RISK OF LOSS INFORMATION

Investing in securities involves risk of loss that clients should be prepared to bear.

Titan Securities can recommend many different types of securities, including mutual funds, closed end funds, ETFs (including inverse and leveraged ETFs), allocation on variable annuity subaccounts, equities, warrants, fixed income securities, options, hedge funds, private placements and structured products. Investing in these securities and alternative investments involves the risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication or guarantee of future performance.

Described below are some particular risks associated with some types of investments Titan Securities may recommend. Risk is inseparable from return. Every investment involves some degree of risk, and both the degree of risk and the type of risk varies depending on the investment. For example, the risk of loss to principal can be very close to zero in the case of a US Treasury security, or very high for something such as a concentrated exposure to one specific foreign security. On the other hand, purchasing power risk for a US Treasury security may be higher than the purchasing power risk of a higher-yield corporate bond or an equity. An understanding of risk in different forms can help clients to understand the opportunities, trade-offs and costs involved with different investment approaches. The principal risk of any investment is that despite any comprehensive analysis, the security or instrument will not perform as expected. This can be due to, among other things:

Market Risk: the success of client's portfolio activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments in client portfolios. Such volatility or illiquidity could impair profitability or result in losses;

Equity Risk: investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. In addition to, or in spite of, the impact of movements in the overall stock market, the value of investments may decline if the particular investments within the portfolio do not perform well in the market. Prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in securities markets. A higher turnover rate, or increased trading may result in higher transactions costs and higher taxes in taxable accounts and may also affect the strategies' overall performance;

Management Risk: the strategies utilized by Titan Securities may not work in some market conditions; management risk could also influence mutual fund and ETF portfolio management teams;

Fixed Income Risks: investments in fixed income securities represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect their price/value. These risks represent the potential for a large amount of price volatility. In general, securities with longer maturities are more sensitive to price changes. Additionally, the prices of high-yield, fixed income securities fluctuate more than high-quality debt issues. Prices are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High-yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. In the event of a default, the investment may suffer a partial or total loss;

Increased Regulations: events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self- regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or broker-dealers and counterparties to extend credit or restrict trading activities could adversely impact profit potential;

Market Liquidity Risks: the value of securities held in client accounts that are traded on exchanges and the risks associated with holding these positions vary in response to events that affect asset markets in generals. Market disruptions such as those that occurred in 1987, in September 2001, and more recently the "Flash Crash" in May 2010 (the biggest one-day point decline, 998.5 points, on an intraday basis in Dow Jones Industrial average history) could lead to violent price swings in securities held within client portfolios and could result in substantial losses; Small Capitalization Companies: a portion of assets may be invested in smaller and less established companies. Both debt and equity securities of such issuers tend to be more volatile than larger, more established companies. Such volatility could adversely impact client portfolios;

Large Company Risk: large cap stocks can perform differently from other segments of the equity market or from the equity market as a whole. Large capitalization companies may be less flexible in evolving markets or unable to implement change as quickly as smaller capitalization companies;

Short Sales, Leverage and Derivatives: short sales, leverage and derivatives all represent substantial risks given their inherent heightened risk of loss. Leverage and derivatives imply borrowing capital. When such borrowing is deployed, losses can escalate quickly should investment suffer even small losses. Short sales involve a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Short positions can also be subject to a "short squeeze" that could lead to accelerating losses for those short that particular security;

Leverage Risk: which may increase volatility of the portfolio;

Price and Interest Rate Risk: when interest rates change, the price of a bond is likely to adjust up or down so that its yield, based on the new price, is in line with the new level of interest rates. Interest rate risk is probably the most significant risk facing clients in fixed income securities because it affects all bonds similarly.

Credit Risk: the market's perception of the bond issuer's ability to pay interest and repay principal;

Convertible Arbitrage Risk: if interest rates on the convertible security rise, its value usually falls;

Short Sales Risk: if the value of a security sold short increases prior to the scheduled delivery date, the account must pay more for the security than it has received from the purchaser in the short sale;

Options and Futures Risk: the risk that the counter-party that wrote the option will be unable or unwilling to perform its obligations under the option contract, or the options may become illiquid and difficult to close. Options are a derivative of stocks. An option derives its value from the price of the underlying stock;

Tax Risk: some strategies, including transactions in options and futures contracts, can be subject to special tax rules, which may have adverse tax consequences for the account holder;

Exchange Traded Funds (ETFs): ETFs are a type of exchange-traded investment product that must register with the SEC as either an open-end investment company (generally known as "funds") or a unit investment trust. ETFs have become increasingly popular as investment vehicles for both retail and institutional investors. Like mutual funds, ETFs offer investors a way to pool their money in a fund that makes investments in stocks, bonds, or other assets and, in return, to receive an interest in that investment pool. Unlike mutual funds, ETF shares trade like a stock and are subject to market risk, including the possible loss of principal. The value of the portfolio will fluctuate with the value of the underlying securities. ETFs may trade for less than their net asset value. Some ETFs may have underlying investment strategy risks similar to directly investing in commodities, bonds, real estate, international markets or currencies, emerging growth companies, or specific sectors. When investing in bonds, as interest rates rise, bond prices will fall. Due to their narrow focus, sector-based investments typically exhibit greater volatility. Special considerations associated with international investing include the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. When investing in real estate companies, property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance. The risk of loss in trading commodities and futures can be substantial. The high degree of leverage that is often obtainable in commodity trading can work against you as well as for you. You should therefore carefully consider whether trading in ETFs involving these types of investments or strategies is suitable for you in light of your financial condition. Investors should consider any ETF's investment objective, risks, charges, and expenses carefully before investing by referring to the ETF's prospectus for a more detailed discussion of its specific risks and considerations.

Private Placements: these instruments are exempt from registration under federal securities laws, have limited or no transparency as to the underlying investments, and are generally available only to "accredited" or "qualified investors," who are assumed to be sophisticated purchasers who have little or no need for liquidity from such investments, and are able to withstand the loss of some or all of their investment. Limitations on withdrawal rights and non-tradability of interests create higher liquidity risk and such investments should be viewed as long-term investments. Clients do not have access to public information, and the securities purchased are deemed restricted, are not traded on a secondary market or exchange and the instrument is thus illiquid. Partnership and fee expenses may be a higher percentage of net assets than traditional investment strategies and may include performance or incentive fees. The duration of private fund investments with longer-term securities are more sensitive to interest rates and include the possibility of more volatility than other investments. This is not an exclusive list of potential or actual risks in any particular private placement. Potential investors should review the particular private offering memorandum for more complete risk and strategy information;

Extraordinary Events: global terrorist or pandemic activity and the United States' involvement in such situations may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure;

Non-US Investments: Client funds may be invested in securities (e.g., debt, equity, currencies, derivatives, etc.) of issuers domiciled outside the United States. Such investments expose a portfolio to a number of risks that may not exist in the domestic market alone. Such risks include, among other things, trade balances and imbalances and related economic policies, currency exchange rate fluctuations, imposition of exchange control regulation, withholding taxes, limitations on the removal of funds or other assets, possible nationalization of assets or industries, political difficulties, and political instability in foreign nations;

Potential Concentration: Client portfolios may have highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.