expenses on your mutual fund investment. Typically, these expenses are charged against the daily value of your fund shares over time. These expenses are disclosed in the fee table near the front of your fund's prospectus, and include the following:

Management Fees – Management fees are fees paid out of fund assets to the fund's investment advisor (or its affiliates) for managing the fund's investment portfolio.

Distribution (and/or Service) 12b-1 Fees – "12b-1 fees" are fees paid by the fund out of fund assets to cover distribution and/or shareholder service expenses. These fees get their name from the SEC rule that authorizes a fund to pay these fees, and may include fees for marketing and selling fund shares, such as compensating brokers, and paying for advertising, the printing and mailing of prospectuses to new investors, and the printing and mailing of sales literature, and other shareholder services. Most Class A mutual fund shares offered by PFSI have annual 12b-1 fees of .25% of average daily net assets (or $2.50 per $1,000).

Other Expenses – Other fund operating expenses may include certain shareholder service expenses, custodial expenses, legal and accounting expenses, transfer agent expenses, and other administrative expenses.

Total Annual Fund Operating Expenses (Fund Expense Ratio) – A mutual fund's expense ratio represents the total annual operating expenses of a fund, expressed as a percentage assets. In general, the total annual expense ratios for Class A shares offered through PFSI are between .80% and 2.00%. Some Class A fixed income funds offered by PFSI have total annual expense ratios under 1.00%.

PFSI Is an Approved IRA Custodian

PFSI is the IRS-approved nonbank custodian for the following tax-qualified accounts opened on the PSS Platform: IRAs (Traditional and Roth), 403(b) Custodial Accounts, Coverdell Education Savings Accounts, SIMPLE Plans, Simplified Employee Pensions ("SEP"), and SAR SEPs. For this service, PFSI charges an annual custodial fee of $25 per account, and an account termination fee of $30. These fees are subject to change and the current fee is posted on the internet at www.portfolio.primerica.com. Because of these custodial fees, PFSI has an incentive to promote the sale of Platform Funds as investments for these tax-qualified accounts, over non-platform funds for which PFSI does not provide custodial services.

Opportunities to Reduce the Cost of Your Mutual Fund Investment

Here are several steps that you can take to make sure you are paying the lowest possible sales charge for a mutual-fund investment:

- **Understand how breakpoints work.** Read the fund's prospectus and check its website for information about sales charges and other costs of owning the fund.
- **Keep your PFSI representative informed.** Be sure to tell your PFSI representative about all of your mutual fund investments and those of your family. Discuss with your representative your expected time horizons and any plans you may have for making additional purchases, such as rolling over an IRA or starting a college fund.

Investing in Multiple Fund Families

Some investors choose to invest in multiple fund families to obtain additional diversification or access to the higher rated funds offered by the different fund families. Note that this investment strategy may increase the cost of investing in mutual funds by reducing the opportunities to achieve breakpoint discounts. Also, there is no guarantee that a multi-family investment strategy will provide significant additional diversification or outperform a single-family strategy.

Past Performance of a Mutual Fund Is No Guarantee of Future Results

Keep in mind, investing in mutual funds involves risk. Investment returns and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Generally, investments offering the potential of high returns are accompanied by a higher degree of risk. Historically, investments in small-cap and mid-cap companies involve greater risks and volatility than investments in large-cap companies. Investing in mutual funds that purchase foreign securities is subject to risks not associated with domestic investing, such as currency fluctuations and changes in political and economic conditions. High-yield bonds are rated below investment grade and involve greater risk. These and other risks associated with investing in mutual funds are described in the fund's prospectus, which should be read carefully before investing.

How PFSI and Your Representative Are Compensated When You Buy a Mutual Fund

PFSI and your representative receive compensation when you invest in a mutual fund. The amount of the compensation depends upon the fund purchased, the amount invested and the share class selected. Because we receive higher compensation in connection with certain investment products as opposed to others, it creates an incentive for us to recommend that you purchase investment products that result in greater compensation to us. Generally, Class A shares charge an upfront sales charge and part of this amount is paid to PFSI and your representative as compensation. In addition, with your purchase of Class A shares, PFSI and your representative receive 12b-1 "trails" as long as you retain the shares you purchased. Sales charges create an incentive for us to recommend that you buy and redeem shares in one fund family to purchase shares in another fund family, causing you to incur an additional sales charge. PFSI representatives participate in award and incentive programs in which they may receive trips or other non-cash compensation based on their securities sales. For more information about the sales charges that apply to particular transactions, please refer to the applicable prospectus or other offering documents.

Revenue Sharing from Mutual Fund Families

PFS Investments Inc. ("PFSI") endeavors to collect a mutual fund support fee, or what has come to be called a revenue sharing payment, from the fund families we offer to the public. These revenue sharing payments are paid out of the investment advisor's or other fund affiliate's assets and not from the fund's assets. The assets of the investment advisor or other fund affiliate, however, may be in part derived from services provided to the fund and paid for out of the fund's assets. It is important to note that our representatives do not receive any portion of these payments. We expect the revenue sharing arrangements resulting in the largest payments to PFSI to require the following: (i) a one-time payment of up to .25 percent (25 basis points) of an investor's purchase amount and (ii) a quarterly payment of up to .0175 percent (1.75 basis points) for as long as the fund family retains the investor's assets. For example, on an investment of $10,000, (none of which is invested in the money market fund discussed below), the maximum revenue sharing payment PFSI would receive would be a one-time payment of $25 and $1.75 for each calendar quarter that the fund retains the assets. These revenue sharing arrangements vary and some fund-family affiliates pay less or nothing at all. For the Platform Funds, the revenue sharing arrangements range from 0 to .25 percent on sales, and from .05 to .07 percent on assets.

Separately, PFSI receives additional revenue sharing on investments in the Legg Mason Western Asset Government Reserves A2 money market fund. The maximum revenue sharing payment PFSI could receive is .044 percent (4.4 basis points) per quarter on average daily assets invested in the fund. Accordingly on an investment of $10,000, PFSI could receive a maximum payment of $4.40 for each quarter that the fund retains the assets. PFSI may receive less depending on market and interest rate dynamics or other factors as determined by the investment advisor to the fund. This is the only money market fund on which PFSI receives revenue sharing, and therefore, it creates an incentive for PFSI to promote the sale of this fund.

For a list of participating fund families and other important information, please go to www.portfolio.primerica.com and click on "Revenue Sharing Disclosures." All revenue sharing arrangements are subject to change at any time. For more information, please refer to a fund's description of its revenue sharing practices, usually included in its prospectus or Statement of Additional Information. PFSI and its representatives may have certain expenses paid for or reimbursed by any of the fund families we offer (or their affiliates) for various meetings, seminars, and conferences held in the normal course of business or other promotional activities.

Commissions and Expenses for a Mutual Fund

Following is a list of the types of compensation and client expenses that would result from an investment into a typical Class A share equity fund on the PSS Platform:

- **Sales Charges:** The client would pay a sales charge in the amount set forth in the prospectus, typically ranging from 1%–5.5%. The sales charge is a one-time charge out of the investible assets.

- **Initial Commission:** At the time of the investment, PFSI and its representatives would share a commission. Part of the sales charge is used to pay this commission.

- **Annual Fund Expenses:** For every year that the client holds the shares, the client would incur a charge for services provided by the fund. This annual charge is expressed in the fund's gross expense ratio, which can be found in the prospectus. This charge is assessed against the net asset value of the fund over time, and will reduce the client's return or increase the client's loss.
- **Trail Commissions:** For every year that the client holds the shares, PFSI and its representatives would share trailing commissions of .25% (i.e. the 12b-1 fee) of the average daily value of the investment. This .25% of annual trail commissions is charged to the investor and included in the fund's gross expense ratio.

VARIABLE AND FIXED INDEXED ANNUITIES

In general, an annuity is a contract between an investor and an insurance company whereby the insurance company promises to make periodic payments to the owner or beneficiary, starting immediately (an immediate annuity) or at some future time (a deferred annuity). The variable and fixed indexed annuities offered by PFSI and Primerica Financial Services, Inc. (hereinafter jointly referred to as "Primerica") are deferred annuities, which allow you to save and invest over time in the various professionally managed options offered within the annuity. A primary benefit of a deferred annuity is that it allows your money to grow on a tax-deferred basis. In other words, you are not taxed on investment earnings until you withdraw them from the contract. This allows the money that otherwise might have been withdrawn to pay taxes to remain invested and continue to grow and compound. This benefit of tax deferred growth, however, comes with the penalty on early withdrawals. If you withdraw money from a variable or fixed indexed annuity before reaching age 59½, you may be subject to an "early withdrawal penalty" imposed by the IRS. The penalty equals 10% of the investment earnings withdrawn from the account. Also, earnings withdrawn from the annuity are taxed at ordinary income rates, not the lower capital gains tax rates. Lastly, when the owner of a variable or fixed indexed annuity dies, the beneficiary is taxed on all appreciation or earnings that remain in the account. This is different than investments held in a taxable account which receive a basis that is stepped-up to its market value on the date of the owner's death, thereby avoiding income tax on the appreciation in the account. The higher your federal income tax bracket, the greater the potential benefit you could receive from this tax-deferral feature. Many experts agree, however, that you should maximize your deductible contributions to tax-advantaged retirement accounts (such as a 401(k) or IRA), before investing in an annuity to obtain tax-deferred growth.

Understanding Variable Annuities

A deferred variable annuity is a longer-term investment designed for retirement savings or other long-term goal. Most deferred variable annuities offer multiple investment options from which you choose to invest your retirement savings. Generally, these investment options work like mutual funds and invest in stocks, bonds and other securities, and may have different investment advisors. Over the life of the contract, these products allow you to switch your money between these various investment options without incurring income taxes or additional sales charges. The longer you hold the variable annuity and the more you avail yourself of the different investment options, the more valuable it is to you. Some variable annuities offer automatic portfolio rebalancing options that will periodically (quarterly, semi-annually, or annually) realign your investments to your original asset allocation. As with mutual funds, the investment options in a variable annuity are generally subject to market risk, including the possible loss of principal. Some products make available a fixed account option that guarantees a fixed return for a period of time and is not subject to market risk.

Variable annuities offer features and benefits, such as optional income riders and death benefits (discussed later), that are not offered by mutual funds but which come with additional fees. When deciding whether to purchase a variable annuity, you must decide whether these features and benefits are worth the additional fees. As with any investment, it is important that you understand the fees and expenses as they will reduce your overall return and how long your money will last in retirement. At Primerica, the minimum required investment to purchase a variable annuity is $50,000, and the minimum age is 45 (unless your purchase is made via a 1035 exchange or other special circumstances apply). Variable annuities are offered by PFS Investments Inc.

Understanding Fixed Indexed Annuities

A deferred fixed indexed annuity provides that your money will earn interest based on changes in a market index (e.g., the S & P 500 Index) over a set period of time (the index term). The interest rate is guaranteed never to be less than zero, so a fixed indexed annuity should not lose value in a down market. The insurance company caps the interest you can earn in each index term, so your gains in a strong market may be limited. Fixed indexed annuities tend to offer lower growth than most investment products, and are generally considered to be conservative investments. Fixed indexed annuities are often described as having lower fees and expenses than other investment products, such as variable annuities or mutual funds. Fixed indexed annuities are long-term investment products and are not intended for investors seeking to minimize losses during short-term market downturns. Fixed indexed annuities are offered through Primerica Financial Services Inc., an insurance affiliate of Primerica, Inc.

How the Return Is Determined on a Fixed Indexed Annuity

The interest you receive on your fixed indexed annuity is based on the change in an index over a set period of time. How much of the increase you will earn depends upon certain factors. The "participation rate" determines how much of the increase in the index is allocated to the contract holder. The "cap rate" is the maximum rate of interest the contract holder could earn during the index term, and the crediting method is the manner in which the insurance company determines the interest to be added to your account. For example, a "Monthly Point-to-Point" crediting method could work as follows:

> The change in the index is calculated for each month during the index term. Each monthly change is limited to the "cap rate" for positive changes. At the end of the index term, all monthly changes (positive and negative) are added. If the result is positive, interest is added to the annuity. If the result is negative or zero, no interest (0%) is added.

Some fixed indexed annuities offer you two or more indexes to choose from. Many fixed indexed annuities also offer a fixed rate account that pays interest at a rate that will not change for a certain period. More information about how the interest you receive is calculated can be found in your fixed indexed annuity contract.

Your fixed indexed annuity may have a Market Value Adjustment (MVA) provision that applies to unexpected withdrawals (such as excess withdrawals or withdrawals made during the surrender charge period). An MVA is a method to protect the insurance company against losses suffered from unwinding long-term investments in order to provide cash to fund unexpected withdrawals. Before you take an unexpected withdrawal from a fixed index annuity, make sure you understand whether or not you will incur an MVA.

"Free Look" Period

Deferred annuities allow a "free look" period during which you can cancel the contract without paying withdrawal charges. The "free look" period begins when you receive the contract, but you should review the contract prospectus to determine how long it lasts. A "free look" period of ten (10) days is common, but they vary depending on state-specific requirements. You should use the "free look" period to review the product and confirm it is consistent with your investment goals.

Withdrawal Charges

Most deferred annuities assess a charge on the withdrawal of purchase payments during the withdrawal charge period, which is a period of time after a purchase payment is made. The withdrawal charge period is usually eight or nine years, but differs from product to product. The charge is usually higher in the earlier years, lower in the later years and is eliminated when the withdrawal charge period ends. For example, a typical withdrawal charge would be 8% of the amount withdrawn in year 1, 7% in year 2, and so on until the withdrawal charge period expires. A new withdrawal charge period will apply to each purchase payment made. For example, a withdrawal charge period will apply to your initial investment and if you make a subsequent investment five years later, a new withdrawal charge period will apply to the subsequent investment. Both variable and fixed index annuities have withdrawal charges, and it is important that you understand how the withdrawal charge works for any annuity you are considering. Consult the contract prospectus for the amount of the withdrawal charge and the length of the withdrawal charge period.

To get the most out of any deferred annuity, you should avoid withdrawal charges, which means you should have other money available to cover known expenses, and an extra amount for unexpected expenses or emergencies. Therefore, before buying a variable or fixed index annuity, consider your future liquidity needs. Because of the withdrawal charge and the IRS penalty on early withdrawals, a deferred annuity is not suitable for individuals with short-term investment goals. Generally, Primerica will not accept the purchase of a variable or fixed index annuity when an investor's withdrawal plans (as disclosed at the time of purchase) will cause the investor to incur a withdrawal charge.

Death Benefits

A common feature of most variable annuities is a death benefit. In today's marketplace, most variable annuities offer a standard death benefit that comes free of additional charges, and an enhanced option for an additional fee. The following examples illustrate two of the more common death benefit options.

Principal Protection: A principal protection benefit is a standard feature in most deferred variable annuities. Typically, they provide that upon your death your beneficiaries would receive the greater of (i) the actual value of your contract, or (ii) your total contributions less any withdrawals. Note that your beneficiaries would be guaranteed to receive at least the total of your contributions less withdrawals, and would be protected against losses to your investment upon your death.

Annual Step-Up: Some annuities offer an optional death benefit that provides enhanced protection for an additional fee. Some optional death benefits provide that upon your death your beneficiaries receive the greater of (i) the actual value of the contract, (ii) your total contributions less withdrawals, or (iii) the highest value the contract had attained on any contract anniversary (i.e. the stepped-up value), adjusted for withdrawals.

Before you decide to pay for an enhanced death benefit, make sure that you understand the additional protection provided. If you have adequate life insurance, it may be unnecessary. Also, remember that any additional options you choose that impose additional charges will reduce your account balance more quickly over time.

Generally, fixed indexed annuities do not offer death benefits.

Annuitization

All deferred annuities provide one or more annuity payment options, whereby you use the assets in the contract to purchase a future guaranteed stream of payments from the insurance company. Usually, the decision to "annuitize" a contract is not made until at or near retirement. Consult the contract prospectus and talk to the insurance company to determine your options. As people live longer lives, annuity payments can help guard against outliving your money and represent a valuable retirement planning option.

Optional Living Benefit Riders

For an additional fee, most deferred variable and fixed annuities offer optional living benefit riders that provide guaranteed annual income for the life of the owner. In general, such riders guarantee a predetermined withdrawal from your account each year (such as 4, 5 or 6%) and promise to continue to pay that amount even if your actual account value drops to zero. If you take withdrawals in excess of the guaranteed amount, however, your annual payment may be significantly reduced or you may lose the lifetime income guarantee. Unlike annuitizing a contract to obtain an annuity payment, choosing a living benefit rider does not require you to give up your account value in exchange for the benefit payments. When used appropriately, living benefit riders provide unique opportunities for retirement planning. The terms of living benefit riders may vary substantially. Please carefully review the prospectus for each one you are considering. The income guarantees are backed by the issuing insurance company and are subject to its financial stability and claims paying ability.

Early Retirement and 72(q) or 72(t) Withdrawals

Some people desire to retire early and live off their savings and investments. If you plan to retire prior to reaching age 59½, you need to understand that withdrawals from either a variable or fixed index annuity prior to age 59½ are subject to a 10% IRS early withdrawal penalty. The penalty equals 10% of the earnings withdrawn from the account. This penalty can be avoided, however, by opting to participate in a 72(q) or 72(t) program. Internal Revenue Code Sec. 72(q) (non-qualified variable annuities) and 72(t) (qualified accounts such as IRAs) permit penalty-free withdrawals if the withdrawals follow one of three IRS formulas for "substantially equal periodic payments." Upon request, your product issuer should provide you with the allowable payment amount under each approved method. It is very important to understand that once you elect a 72(q) or 72(t) program, you are committed to continuing the withdrawals for the longer period of 5 years or until you reach age 59½. Generally, if you alter the withdrawal schedule by taking more or less money, then all of the withdrawals taken under the program become subject to the 10% early withdrawal penalty. While a 72(q) or 72(t) program is beneficial for many early retirees, there are instances in which locking into such a program may not be in your best interest. If you are younger than 50, then having to commit to a particular withdrawal amount for 10 years or more may be unreasonable. If you are nearly age 59½, remember that the periodic withdrawals must be continued for the longer of 5 years or to age 59½. Beginning withdrawals at age 58 would mean that the withdrawals could not be altered for five years or until you reach age 63. Finally, before starting a 72(q) or 72(t) program, talk to your tax advisor.

Annuities in Tax-Advantaged Retirement Accounts

You may consider investing in a variable or fixed index annuity within a tax-advantaged retirement plan (such as an IRA, 403(b), SEP or Keogh). When considering the purchase of one of these annuities within a tax-advantaged retirement plan, you need to understand that money in a tax-advantaged retirement plan is already tax-deferred, and therefore, the tax-deferral feature of the annuity is of no additional benefit. The decision to purchase a variable or fixed indexed annuity within a tax advantaged retirement plan must be based on the other features and benefits of the annuity, not the tax-deferral feature. Likewise, the taxation of withdrawals from a tax-advantaged retirement plan depends upon the tax rules that govern the plan, not the variable or fixed indexed annuity or other investment within the plan.

How Primerica and Your Representative Are Compensated When You Invest in a Variable or Fixed Indexed Annuity

The variable and fixed indexed annuities offered by Primerica do not charge an upfront sales charge, but Primerica and your representative receive a commission when you invest. The amount of the commission may depend upon the particular variable or fixed indexed annuity purchased, the age of the owner, joint owner or annuitant at the time of investment, and the length of the contract surrender period. Unlike the commission discounts (i.e. breakpoints) offered by Class A mutual fund shares, for the variable and fixed indexed annuities offered by Primerica, the rate of commission does not decrease at higher levels of investment. Therefore, a larger investment that is eligible for a reduced sales charge in such mutual funds would generate a higher commission when invested in a variable or fixed indexed annuity. Because of the commission discounts offered by Class A mutual fund shares, PFSI representatives have an incentive to offer variable and fixed indexed annuities at these higher levels of investment.

Variable Annuities: Generally, the upfront commission received by Primerica and its representatives on the purchase of a variable annuity by a person under 70 is 5% of the amount invested, regardless of the amount invested.

Fixed Indexed Annuities: The upfront commission paid on the purchase of a fixed index annuity by a person under 70 ranges from 2.85% to 5% of the amount invested, depending on the product purchased.

Trail Payments: In addition, Primerica and its representatives receive annuity contract servicing payments (sometimes called "trail commissions") beginning in the second year of the contract and continuing for as long as you retain your variable or fixed indexed annuity. The trail commissions may be paid monthly or quarterly and may vary depending on the product selected. Trail commissions range from .2% (20 basis points) to .25% (25 basis points) annually.

Both the upfront and trail commission payments are paid by the issuing insurance company to Primerica, which in turn pays its licensed representatives. To determine the upfront and trail commissions paid by the issuer of the product you are considering, please see the prospectus. These commissions are indirectly paid by the contract owner over time through the product expenses. Because we receive higher compensation in connection with certain investment products as opposed to others, we have an incentive to recommend that you purchase investment products that result in greater compensation to us. Also, Primerica representatives participate in award and incentive programs in which they may receive trips or additional non-cash compensation based on their securities sales. Primerica and its representatives may have certain expenses paid for or reimbursed by its annuity providers for various meetings, seminars, and conferences held in the normal course of business.

Additional Compensation from Variable and Fixed Indexed Annuity Providers

Primerica receives additional compensation from the issuers of the variable and fixed indexed annuities we offer to the public for providing marketing, training and administrative services in support of the products. The amount of compensation is determined by the particular arrangement between Primerica and each issuer. Generally, the arrangement resulting in the most compensation to Primerica per annuity sale requires the following: (i) a one-time payment of 1.25% (125 basis points) of an investor's premium payments and (ii) a monthly payment of 0.095% (9.5 basis points) of the total assets in a contract for as long as the insurance company retains the assets. For example, on a premium payment of $10,000 into any variable or fixed indexed annuity offered by Primerica, the largest additional compensation payment Primerica could receive would be (i) a one-time payment of $125 and (ii) $0.80 for each month that the insurance company retains the assets (assuming no change in the market value of the assets). (In addition, Primerica is eligible for a bonus payment from certain providers if aggregate premium payments into their products in any calendar year exceed a designated amount.) This additional compensation is payable to, and retained by, Primerica, and no representatives receive any portion of these payments. For more information, please refer to an insurance company's description of its compensation practices.

Commission and Expenses of a Variable Annuity

Following is a list of the commissions and typical client expenses that would result from an investment into a variable annuity sold by Primerica:

- **No Upfront Sales Charges:** The product has no upfront sales charge so all of the client's money would be invested into the client's subaccount selections.
- **Initial Commission:** At the time of the investment, Primerica and its representatives would share compensation. The insurance company pays this upfront commission and recoups the cost over time from the product expenses.
- **Mortality and Expense Fee:** Most variable annuities offered by Primerica have an annual M & E fee of 1.30% of the value of the assets invested in the sub-accounts. For every year that a client holds the annuity, the investment would incur this M & E fee.
- **Living Benefit Rider:** For the variable annuities offered by Primerica, the living benefit riders have an average cost of 1.20% per year.
- **Enhanced Death Benefit:** For the variable annuities offered by Primerica, the annual charge for an enhanced death benefit ranges from 0.25 to 1.15% of the value of the assets. The most popular death benefit, however, costs .25%.
- **Sub-Accounts Expenses:** For the variable annuities offered by Primerica, the cost of the sub-account investment options have an average cost of approximately 1.00% per year.
- **Trail Commission:** For every year that the client holds the shares, Primerica and its representatives would share trailing commissions of .25% of the average daily value of the investment. This annual trail commission is charged to the investor as part of product expenses.

The product expenses shown above are assessed against the invested assets over time, and will reduce a client's return or increase a client's loss. Variable annuities are subject to market risk, including the possible loss of principal. Variable annuities are sold by prospectus only. The contract prospectus contains information about the contract's features, risks, charges, and expenses. The investment objectives, risks, and policies of the investment options are described in their relevant prospectuses. Please read and consider the prospectuses carefully before investing or sending money.

Please consult your Registered Representative for a contract prospectus and for prospectuses for the investment portfolios.

Investments in annuities are not FDIC insured or bank-guaranteed and may lose value.

MANAGED ACCOUNTS

PFS Investments Inc. is also an SEC-registered investment advisor offering managed accounts under the trade name Primerica Advisors. A managed account is an investment program that offers an actively managed portfolio comprised of securities selected by investment professionals. Primerica Advisors' managed account programs are wrap-fee programs, which means that you pay a specified fee or fees (assessed monthly) based on the total value of assets in your account, for the advisory services provided by the programs, rather than paying separately for each service or paying sales charges on the transactions in your account. Primerica Advisors offers one or more managed account programs requiring a minimum investment of $25,000. These programs offer investment models that use mutual funds, ETFs and other exchange traded products, as investment vehicles. For detailed information about the managed account programs currently offered, please consult your Primerica Advisors representative. These programs are designed for individuals and certain entities seeking investment advice regarding both retirement and non-retirement assets and are available only from PFSI representatives licensed to offer managed account programs. Primerica Advisors does not provide investment advice to institutional clients, such as investment companies or pension plans.

Your Relationship With Primerica Advisors and Your Advisor

When you open a managed account, you will enter into a written advisory agreement with Primerica Advisors that describes our investment advisory relationship with you and our fiduciary obligations to you. You will also receive a detailed disclosure document about our advisory services that describes the managed account program into which you are investing, the services we provide, our advisory relationship, personnel, and potential conflicts of interest (your Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure). Please review this brochure carefully.

The relationship you have with your Advisor, and the way your Advisor is compensated in a managed account, are different than in a mutual fund or other third-party product account ("brokerage account"). In a brokerage account, or when you purchase an annuity from PFSI as a broker-dealer, the primary service you obtain from us is the recommendation and execution of individual securities transactions. You generally pay PFSI and your representative through sales charges associated with each transaction. Therefore, your total costs will generally increase the more transactions you execute. In a brokerage account, you do not pay for or receive ongoing advice, but advice that is incidental to a transaction.

By contrast, in an investment advisory or managed account, the primary service you obtain is ongoing investment advice and periodic monitoring of your investments. You generally do not pay sales charges on each transaction but will compensate Primerica Advisors and your Advisor through an annual advisory fee, which is based on the total value of the assets in your account. In your managed account, your costs will not vary based on the number of transactions in your account, and your Advisor does not have an incentive to recommend transactions to generate additional sales commissions. On the other hand, Primerica Advisors and your Advisor will earn the advisory fee for as long as your assets are invested in the managed account.

During our relationship, PFSI may act as both an investment advisor and a broker-dealer to you at the same time. For example, at the same time you may have both a mutual fund account on the PSS Platform and a managed account with Primerica Advisors. This does not mean that our brokerage relationships become advisory relationships. The services provided in your brokerage account remain limited to the recommendation and execution of individual securities transactions, and PFSI does not have an obligation to monitor your brokerage account after the transaction is completed. The investment advisory relationship, and the terms of our advisory contract with you, will apply only to your managed account.

Your Managed Account Fees and Expenses

Program Fees

In the managed account programs offered by Primerica Advisors, you pay an annual program fee (a percentage of your average daily account value for the time period, assessed monthly, in arrears) to Primerica Advisors for the services provided by your managed account program, which include the services of Primerica Advisors, your Advisor, and any asset managers in the program with which you have invested. Your overall program fee may vary depending on the managed account program you select, the Primerica Advisor you choose to work with, the Asset Manager you select, and the amount you invest. For more information on the fees associated with your specific managed account program, please see the program's Form ADV Part 2A Wrap Fee Brochure.

Other Fees and Expenses

You will not pay a sales charge or a brokerage transaction fee on the mutual funds, exchange traded funds (ETFs), and/or other exchange traded products (ETPs) purchased in your managed account. However, the mutual fund, ETF, and/or other ETP providers in your managed account charge other fees and expenses in addition to the program fee. The fees and expenses of the mutual funds, ETFs, and ETPs, 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. Some mutual funds impose short-term trading fees, as described in their prospectuses.

The program fee does not include, and the account will be charged separately for, ancillary services such as returned checks or drafts, express mail fees and wire transfer fees. For more information on other fees and expenses associated with your program, please consult your managed account program contract and your Client Agreement.

Important Considerations Regarding Fees

You should consider the importance and value of ongoing, fee-based investment advice when comparing various investment options. You should also consider the amount of anticipated trading activity when selecting among different types of accounts and assessing the overall investment costs to you. Generally, the type of clients that may find a commission-based brokerage 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 a managed account 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 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.

Compensation

Primerica Advisors and your Advisor are compensated through the receipt of a portion of the program fee for your managed account, and will continue to receive such compensation for as long as your assets remain in the program. 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 managed account or participated in other types of advisory or brokerage programs.

Additionally, the amount of compensation received annually from the Advisor fee typically will be less than the upfront compensation generated by an investment of the same amount in mutual funds through PFSI's brokerage business, or an annuity through PFSI or its affiliates, but more than the annual trail commission generated by such investments. However, assuming you maintain your managed 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 your plan is to invest and hold the investment for longer periods of time, your Advisor may have a financial incentive to recommend the managed account program over other services offered by PFSI and affiliates. Conversely, if you intend to invest and trade investments over shorter periods of time, your Advisor may have an incentive to recommend that you invest in mutual funds or annuities that generate upfront compensation at the time of your investment.

Advisors may also participate in award and incentive programs in which they could receive cash bonuses, trips or non-cash compensation based on their managed account sales, which may influence their decision to present a particular product to you for your consideration.

Primerica Advisors may receive additional compensation from the investment advisers to mutual funds participating in your managed account program. For example, in the Lifetime Investment Platform, each manager pays Primerica an annual fee to participate in the Program. The amount of the annual fee may vary from year to year, but will be the same for each Asset Manager. As another example, in the Freedom Portfolios managed accounts program, Primerica is compensated through the receipt of 12b-1 fees and from marketing and support payments typically paid to us from the assets of the investment advisers to the program mutual funds. For more information about the additional compensation Primerica or your Advisor may receive in a managed account program, including any potential conflicts of interest this additional compensation may create, please consult the Form ADV Part 2A Wrap Fee Brochure for your specific managed account program.

Program Fee and Expenses of the Lifetime Investment Platform

Following is a list of the fees and client expenses that would result from an investment into the Lifetime Investment Platform, which is a managed account program offered by Primerica Advisors:

- **No Upfront Sales Charges:** The Lifetime Investment Platform does not charge an upfront sales charge, so all of the client's investment would be invested into the Models selected for the account.
- **Program Fee:** Primerica charges an annual Program Fee for the advice and services provided to investors in the Lifetime Investment Platform. The Program Fee is assessed as a percentage of the value of the assets in the program. The Program Fee consists of three components: the (1) Advisor Fee, the (2) Administration Fee, and the (3) Asset Manager Fee.
- **Mutual Fund and ETF Expenses:** Investors in the Lifetime Investment Platform own shares of the mutual funds and/or ETFs that make-up the Model(s) selected for the account. Mutual funds and ETFs charge annual fees and expenses, including management fees, distribution fees and administrative expenses.

The fees and expenses are assessed against the invested assets over time, and will reduce a client's return or increase a client's loss. Managed Accounts are subject to market risk, including the possible loss of principal. For detailed information about the Lifetime Investment Platform, please review the Primerica Advisors Lifetime Investment Platform Form ADV Part 2A Appendix 1 wrap fee program brochure.

NOTES

IMPORTANT NOTES

An investor should carefully consider investment objectives, risks, commissions, trailing commissions, management fees, charges, and expenses before investing. The prospectus contains this and other information. Please read and carefully consider this information before investing. You can obtain a prospectus from your PFSI registered representative.

We are not required to offer our services at the lowest cost, or for the least compensation, in the marketplace, or to offer our services to you at the same or lower cost or compensation levels than we offer them to other clients, including similarly situated clients. Certain clients may have negotiated lower fees and compensation for their accounts than those that apply to your account.

If you decide not to use all or some of the services we have agreed to make available to you, you agree that Primerica and your representative have no obligation or responsibility to reduce or lower their fees and compensation during the period those services are available to you.

This brochure is not intended to create or expand any "fiduciary" relationship, capacity or obligation between you, or your retirement account, and us and your representative under federal, state or local laws.

This brochure does not amend or supersede any of your existing agreements with us. Except as specifically provided otherwise in this brochure, this brochure does not take precedence, nor is it controlling over, such other agreements.

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