Titan Offshore

Strategy Description

Offshore is our international growth strategy. It seeks to invest in equities of market-leading non-U.S.-based companies. The objective is to outperform the MSCI ACWI ex USA Index over a 3-5 year horizon.

The Offshore investment process involves deep fundamental research into a company's operating and financial prospects. The strategy aims to identify companies with durable competitive advantages, strong growth prospects, excellent leadership teams, and attractive valuations. The resulting portfolio consists of 15-25 long positions, plus a personalized hedge based on each client's individual risk tolerance, which aims to reduce market exposure during downturns.

The Offshore portfolio is monitored daily and updated by the Portfolio Manager and Investment Team based on the prospective risk/reward of each holding compared to alternatives in the strategy's investable universe.

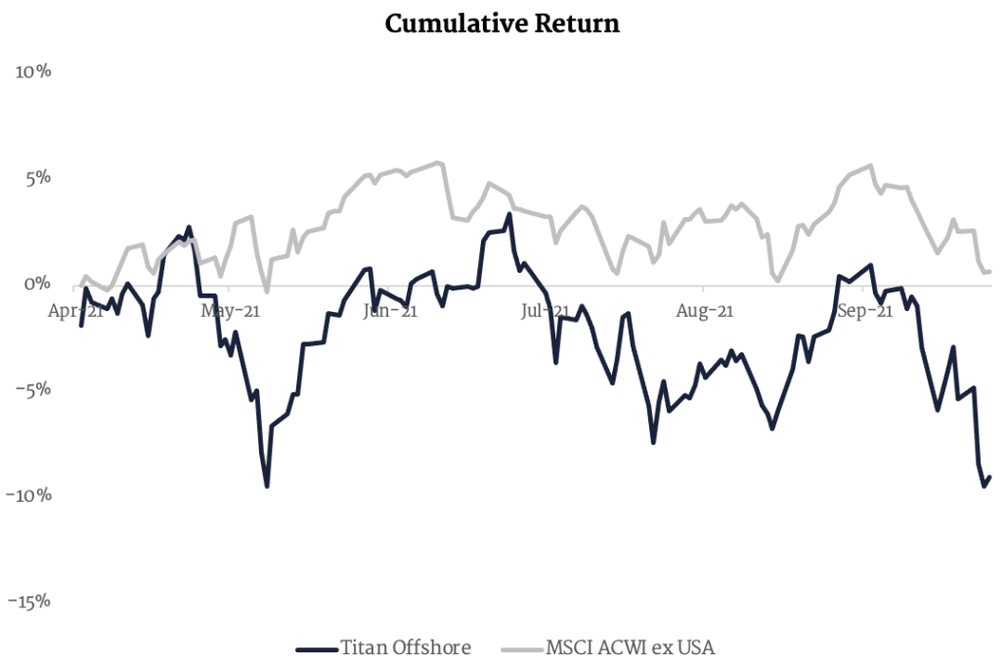
Performance (Net of Fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	MSCI ACWI ex USA
2021				-0.5%	-0.2%	2.3%	-7.5%	5.0%	-7.9%				**-9.0%**	**0.7%**

Inception Date: April 6, 2021

	Titan	MSCI ACWI ex USA
Cumulative Return	-9.0%	0.7%
Annualized Return*	**-17.7%**	**1.4%**
Sharpe Ratio*	-0.82	0.18
Beta	1.28	1.00
Alpha*	-19.4%	0.0%
Best Month	5.0%	3.1%
Worst Month	-7.9%	-3.1%
Positive Periods	2	3
Negative Periods	4	3

**Metric reflects short-term results and is not indicative of future expectations.*



Investment Terms

Management Fee	1.00%**	**Lockup**	None
Performance Fee	0.00%	**Custodian**	Apex Clearing
Minimum Investment	$100	**Legal**	Loweinstein Sandler, Greyline LLC

**All Titan figures represent performance of a hypothetical account with $10,000+ net deposits (paying a 1.00% annual advisory fee), created on Titan Offshore's launch date of 4/6/21, using Titan's investment process for an aggressive portfolio, not an actual account. For clients with less than $10,000 in net deposits, the fee would be $5.00 monthly (in lieu of the 1.00% annual advisory fee) which could result in lower returns than shown. See our Fee Schedule at titan.com/legal for details.

All performance results are net of fees, include dividends, and are from Titan Offshore's launch date of 4/6/21 through 9/30/21. Alpha is calculated using the Capital Asset Pricing Model (CAPM) and uses a risk-free rate of 0.06%, which was the average 3-month Treasury Bill rate during the period. All Titan performance results include the use of a personalized hedge for a hypothetical client with an "Aggressive" risk profile; clients with "Moderate" or "Conservative" risk profiles would have experienced lower returns. Visit https://support.titan.com/investment-process/hedging for full disclosures on our hedging process. See full performance disclosures at titan.com/strategy.

Titan Offshore

Investment Process

Idea Generation

Offshore's investable universe includes all non-U.S.-based stocks listed on U.S. exchanges as equities or ADRs. To identify potential portfolio candidates, the Investment Team's Analysts employ quantitative and qualitative research across companies in the investable universe. This research includes filtering by financial metrics we believe are leading indicators of business quality, reading through company filings and transcripts, networking with industry participants, and much more.

Fundamental Research

Once a potential portfolio candidate is identified, the Research team conducts bottoms-up fundamental research to determine if the business has durable competitive advantages, strong growth prospects and unit economics, and solid management.

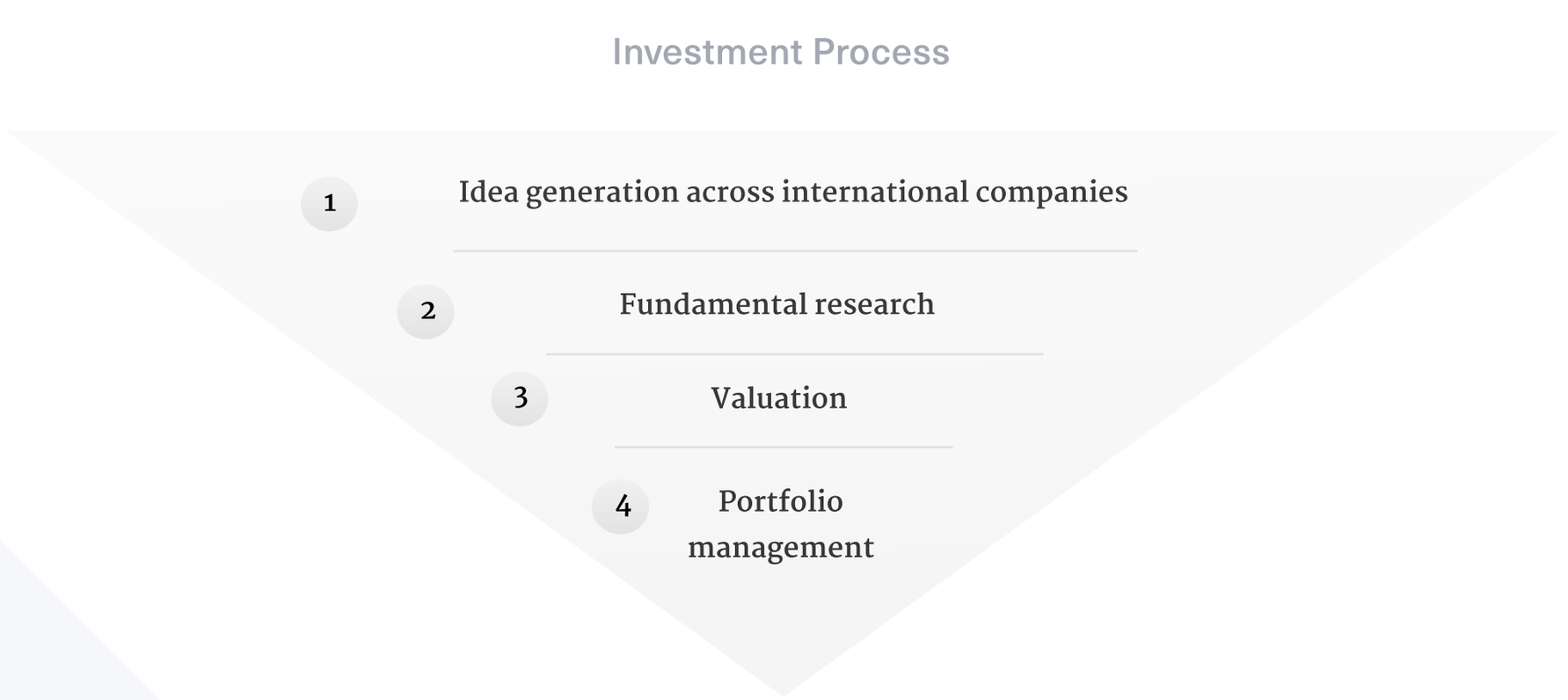
This process consists of reading the last few years' company filings, earnings transcripts, management presentations, and sell-side research to understand how the company and industry operate. Often it involves calls or meetings with management teams, company shareholders, and industry professionals to try to validate the company's candidacy in the Offshore portfolio. Detailed analysis is also conducted on company's historical financial statements to understand operating trends.

Valuation

Once the Investment Team has validated the company's competitive advantages, growth prospects, and management quality, they analyze the stock's absolute and relative valuation vs. their estimate of its long-run intrinsic value. The team targets a +15% minimum annualized return over a 3-year period for each Offshore holding, assuming little/no multiple expansion.

Portfolio Management

Once a company makes it into the Offshore portfolio, the Portfolio Manager and Research team monitor the position daily alongside the other holdings, watching for signposts that their thesis is playing out (or not). The Offshore positions are held in conviction weights with fairly low annual turnover and occasional rebalancing when the weights deviate widely. Otherwise, positions are held for the long term and only exited/changed when the investment thesis has played out, has deteriorated, or has been eclipsed by a much more attractive risk/reward opportunity in another stock.



Titan

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The rate of return on investments can vary widely over time, especially for long term investments. Investment losses are possible, including the potential loss of all amounts invested. There can be no assurance that Titan’s objectives will be achieved or that an investor will receive any desired return on their investment. Titan’s performance may be volatile. An investment should only be considered by persons who can afford a loss of their entire investment. The graphs, charts and other visual aids are provided for informational purposes only, not to be used to make investment decisions.

Past performance is no guarantee of future results. Any historical returns, expected returns, or probability projections, are hypothetical in nature and may not reflect actual future performance. Important: All Titan performance results include the use of a personalized hedge for a hypothetical client with an “Aggressive” risk profile; clients with “Moderate” or “Conservative” risk profiles would have experienced lower returns. For all Titan accounts we employ a personalized hedge based on a given client’s personalized risk tolerance. We believe it can help mitigate losses on the Titan portfolio during periods of volatility. However, there is no guarantee that any or all losses will be mitigated by this hedge.

Performance results are net of fees, include dividends, and are from Titan Offshore’s launch date of 4/6/21 through 9/30/21. Annualized return, Sharpe ratio, and alpha over the short time period depicted are indicative of long-term performance. Alpha is calculated using the Capital Asset Pricing Model (CAPM) and uses a risk-free rate of 0.06%, which was the average 3-month Treasury Bill rate during the period. All Titan figures represent performance of a hypothetical account created on Titan Offshore’s launch date of 4/6/21, using Titan’s investment process for an aggressive portfolio, not an actual account. Annualized return is calculated using Microsoft Excel’s XIRR function based on an illustrative starting Titan account value of $1,000 at inception on Titan Offshore’s launch date of 4/6/21 and its ending value on 9/30/21. Results for the Titan Offshore portfolio as compared to the performance of the MSCI ACWI Ex USA Index (the “MSCI Ex USA”) is for informational purposes only. Account holdings are for illustrative purposes only and are not investment recommendations. The MSCI Ex USA is an unmanaged market capitalization-weighted index of common stocks chosen for market size, liquidity, and industry group representation to represent large- and mid-capitalization non-U.S. equity performance. The investment program does not mirror this index and the volatility may be materially different than the volatility of the MSCI Ex USA. Reference or comparison to an index does not imply that the portfolio will be constructed in the same way as the index or achieve returns, volatility, or other results similar to the index. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs.

Performance results were prepared by Titan, and have not been compiled, reviewed or audited by an independent accountant. Performance estimates are subject to future adjustment and revision. Investors should be aware that a loss of investment is possible. Additional information, including (i) the calculation methodology; and (ii) a list showing the contribution of each holding to the portfolio’s performance during the time period will be provided upon request.

Certain information contained herein constitutes “forward-looking statements”, which can be identified by the use of terms such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “estimate”, “intend”, “continue”, “target” or “believe” (or the negatives thereof) or other variations there on or comparable terminology. Due to various risks and uncertainties, actual events or results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. As a result, investors should not rely on such forward-looking statements in making their investment decisions. No representation or warranty is made as to future performance or such forward-looking statements.

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