



P R I M E R I C A  
**CONCERT**<sup>™</sup>  
A L L O C A T I O N   S E R I E S

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

*For the six-month period ended June 30, 2021*

**PRIMERICA BALANCED YIELD FUND**

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1-800-510-7375, by writing to us at Operations Centre, 1050-55 Standish Court, Mississauga, Ontario, Canada L5R 0G3 attention: Primerica Concert Client Services, by e-mailing us at [concert@primerica.com](mailto:concert@primerica.com) or by visiting SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investments fund's annual financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

### **Caution Regarding Forward-looking Statements**

This report may contain forward-looking statements about the Primerica Balanced Yield Fund (the “Fund”), including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

It should be stressed that the above-mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that, unless required by law, the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance. In connection with any forward-looking statements, you should carefully consider the areas of risk described in the most recent simplified prospectus of the Fund. You may obtain these documents from SEDAR at [www.sedar.com](http://www.sedar.com).

## Management Discussion of Fund Performance

### Investment Objectives and Strategies

The Primerica Balanced Yield Fund (the “Fund”) seeks a balance of income and long-term capital growth by investing directly or indirectly through other mutual funds in Canadian, U.S. and other international equity and fixed income securities. Currently, the Fund aims to maintain approximately 45% of its portfolio in mutual funds that hold fixed income securities and 55% of its portfolio in mutual funds that hold equity securities. The underlying mutual funds (“Underlying Funds”) in which the Fund invests are selected from the AGF Group of Funds managed by AGF Investments Inc. (“AGF”).

PFSL Fund Management Ltd. (“PFSL” or the “Manager”) retains the services of a portfolio adviser in determining the Fund’s portfolio allocations. Specifically, PFSL has retained LifeWorks Investment Management Ltd. (“LifeWorks”), which changed its name from Morneau Shepell Asset & Risk Management Ltd. in May 2021. LifeWorks functions as the portfolio adviser, recommending asset mix and investment selection decisions for the Fund. PFSL has also retained AGF to act as an additional portfolio adviser of the Fund, as more fully described herein.

### Risk

The risks of investing in the Fund remain as described in the Simplified Prospectus. The Fund also continues to be suitable only for investors with a medium to long-term horizon that are seeking a balance of capital growth and income and have a low to medium tolerance for risk.

### Results of Operations

The Fund, for the six months ended June 30, 2021, returned 5.2% (net of expenses). The Fund is assessed against a blended benchmark comprised of the following: 25% S&P/TSX Composite Index / 25% MSCI World Index / 25% Bloomberg Barclays Canadian Aggregate Bond Index / 5% Bloomberg Barclays Canadian Aggregate 1-3 Year Index / 10% Barclays U.S. Corporate High Yield Index / 10% Barclays U.S. Aggregate Bond Index which returned 5.3% over the same period. Equities and fixed income performed differently to the slowing but ongoing re-opening of global economies from the COVID-19 pandemic during the first half of 2021: Global equities, on the one hand, are at or near all-time highs as investor focus shifted towards economic renormalization, while Fixed Income – particularly longer-duration assets – have taken a hit year-to-date with bond yields increasing due to rising inflation and future growth expectations. Canadian currency (CAD) returns of the blended benchmark components during the same time period were: S&P/TSX Composite Index 17.3%, MSCI World Index 9.9%, Bloomberg Barclays Canada Aggregate Bond Index -3.5%, Bloomberg Barclays Canadian Aggregate 1-3 Year Index -0.1%, Barclays U.S. Corporate High Yield Index 1.2%, and Barclays U.S. Aggregate Bond Index -4.4%. Benchmark returns are reported gross of expenses.

Underlying components of the Fund at the end of June 2021 consisted of (listed in descending order of weight): 30.19% AGFiQ Canadian Dividend Income Fund (formerly AGFiQ Dividend Income Fund), 21.30% AGF Global Dividend Fund, 19.85% AGF Fixed Income Plus Fund, 11.19% AGF Global Corporate Bond Fund (formerly AGF High Yield Bond Fund), 9.30% AGF Emerging Markets Bond Fund, 5.60% AGF Floating Rate Income Fund and 2.57% AGF Global Select Fund.

Year-to-date under-performance can be entirely ascribed to negative fund selection by both global and Canadian dividend funds in the portfolio. In the case of the Canadian dividend income fund, its decisions in the financials, IT, materials and energy sectors trailed the TSX, which saw a strong 2021 rebound with both energy and financials leading the way. For the Global fund, an underweight to technology and communications were both negative contributors. Offsetting those negatives was the Global Corporate Bond Fund, followed by the Emerging Markets Bond Fund exposure, which both exceeded their respective benchmarks in the same time period. The AGF Fixed Income Plus fund bond was another positive for the Fund, adding value during the 6-month period due to its shorter duration positioning relative to its benchmark and an overweight allocation to investment-grade corporate bonds.

LifeWork’s asset allocation decisions in the first six months of 2021 positively contributed +1.4% to the Fund’s performance, with the 10% underweight to U.S. Investment Grade Fixed Income being a key driver of that outperformance, as bond yields rose substantially this year. Other asset allocation decisions that added value included an underweight to Cash, an underweight to Canadian Fixed Income, and an overweight to Canadian equities. Detractors from performance included the 5% overweight to Emerging Markets Bonds followed by an overweight in U.S. Bank Loans and U.S. High Yield assets.

### Recent Developments

The portfolio is managed as a fund of funds utilizing underlying investment building blocks, and allocating to asset classes that the underlying portfolio advisers deem to be attractive based on valuations, risk, and long-term return expectations. In light of the quick-moving and fast-shifting nature of global financial markets, the advisers are adopting a framework of smaller-magnitude and more frequent touchpoints with the Fund in order to nimbly reposition the asset mix as necessary. Updates to the advisers forward-looking capital market assumptions have further compelled changes to the asset mix that the Fund employed at the end of 2020.

Recent policy statements from monetary authorities remains accommodative which augurs well for equity (risk) markets in both Canada and the U.S. Though authorities globally are similarly dovish, risks remain elevated in other developed and

emerging markets, with Europe and Japan grappling with the next wave of the COVID-19 variants and geopolitical risks becoming more prevalent with Chinese markets. Policy makers there have shifted their focus away from spurring economic activity towards managing the long-term financial risks in their system by increasing regulations and oversight, which may serve to limit growth. Many Emerging Markets (EM) countries also face higher COVID-19 risks as they fall further behind in either securing vaccine shots or administering them. In the meantime, the ongoing recovery of the global business cycle from the pandemic-induced recession of 2020 continues strongly in North America, which suggests the Fund should be more constructive towards Canadian and U.S. equities at this time.

While global central banks' highly accommodative monetary policies have been supportive to equity markets and broader economic growth, it has also lowered expected returns for fixed income assets. This has prompted us to look at non-traditional fixed income funds seeking to generate incremental returns for investors in different interest rate environments. One consequence of the pandemic and resulting recession has been the extension of this regime of low interest rates, which are expected to remain low until the second half of 2022, barring any unforeseen surprises. The prospect of lower interest rates for longer led us to favor global corporate debt (formerly called high yield) at the expense of floating rate loans. While both global corporate and floating rate notes generally fare better in recovering growth environment, the former benefits more from higher coupon payments when interest rates remain steady or are low, while the latter benefits primarily in a rising interest rate environment.

The pandemic has impacted global macro-economic factors and caused marginal changes in our longer-term capital market assumptions, which in turn has led to small albeit meaningful changes to the Fund in April of 2021. Changes also came about in an effort to neutralize the value tilt and to shift towards a more core asset mix exposure for the Fund that will be able to weather any variety of economic conditions. It was an opportune time to scale back the value tilt from the asset mix, as value stocks (examples: financials, energy, materials) had been doing quite well since the economic re-opening trade began in Q4 of 2020 with the announcement of the efficacy and approval of the mRNA vaccines from Pfizer and Moderna.

Changes were implemented to the Fund to include one new underlying AGF funds: the AGF Global Select Fund, as well as an asset mix change.

The AGF Global Select Fund is a relatively more concentrated portfolio of growth stocks (defined as firms with earnings growth momentum and an emphasis on innovation and leadership.) The inclusion of this strategy to the Fund line-up will help to complement the existing AGF Global Equity exposure, which is run as a portfolio with greater emphasis on "value" firms.

An asset mix change for the Fund – from 55% Equities/45% Fixed Income at year-end to 50% Equities/50% Fixed Income – was also deemed necessary due to the changing expectations and the underlying investments that the Fund held.

As a result of these changes, the Fund will enter the second half of 2021 with an overweight in its Emerging Markets Bonds exposure, U.S. Bank Loans, and Canadian Equities, in that order. On the flip side, the Fund has an offsetting underweight in U.S. Fixed Income, followed by Canadian Fixed Income, Cash, and then Global Equities. The Global Dividend fund will be reduced in order to shift the Equities asset mix from 55% to 50%, while the addition of the Global Select fund will decreased the Fund's underweight to the U.S.

On the fixed income side, the Fund will have increased its Global Corporate and EM Debt exposure in exchange for a reduction in its U.S. Loans exposure. All 3 alternative fixed income assets will continue to function as supplementary alpha-generating bond satellite allocations for the traditional Core Plus Fixed Income bond fund.

LifeWorks in conjunction with PFSL and AGF continues to monitor and make asset allocation decisions on the basis of the evolving global macroeconomic situation. Decisions continue to be reviewed and approved on a quarterly basis, with any asset mix rebalancings occurring as necessary in order to better position the Fund. There continues to be in-depth and ongoing discussions on the exposures and underlying investments, and we anticipate that there will be further changes throughout the rest of the year as we make changes at the margin to better improve the resiliency of the Fund.

### **International Financial Reporting Standards**

The Fund's financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

### **Related Party Transactions**

PFSL is the manager and trustee of the Fund and is paid a management fee for providing investment management and administration services to the Fund. In addition to the management fees described below, the Fund incurred legal expenses of \$2,242 that were paid to Primerica Life Insurance Company of Canada, an affiliate of PFSL and fees of \$8,915 to members of the IRC.

PFSL Investments Canada Ltd., PFSL's parent company and a mutual fund dealer, is the exclusive distributor of the Fund, responsible for the marketing of the units and the selling of the units through its representatives.

The Fund is actively managed by Lifeworks, which provides ongoing oversight, asset allocation, fund analysis and related portfolio adviser services, while AGF in its portfolio adviser capacity advises on daily trades. Any fees for services provided by the portfolio advisers are included in the management fee.

The Fund did not rely on an approval, positive recommendation or standing instruction from the Fund's IRC with respect to any related party transactions.

All related party transactions are measured at fair value.

### Management Fees

In consideration for providing investment management and administration services, the Fund paid PFSL management fees of \$2,122,132 for the six-month period ended June 30, 2021 calculated daily at 0.41% of the net asset value of the Fund and paid out monthly. The Fund received from AGF or the Underlying Funds, management fee rebates at an annual rate between 0.31% and 0.35% of the net asset value of the Underlying Funds, such that the net management fee charged to the Fund was limited to an amount not exceeding 0.10% of the net asset value of the Fund. For the six-month period ended June 30, 2021, the Fund received management fee rebates of \$1,496,389 and the net management fee borne directly by the Fund was \$625,743.

The management fees were borne by both the Fund and the Underlying Funds in which the Fund invests. No management fee was paid by the Fund that would duplicate the fee payable by the Underlying Funds for the same service.

The major services paid by the management fees expressed as a percentage of said management fees may be summarized as follows:

(i)	Investment advisory	1%
(ii)	Administration and other	99%

No portion of the management fees paid to PFSL by the Fund was used to finance commissions earned by PFSL sales representatives or promotional activities of the Fund.

**Financial Highlights**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six-month period ended June 30, 2021 and for each of the past five years.

<b>The Fund's Net Assets Per Unit (1) (10):</b>	<b>June 30 2021</b>	<b>Dec. 31 2020</b>	<b>Dec. 31 2019</b>	<b>Dec. 31 2018</b>	<b>Dec. 31 2017</b>	<b>Dec. 31 2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Net Assets - beginning of year (2)</b>	13.53	13.39	12.48	13.58	13.36	12.90
<b>Increase (decrease) from operations:</b>						
Total revenue	0.06	0.20	0.24	0.28	0.24	0.28
Total expenses (excluding distributions)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Realized gains (losses) for the period	0.21	(0.01)	0.01	(0.05)	0.01	-
Unrealized gains (losses) for the period	0.43	0.52	1.16	(0.81)	0.52	0.74
<b>Total increase (decrease) from operations (2)</b>	<b>0.69</b>	<b>0.69</b>	<b>1.39</b>	<b>(0.60)</b>	<b>0.75</b>	<b>1.00</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	(0.27)	(0.12)	(0.16)	(0.15)	(0.15)	(0.17)
From dividends	-	(0.05)	(0.06)	(0.07)	(0.07)	(0.08)
From capital gains	-	-	-	-	-	(0.10)
Return of capital	-	(0.35)	(0.31)	(0.31)	(0.33)	(0.17)
<b>Total Annual Distributions (2) (3)</b>	<b>(0.27)</b>	<b>(0.52)</b>	<b>(0.53)</b>	<b>(0.53)</b>	<b>(0.55)</b>	<b>(0.52)</b>
<b>Net Assets at June 30 &amp; Dec. 31 (2) (4)</b>	<b>13.95</b>	<b>13.53</b>	<b>13.39</b>	<b>12.48</b>	<b>13.58</b>	<b>13.36</b>
<b>Ratios and Supplemental Data (10):</b>	<b>June 30 2021</b>	<b>Dec. 31 2020</b>	<b>Dec. 31 2019</b>	<b>Dec. 31 2018</b>	<b>Dec. 31 2017</b>	<b>Dec. 31 2016</b>
Total net asset value (\$000's) (5)	974,371	916,678	839,299	673,057	624,827	520,797
Number of units outstanding (5)	69,850,705	67,727,969	62,689,305	53,912,220	45,995,598	38,968,823
Management expense ratio (6)	2.15%*	2.16%	2.19%	2.19%	2.23%	2.33%
Management expense ratio before waivers or absorptions (7)	2.15%*	2.16%	2.19%	2.19%	2.23%	2.33%
Trading expense ratio (8)	0.10%*	0.08%	0.07%	0.05%	0.07%	0.10%
Portfolio turnover rate (9)	8.94%	13.16%	1.11%	11.30%	0.96%	12.91%
Net asset value per unit	13.95	13.53	13.39	12.48	13.58	13.36

\*Annualized

**Explanatory notes:**

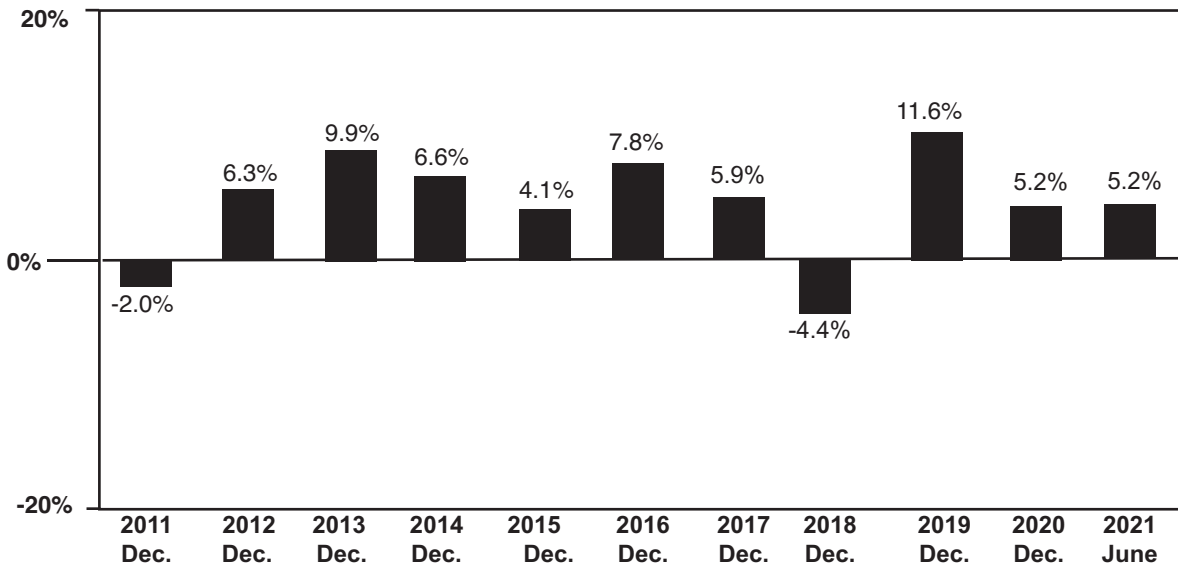
- (1) This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements.
- (2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.
- (3) Distributions were reinvested in additional units of the Fund or paid in cash.
- (4) The per unit financial information is based on prescribed regulations and as a result, is not expected to add down due to the increase (decrease) from operations being based on the weighted average units outstanding during the period and the distributions being based on actual units outstanding at the relevant point in time.
- (5) This information is provided as at June 30 and December 31 of the year shown.
- (6) The management expense ratio is based on the total expenses (excluding commissions and other portfolio transaction costs) of the Fund and the Underlying Funds for the year, expressed as an annualized percentage of the average daily net asset value of the Fund during the period.
- (7) Where applicable, PFSL waived certain fees or absorbed certain expenses otherwise payable by the Fund. Absorption amounts are determined annually at the discretion of PFSL and can be terminated at any time.
- (8) The Fund did not directly incur any brokerage commissions or other portfolio transaction costs during the period. The trading expense ratio represents the proportion of total commissions and other portfolio transaction costs of the Underlying Funds applicable to the Fund expressed as an annualized percentage of the average daily net asset value of the Fund during the period.
- (9) The Fund's portfolio turnover rate ("PTR") indicates how actively the Fund's portfolio adviser manages its portfolio investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities once in the course of the period. The higher a fund's PTR in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (10) All figures presented in the tables are prepared in accordance with IFRS.

**Past Performance**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund, and would be lower if distributions were not reinvested. Note that the performance does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

**Year-By-Year Returns**

The bar chart below shows the Fund’s annual performance for the six-month period ended June 30, 2021 and for each of the years shown, and illustrates how the Fund’s performance has changed from year to year. It shows, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



**Summary of Investment Portfolio**

As at June 30, 2021

The major portfolio categories and top holdings (up to 25) of the Fund at the end of the period are indicated in the following tables.

**Fund by Category**

	<b>Percentage of Net Asset Value (%)</b>
Canadian Mutual Funds	50.0
Foreign Mutual Funds	50.0
Equity Mutual Funds	54.0
Fixed Income Mutual Funds	46.0

**Top Holdings**

	<b>Percentage of Net Asset Value (%)</b>
AGFiQ Canadian Dividend Income Fund	30.1
AGF Global Dividend Fund	21.3
AGF Fixed Income Plus Fund	19.9
AGF Global Corporate Bond Fund	11.2
AGF Emerging Markets Bond Fund	9.3
AGF Floating Rate Income Fund	5.6
AGF Global Select Fund	2.6
<b>Total Net Asset Value (thousands of dollars)</b>	<b>\$ 974,371</b>

All holdings in the Fund are long positions. The Simplified Prospectus and other information about the Underlying Funds are available on [www.sedar.com](http://www.sedar.com). The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and the next quarterly update will be made available as at September 30, 2021.

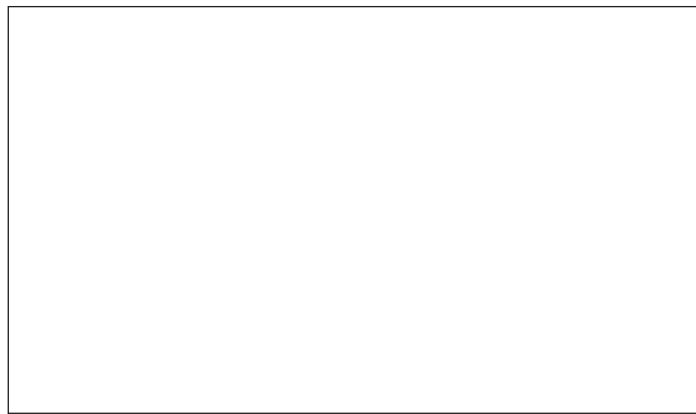








For more information please contact your Primerica representative.



PRIMERICA CONCERT™ ALLOCATION SERIES OF FUNDS

6985 Financial Drive, Suite 400, Mississauga, Ontario L5N 0G3

Toll Free: 1 800 510-PFSL (7375)

Fax: (905) 214-8243



PRIMERICA  
**CONCERT™**  
ALLOCATION SERIES

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the Simplified Prospectus before investing. The indicated rates of return are the historical annual total returns including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The rate of return is used only to illustrate the effects of the growth rate and is not intended to reflect future values of the mutual fund or returns on investment in the mutual fund.

The payment of distributions should not be confused with a fund's performance, rate of return or yield. If distributions paid by the fund are greater than the performance of the fund, your original investment will shrink. Distributions paid as a result of capital gains realized by a fund, and income and dividends earned by a fund are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base falls below zero, you will have to pay capital gains tax on the amount below zero.