



March 20, 2009

Dear Unitholder:

On June 1, 2007, Titan Funds Incorporated ("**Titan**") appointed the initial members of the Independent Review Committee (the "**Committee**") for the Titan Managed Portfolios (the "**Portfolios**") listed on the last page of the attached report in accordance with National Instrument 81-107 - *Independent Review Committee for Investment Funds* ("**NI 81-107**"). The report that follows, prepared as of March 20, 2009, is the second annual report to unitholders of the Portfolios managed by Titan under the requirements of NI 81-107.

The primary role of the Committee is to review conflict of interest matters identified and referred to it by Titan. A "conflict of interest matter" is a situation where a reasonable person would consider Titan or an entity related to Titan to have an interest that may conflict with Titan's ability to act in good faith and in the best interests of the Portfolios. In determining whether to recommend or approve an action Titan proposes to take in respect of a conflict of interest matter, the Committee focuses on whether the action achieves a fair and reasonable result for the Portfolios.

At least once a year the Committee will review and assess the adequacy and effectiveness of the policies and procedures relating to conflict of interest matters prepared by Titan in respect of the Portfolios, and will also conduct a self-assessment of the Committee's independence, compensation and effectiveness.

We look forward to continuing to work in the best interests of the Portfolios and maintaining open communications and a constructive working relationship with Titan for the benefit of the Portfolios.

"Serge Cecchetto"

Serge Cecchetto

Chair and on behalf of the Independent Review Committee

Reporting Period

The members of the Independent Review Committee (the “**Committee**”) for the Titan Managed Portfolios (the “**Portfolios**”) were appointed on June 1, 2007 by Titan Funds Incorporated (“**Titan**”), the manager of the Portfolios. There have been no changes in the composition of the Committee since that date. The Committee became operational on November 1, 2007. Unless otherwise stated, the information in this report covers the period beginning January 1, 2008 and ending December 31, 2008, the financial year-end of the Portfolios (the “**Period**”).

Members of the Committee

<u>Name</u>	<u>Residence</u>	<u>First Appointed</u>
Serge Cecchetto (Chair)	Whitby, Ontario	June 1, 2007
Donald Ferris	Calgary, Alberta	June 1, 2007
Gerald Romanzin	Calgary, Alberta	June 1, 2007
Donald Thurston	Calgary, Alberta	June 1, 2007

Holdings of Securities

(a) *Titan Managed Portfolios*

As at December 31, 2008, no member of the Committee beneficially owned, directly or indirectly, any units of the Portfolios.

(b) *Titan Funds Incorporated*

As at December 31, 2008, no member of the Committee beneficially owned, directly or indirectly, any class or series of voting or equity securities of Titan.

(c) *Service Providers*

As at December 31, 2008, no member of the Committee beneficially owned, directly or indirectly, any class or series of voting or equity securities of any person or company that provides services to the Portfolios or Titan.

Compensation

The aggregate compensation paid by the Portfolios to the members of the Committee during the Period was \$102,320.00. This amount was equitably allocated among the Portfolios based on the assets under management of each Portfolio.

Titan established the initial compensation and expense reimbursement policy of the Committee. As a general retainer, the Chair of the Committee receives \$25,000 per annum and each other member of the Committee receives \$21,000 per annum. In addition, for each formal Committee meeting attended, the Chair of the Committee receives \$1,500 and the other Committee members receive \$1,000. Committee members are reimbursed for all reasonable expenses incurred in attending meetings or in connection with the performance of their duties as members of the Committee. No indemnities were paid to the Committee members by the Portfolios during the Period.

The Committee reviews its compensation on an annual basis. In determining the appropriate level of compensation and reimbursement of expenses for its members, the Committee will consider the following factors:

- (a) the best interests of the Portfolios;
- (b) the number, nature and complexity of the Portfolios;
- (c) the nature and extent of the workload of each member of the Committee, including the commitment expected from each member, such as the time and effort required by the Chair to fulfill the duties of the Chair;
- (d) the aggregate compensation paid to each member of the Committee;
- (e) industry best practices, including industry averages and trends in the compensation of members of independent review committees; and
- (f) the recommendations of Titan, if any.

The Committee may also consider other factors it deems relevant in the circumstances.

The Committee reviewed its compensation on July 16, 2008. The committee concluded that its compensation was appropriate and, therefore, no change was made.

Conflict of Interest Matters

National Instrument 81-107 - *Independent Review Committee for Investment Funds* requires the Committee to review all conflict of interest matters identified and referred to it by Titan and, depending on the nature of the matter, make recommendations to Titan about Titan's proposed action in respect of the matter, or in certain cases such as inter-fund trades, investing in securities of a related party or investing in securities underwritten by a related party, make a decision whether or not to approve Titan's proposal in respect of the matter.

During the Period, the Committee reviewed the positive recommendations in the form of standing instructions previously provided to Titan, that permit Titan to act on an ongoing basis in respect of the following conflict of interest matters. Each standing instruction initially received the Committee's approval in 2007 and were reaffirmed for another year in July 2008. Each standing instruction requires Titan to comply with the policies and procedures of Titan in relation to the matter described below.

- (a) *Net Asset Value* – policies and procedures regarding the calculation of net asset value, series net asset value and series net asset value per unit.
- (b) *Fees* – policies and procedures regarding the calculation of fees charged to the Portfolios.
- (c) *Expenses* – policies and procedures regarding the allocation of operating expenses not covered by the administration fee payable by the Portfolios (i) between Titan and the Portfolios, (ii) amongst the Portfolios, and (iii) amongst series of units of each Portfolio.
- (d) *Error Correction* – policies and procedures regarding the correction of errors made in the management of the Portfolios or other error corrections raising conflicts of interest.

- (e) *Proxy Voting Guidelines* – policies and procedures regarding the exercise of proxy voting rights in respect of the securities of the Connor, Clark & Lunn Managed Portfolios held by the Portfolios.
- (f) *Employee Conflicts of Interest* – policies and procedures governing securities trading and the receipt of gifts by directors, officers and employees of Titan.

During the Period, Titan sought a review and followed the recommendation of the Committee with respect to (i) Titan's proposal to change the investment objective of the Titan Conservative Portfolio in connection with the conversion of the Titan Conservative Portfolio to a money market fund, and (ii) the ability of Titan to vote all units of the CC&L Conservative Portfolio (the "**underlying fund**") held by the Titan Conservative Portfolio in favour of the proposal to convert the underlying fund to a money market fund (the "**Proposals**") in so far as it related to a potential conflict of interest. The Committee reviewed the Proposals and the processes to be followed in connection with the Proposals, and advised Titan, that in the Committee's opinion, having reviewed the Proposals as potential conflicts of interest, that, following the processes proposed, the Proposals achieved a fair and reasonable result for the Titan Conservative Portfolio.

The Committee is not aware of any instance in which Titan acted in a conflict of interest matter but did not meet a condition imposed by the Committee in its recommendation in respect of that matter. Titan has an obligation to notify the Committee of any such instance. No other specific transactions were referred to the Committee by Titan during the Period.

The Committee is not aware of any instance in which Titan took an action in respect of a conflict of interest matter referred to the Committee for which the Committee did not give a positive recommendation.



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TITAN MANAGED PORTFOLIOS

Offering Series A, Series B, Series D and Series I Units of:

Titan Conservative Portfolio⁽¹⁾

Titan Balanced Income Portfolio

Titan Balanced Portfolio

Titan Balanced Growth Portfolio

Titan Growth Portfolio

Titan Aggressive Equity Portfolio

Note:

- (1) The Titan Conservative Portfolio was converted to a money market fund on or about January 1, 2009 and is now called the Titan Money Market Fund.