

# TITAN INVEST

## WRAP FEE PROGRAM BROCHURE

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This wrap fee program brochure provides information about the qualifications and business practices of Whisker Technologies, Inc. *doing business as* Titan Invest (“Titan Invest”), a registered investment adviser. Registration does not imply a certain level of skill or training. If you have any questions about the contents of this Brochure, please contact us at [support@titanvest.com](mailto:support@titanvest.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Titan Invest also is available on the SEC’s website at <https://adviserinfo.sec.gov/>

## 2. **Material Changes**

Titan Invest has made the following material changes to its last annual amendment to the Brochure which was dated February 2019:

- We have updated our hedging strategy where the Conservative and Moderate risk profiles will have a personalized hedge applied to their portfolios in all environments as described herein.

The above list only shows material changes. Additional updates were made incidental to the above material changes.

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## Firm Description

Titan Invest is a Securities and Exchange Commission (“SEC”) registered investment adviser that provides a mobile investing experience for everyday individuals. It was formed in September 2017 by Clayton M. Gardner, Joseph J. Percoco, and Maxwell B. Bernardy, who are its principal owners. Clayton spent the majority of his career as a principal investor across hedge funds and private equity, working at firms such as Cerberus Capital Management and Farallon Capital Management. Joe was an investor at a fundamental hedge fund, a management consultant for technology companies during his time at McKinsey & Co., and an investment banker at Goldman, Sachs & Co. Max was a software engineer at a hedge fund, receiving a patent for his work, and was a senior engineer at several early-stage technology companies, including Relay Delivery and AppNexus. Clayton and Joe received their education from The Wharton School of the University of Pennsylvania. Max received his education from Stanford University.

## 4. Services, Fees and Compensation

### Services

Titan Invest offers to Clients (“Clients”) the Titan Invest Wrap Fee Program (the “Program”) involving discretionary investment advisory services sponsored by Titan Invest. The Program seeks to provide personalized, long-term oriented investment portfolios that are invested in what Titan Invest considers Wall Street’s highest conviction fundamental stocks while seeking to provide protection against market downturns, enabled via a mobile application.

***Titan Invest does not provide comprehensive financial planning services and the Program is not a complete investment program. Clients who choose Titan Invest as part of an overall investment plan are encouraged to consider additional asset classes, strategies and investments to supplement their overall plan.***

The Program is based on a proprietary quantitative model that analyzes the public filings of fundamental hedge funds each quarter and forms a concentrated basket of approximately 20 equities from this universe. The Client is invested directly in these equities under the expectation that the share values will increase. Each portfolio will contain personalized degrees of “hedging”

based on the Client's individualized investment goals and the Program's hedging strategy as described below. A hedge is an investment that seeks to reduce the risk of the overall portfolio. For example, the Program will use various tools, including, without limitation, inverse ETFs and cash equivalents as hedge instruments for Clients. Inverse ETFs (a type of exchange traded fund, which is a 'basket' of securities) profit from the decline of an underlying benchmark. For example, an inverse S&P 500 ETF makes money when the market (S&P 500) goes down. As such, this type of security can be used as a portfolio hedge to reduce risk of the overall portfolio. The Program's proprietary quantitative model will employ the Program's hedging strategy automatically on behalf of Clients as follows:

*When the market is NOT in a downturn*

- Aggressive: 0% of portfolio value is hedged
- Moderate: 5% of portfolio value is hedged
- Conservative: 10% of portfolio value is hedged

*During periods of market downturns:*

- Aggressive: 5% of portfolio value is hedged
- Moderate: 10% of portfolio value is hedged
- Conservative: 20% of portfolio value is hedged

This is the "hedge" against potential loss of value in the long securities and is personalized under the Program for each Client's investment goals, time horizon and risk profile. An inverse ETF or other hedging techniques are not a guarantee or 'insurance' that the portfolio will not experience losses. **The Program is not a complete investment program and Clients should not use it as the sole component of their investment plan.**

**Advisory Business – Program Description**

Titan Invest's Program interacts with its Clients exclusively through a software application that is available through mobile platforms (the "Titan App"). Titan Invest's Program maintains an online presence through the firm's website, [www.titanvest.com](http://www.titanvest.com), primarily for informational purposes. Clients will provide information about themselves and their investment goals through the Titan App by answering a questionnaire. This will allow Titan Invest to create an investment portfolio that is customized to Clients' risk tolerance. For each Client's plan, Titan Invest will consider the Client's employment status, income, investment goals and reasons to invest, time horizon and

net assets. Titan Invest will evaluate each Client's responses and then propose a portfolio plan from among conservative, moderate and aggressive growth portfolios. The portfolio recommendation created by Titan Invest for each Client is based solely upon the information provided by the Client through the website. As such, the suitability of the investment plan recommendations is limited by and relies on the accuracy and completeness of the information provided by the Client. For instance, the more aggressive the portfolio, the less hedging, which has more potential upside but also more potential risk during downturns. The only type of restrictions a Client may impose on the portfolio is the degree of hedging/risk level (conservative, moderate and aggressive growth) and the amount of assets in the Client account. A Client will not be able to select specific securities or restrict the purchase of specific securities, but each Client will be able to change his/her risk profile or select (switch to) a portfolio with a different risk profile.

A Client must also open a securities brokerage account and provide discretionary authority over that account to Titan Invest. Brokerage accounts, agreements, and order processing will be conducted through Third Party Trade LLC ("TPT"), an SEC registered broker-dealer that provides brokerage related services to Titan Invest and Clients within the Titan Program. Using Third Party Trade's application program interface ("API"), the Titan App allows Clients to create an investment account instantly on any mobile device. All account opening functionalities, including identity verification and approval, are handled digitally and instantly by TPT. Apex Clearing Corporation ("Apex"), an SEC registered broker-dealer, will provide custody, clearing, and settlement services for TPT, and thereby, Titan Invest's Clients.

### **Investment Discretion**

Titan Invest has discretionary authority to manage assets on behalf of Clients who enter into the Titan Program, as described above. Discretionary trading authority permits Titan Invest to make trades in Client accounts on the Clients' behalf, so that Titan Invest may maintain the Client's portfolio and make ongoing changes as Titan Invest believes appropriate. Those changes will include quarterly rebalancing of the portfolio based on Titan Invest's systematic (algorithmic)

portfolio model. See how the model functions and the portfolio is constructed under **Investment Strategies and Methods of Analysis**.

The sole service Titan Invest offers is the Program, and Titan Invest only manages Client accounts that participate in the Program. Titan Invest receives a portion of the Wrap Program Fee (see below) for its services. Titan Invest only receives the “subscription fee” or the Wrap Program Fee (see below), and does not receive any performance-based compensation for its services.

### **Fees**

The Wrap Program Fee is: 100 basis points (1.00%) per year.

The Wrap Program Fee is prorated and charged monthly, in arrears, based upon the market value of the average daily account balance of the securities portfolio over the preceding month. Since the asset-based fee is determined by average daily account balance, if assets are deposited into or withdrawn from an account after the inception of a month, the base fee payable with respect to such assets is adjusted accordingly. For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the Advisory Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding portion of the fee is charged to the Client.

Clients authorize Titan Invest through the Client advisory agreement to deduct the fees directly from Client custodial accounts. See “Direct Fee Debit of Titan Invest’s Fee” below.

### Fee Comparison

As described above, a portion of the Wrap Program Fee is used to cover the securities brokerage commissions attributed to the management of Titan Invest’s Clients’ portfolios. The number of transactions made in Clients’ accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Services provided through the Titan Program may cost Clients more or less than purchasing advisory and execution (brokerage) services separately. Titan Invest’s Wrap Program Fee may also be higher or lower than fees charged by other wrap sponsors of comparable investment advisory programs. Since Titan Invest

pays the transactions charges in the Client's account, there is a financial incentive for Titan Invest not to place transactions in the Client's account, or to place fewer trades or trade less frequently. A wrap fee account may not be in the best interest of a Client with minimal or no trading activity as compared to a non-wrap fee account or brokerage account where the Client would otherwise pay trading costs as incurred but a lower fee in a non-wrap account or no advisory fee in a brokerage account. Titan Invest's decision to trade or rebalance a portfolio will largely be guided by a systematic investment model. However, Clients should know that model outputs will not be implemented automatically, and Titan Invest monitors and has discretion to override the model's "decisions." For example, under stressed market situations, when Titan Invest determines that the model output is not ideal in its response to market conditions, or Titan Invest believes that it is otherwise in an account's best interest, Titan Invest's portfolio managers may not execute a trade based on model output or may trade differently than suggested by the model.

#### Fee Discretion

The Wrap Program Fee for Titan Invest is not negotiable by individual Clients. However, Titan Invest in its sole discretion may from time to time offer lower fees through promotions, referrals and other discounts to some accounts that differ from the fees stated above. Titan Invest currently provides a fee discount to Clients who refer other Clients, on the terms and conditions described on Titan Invest's website.

#### Other Fees

In addition to the Titan Invest Program Fee, Clients may incur certain other fees imposed by third-party financial institutions. These additional fees and charges may include:

Brokerage, Clearing and Service Provider Charges: Titan Invest's fees do not cover certain charges imposed by TPT. These types of charges include, but are not limited to, wire transfer fees, paper statement fees, and bounced check fees. Clients also pay their own taxes on gains and income in connection with the account and its activities.

#### Direct Fee Debit of Titan Invest's Fee



Clients will authorize Titan Invest and the custodian to deduct the Wrap Program Fee directly from the Client's custodial account and pay those fees to Titan Invest. Titan Invest may also take the fee from a Client's account by instructing the custodian to deduct the fee from the assets in account, including by selling (liquidating) a sufficient amount of holdings to cover the fee.

#### Account Additions and Withdrawals

Clients may add to and withdraw from their account at any time, subject to Titan Invest's right to terminate a Client's account. Additions to an account must be done via bank transfer. Titan Invest Clients may withdraw account assets on 5 days' notice to Titan Invest, subject to the usual and customary securities settlement procedures. However, Titan Invest designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. Clients are advised that when cash is withdrawn, they may be subject to transaction fees, and/or tax ramifications.

### 5. Account Requirements and Types of Clients

The Titan Program is offered to individuals. To create an account, Titan Invest requires a minimum account size of \$500, which is also communicated during the onboarding process before account creation. If funds are withdrawn and the account is reduced below this amount, Titan Invest reserves the right to close Client's account.

### 6. Portfolio Manager Selection and Evaluation

Titan Invest is both the sponsor and the sole portfolio manager for the Titan Program. The Program is designed and implemented by Titan Invest's principals, Clayton Gardner, Joseph Percoco, and Maxwell Bernardy, alongside the Titan Invest team. Together they oversee the investment advice offered in the Program. They are responsible for portfolio monitoring; construction, maintenance, and updates to Titan Invest's proprietary algorithm; any educational content provided to Clients; and other core functions. For a detailed description of Titan Invest's **advisory business** and advisory services, see Services and Program Description in Item 4 above.

#### **Investment Strategies and Methods of Analysis**

For the Titan Invest Program, the Firm provides US equities investment portfolios with hedging that are personalized to a Client's employment status, income, investment goals and reasons to invest, time horizon and net assets. To accomplish this, Titan Invest has developed a set of algorithms which selects a concentrated basket of US equities, updated on a quarterly basis, while providing personalized hedging. The algorithm generates its basket of US equities by analyzing the public filings of investment managers that only meet the following characteristics: long-term orientation, low portfolio turnover, demonstrated longevity, above average portfolio concentration, and other key indicators. The algorithms are also used to monitor, rebalance and manage each Client's portfolio.

Titan Invest does not engage in financial planning, asset allocation, general market-timing, or specific timing of economic cycles, asset or sector classes, or individual securities. Titan Invest's primary approach is to provide its Clients with a long-term oriented portfolio of high-conviction stocks, with personalized hedging, similar to how classic long/short equity managers invest.

***There is no guarantee that any Client portfolio will meet a Client's investment objectives or provide a given level of income or return.***

#### Performance Figures

Any performance figures on Titan Invest's website and inside Titan Invest's interactive application are actual results since Titan Invest's launch in February 2018, unless clearly stated otherwise.

**"Back-tested" or hypothetical performance data** is based upon the retroactive application of the Titan Invest strategy model over the selected market period and is clearly marked as such. The back-tested results show investment decisions that theoretically would have been made had the strategy been employed during the particular past period of time, but without any actual trading. **These results are NOT the performance of an actual Client account or any actual portfolio.** Back-testing does not involve market risk. As back-tested results are estimates, they are imprecise and hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Additionally, they are subject to change over

time with updates to our model or underlying assumptions, and may be materially impacted by a Client's failure to update their personal and financial information. There is no guarantee that any account managed by Titan Invest will produce similar or comparable returns. The simulated returns are based on the current Titan Invest investment model and use historical data where available, and assumptions where historical data are not available. The actual investment model and other assumptions Titan Invest will use in managing Client accounts may vary from the investment model and other assumptions used in producing the simulated results. The simulated results do not consider all possible or any specific future market conditions. For these reasons and those mentioned above, Titan Invest may not be able to replicate backtested results.

**There is no guarantee that a Client's investment goals will be achieved or that Titan Invest's investment strategies will be successful. Investment losses are possible. Past performance is no guarantee of future results.**

The simulated results are reported net of the 1% annual Wrap Account Fee and no other deductions. The performance figures shown have been calculated by Titan Invest and have not been audited.

**Management through Similarly Managed "Model" Accounts.** Titan Invest manages Client accounts through the use of similarly managed "model" portfolios, whereby Titan Invest allocates all or a portion of its Clients' assets among equity securities, ETFs, and cash equivalents on a discretionary basis using its proprietary investment model. To implement its investment strategies and to manage Client accounts, Titan Invest has developed a set of algorithms which will determine security selection and allocation, as well as rebalancing. For each goal, Titan Invest invests in a selected number of US equity securities, usually around 20 but not always, that change on a quarterly basis. Through the automated program, Clients may change their investment goals, which will likely result in a different hedging technique. In general, choosing a shorter time horizon, lower risk tolerance, and more conservative investment goals will result in a more conservative portfolio, and choosing a longer time horizon, higher risk tolerance, and more aggressive investment goals will result in a more aggressive portfolio. Titan Invest allows

only limited adjustment because it believes its automated program creates a portfolio that is best suited for the Client, based on his/her personal information and goals.

Titan Invest has developed proprietary algorithms to automatically monitor and manage the accounts including rebalancing and/or other investment considerations. Management may require manual action by Titan Invest personnel, who may decide to override model output.

**Rebalancing.** To participate in the Program, Clients must agree to have their accounts automatically rebalanced periodically at Titan Invest's discretion to the model strategy. While Titan Invest seeks to ensure that Client assets are managed in a manner consistent with their individual investment objectives and risk tolerance, securities transactions effected pursuant to a model investment strategy are usually done without regard to a Client's individual tax ramifications or market conditions. As a consequence of rebalancing, Clients may incur potentially adverse tax consequences. Titan Invest does not render tax advice to Clients, who should consult their own tax advisors for specific guidance.

**Ongoing Management.** As the value of a Client's investments fluctuate, the portfolio can diverge from a Client's desired risk preferences. Rebalancing, the practice of adjusting a Client's portfolio back to its original desired risk preference, typically occurs quarterly, without regard to market conditions, as determined by Titan Invest's algorithmic model.

### **Performance Based Fees and Side-By-Side Management**

Titan Invest does not charge performance-based fees (i.e., a fee based on a share of capital gains or capital appreciation of a Client's assets).

### **Voting of Client Securities**

Titan Invest exercises voting authority over Client proxies pursuant to its proxy voting policies and procedures in accordance with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended. The policies require Titan Invest to vote proxies received in a manner consistent with the overall best interests of the Clients and to seek to avoid material conflicts of interests.

### **Risk of Loss**

All security investments involve a risk of loss, including the potential loss of principal. This is a risk borne by the Client. Titan Invest constructs portfolios with a small number of equities and ETFs. Client portfolios are not fully diversified and will be subject to general movements in the stock market and the value fluctuations of each particular issuer's stock. Equity security prices fluctuate for several reasons, including changes in the financial condition of a particular issuer, investors' perceptions of the issuer's industry, the general condition of the relevant stock market, changes in interest rates, or when political or economic events affecting the issuers occur. ***There can be no assurance that a Client will achieve his/her goals or positive investment performance over any period of time.***

While it is not possible to enumerate all possible risks, below are some of the common factors that can produce a loss in a Client's account and/or in a specific investment product, or one related to a specific strategy.

- Market Risk: The price of a security, mutual fund and/or exchange-traded fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Price Volatility: The price of an investment product's shares may fluctuate, even significantly, in a short period of time.
- Equity Securities: Investing in individual companies involves investments in common stocks and is subject to the volatility and individual risks associated with those stocks.
- Concentration of Investments. The portfolios will typically hold a relatively small number of security positions, which will expose the portfolio to the particular industry or market sector the security represents and the value of the specific company. Losses in one or more positions, or a downturn in an industry or market sector in which the company participates, could adversely affect the portfolio's performance in a particular period.
- Hedging. Although hedging strategies in general are usually intended to limit or reduce investment risk, they may not achieve the anticipated effect. In fact, they may result in

poorer overall performance for the portfolio than it could have achieved had it not engaged in such hedging transactions. Furthermore, the portfolio will always be exposed to risks that cannot be hedged.

- Exchange Traded Funds: ETFs are designed to track the performance of a benchmark index. Shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent net asset value ("NAV"), which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares. Also, shareholders are liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.
- Quantitative Investment Strategy Risks: Titan Invest's portfolio management and trading decisions are based on quantitative models designed by its professionals. The models are complex computer programs incorporating various signals and factors aimed at exploiting market trends, anomalies and pricing discrepancies with a view to selecting investments in pursuit of the portfolio's investment objectives. The process of designing and perfecting the model and its components, and the model's various versions used from time to time, are highly complex. Titan Invest cannot guarantee that the model will indeed function as intended or that it will produce profits on investments as implemented. The quantitative strategies utilized by Titan Invest have inherent limitations, including the possibility of human error in the design, data input or implementation process; imperfections of a model to keep up with changes in the markets and the behavior of market participants over time. The risk of errors, malfunctions and anomalies is inherent in each component of the programming process, how those components function together, and how the program

absorbs market data interpreted by Titan Invest. In addition, any portfolio manager judgment during the approval or override of model results is based on human skills and abilities similar to non-quantitative investing, with all the risks, potential errors or miscalculations that any asset or portfolio manager faces.

- Automated Investing: Titan Invest relies on static questionnaires consisting of a limited number of questions that form the sole basis for its investment recommendations. Such questionnaires are very limited in nature. The questions may not, or may not accurately, capture an individual Client's needs. Although Clients may change and update their responses, Titan Invest does not, at this time, make investment advisory personnel available to Clients to highlight and explain important concepts or clarify the details of a specific Client's financial goals and needs. Online and electronic interactions are limited compared to face-to-face individual advice.

## **7. Client Information Provided to Portfolio Managers**

Titan Invest acts as the sole portfolio manager under the Program and, as such, it does not share Client information with any other portfolio managers.

Clients have the ability to place limited restrictions to Titan Invest's portfolio management through how they elaborate on their investment goals. However, since Titan Invest's portfolio management for Titan Invest's Program is executed through a model program, Client restrictions on the portfolio are limited.

## **8. Client Contact with Portfolio Managers**

### **Titan Invest**

The Program and Titan Invest's advisory service are provided exclusively through the Titan App. Through the Titan App, Titan Invest collects information about the Client's financial circumstances, goals, and objectives through its automated interactive platform to offer an appropriate portfolio for the Client's needs. Since no investment advice is provided directly from portfolio managers, Clients should update their information on Titan Invest's automated platform if their conditions change so that they may review alternative investment advice via the

platform. Titan Invest relies upon the accuracy of the information entered by the Client when proposing a portfolio. The recommended portfolio may not be suitable if the Client has provided incorrect information or the information is out-of-date.

Information regarding a Client's portfolio holdings and performance will be available to Clients through the Titan App. Clients may communicate with Titan Invest exclusively through the Titan App and Titan Invest's support email communication ([support@titaninvest.com](mailto:support@titaninvest.com)), which has its inherent limitations. Titan Invest will not elaborate or expand upon the portfolio recommendation provided by the Titan App.

## **9. Additional Information**

### **Disciplinary Information**

Titan Invest has not been involved in any legal or disciplinary events that are material to a Client's evaluation of its advisory business or the integrity of its management.

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

Titan Invest has no financial industry affiliations.

### **Code of Ethics**

Titan Invest has adopted a Code of Ethics ("Code") as required by the applicable securities laws. The Code establishes and reinforces a standard of business conduct expected of its supervised persons and provides specific guidance related to managing conflicts of interests. This includes procedures to: (1) prevent access to material nonpublic information about Titan Invest's securities recommendations and Client securities holdings and transactions by individuals who do not need the information to perform their duties; (2) review and approval of certain securities transactions and holdings by supervised persons with access to Client information; and (3) report of any internal violations of the code. Titan Invest will provide a copy of its Code to Clients and prospective Clients upon request. To request a copy of the Code, please contact Titan Invest at [support@titaninvest.com](mailto:support@titaninvest.com).



**Account Reviews**

Titan Invest monitors the model and portfolio strategy on an ongoing basis to identify situations that may warrant a more detailed review or a specific action on behalf of a Client. Such reviews include, but are not necessarily limited to, inactivity, and unusual funding behavior. Additionally, Titan Invest will contact or remind Clients on a quarterly and annual basis to ask if there have been any changes to their financial situation and investment objectives, and to update their information. Titan Invest may not monitor all Client accounts at all times.

**Brokerage and Custody Practice**

We seek to use a custodian/broker who will hold Client assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including the capability to execute, clear, and settle trades (buy and sell securities for Client accounts), capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.), availability of investment research and tools that assist us in making investment decisions, quality of services, competitiveness of the price of those services, reputation, financial strength, and stability of the provider.

**Duty to Seek Best Execution**

Titan Invest's use of TPT will comply with its duty to obtain "best execution." In seeking best execution, the determinative factor is not just cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the broker's services described above. To participate in the Program, Clients must direct all brokerage transactions for their accounts to TPT. Clients cannot designate or select a different broker for trade execution. Titan Invest may use other brokers to execute trades for Client accounts other than TPT.

**Trade Aggregation**

When Titan Invest considers it to be in your best interest, we may, but are not required to, aggregate your order for the sale or purchase of securities for your account with orders for other Clients of the Program. Under this approach, the transactions may be averaged as to the price

and will be allocated among our Clients in proportion to the purchase and sale orders placed for each Client account.

### **Trade Errors**

Consistent with its fiduciary duties, Titan Invest's policy is to exercise care in making and implementing investment decisions for Client accounts. Titan Invest typically employs operational quality control procedures. However, Titan Invest relies on a significant amount of data from multiple sources and cannot guarantee that all relevant data are free from error.

Under Titan Invest's policy, a trade error will be researched to determine whether Clients were economically harmed as a result of the error. Where it is determined that Titan Invest caused the error, as defined above, the Client will be reimbursed by Titan Invest for losses directly attributable to Titan Invest's error. If an investment gain is realized in the Client's account, the Client may retain such gain.

### **Custody**

Titan Invest does not maintain custody of Client assets that we manage. Client assets are maintained in an account at a "qualified custodian," Apex. Under Titan Invest's Advisory Agreement, Clients authorize us to instruct the custodian to deduct Titan Invest's advisory fees directly from Client account, which is considered a form of "custody." For this reason, we are deemed to have "custody" of Client assets for this limited purpose. While Titan Invest instructs the custodian to withdraw its fees, the custodian maintains actual custody of Client assets.

Clients will receive account statements from the custodian at least quarterly, which will reflect the withdrawal of any fees. All Clients are advised to review their account statements promptly to confirm the accuracy of the information contained. Should discrepancies or errors be found, Clients should contact Titan Invest or the custodian directly.

### **Financial Information**

In certain circumstances, registered investment advisers are required to provide you with financial information and disclosures about their financial condition. Titan Invest does not have

any financial condition that is reasonably likely to impair it from meeting its contractual commitments to Clients and has never been subject of a bankruptcy proceeding.