

Disclosure Brochure
(Form ADV, Part 2A)

RS ENERGY GROUP CANADA, INC.

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This brochure provides information about the qualifications and business practices of RS Energy Group Canada, Inc. If you have any questions about the contents of this brochure, please contact us at (403) 294-9111 or info@rseg.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority of the United States. That the firm is registered with the U.S. Securities and Exchange Commission is not intended to, and does not, imply a certain level of skill.

Additional information about RS Energy Group Canada, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

March 27, 2020

Material Changes

On February 11, 2020, Drilling Info, Inc. acquired all of the assets of an indirect parent of RS Energy Group Canada, Inc. (RS Energy Group Topco, Inc.). The ownership change resulted in Titan DI Holdings Inc. becoming the ultimate parent.

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1. Advisory Business

RS Energy Group Canada, Inc. (“RSEG” or the “Firm”) is a Canadian corporation that publishes energy-sector research that focuses on the oil and natural gas industries. Users of the Firm’s research may obtain it on a subscription basis or by request through a custom engagement. Subscribers to the Firm’s research include asset managers, pension managers and corporations that are professional investors sophisticated in the oil and gas industries.

The Firm, which is headquartered in Calgary, Alberta, has been in business for over 20 years, including its previous iterations as Ross Smith Energy Group and ITG Investment Research. The Firm is privately held directly and indirectly by three holding companies. The Firm’s direct parent (100%) is RS Energy Group U.S., Inc. The direct parent is owned, in turn, 100% by RS Energy Group Midco, Inc., which is owned 100% by RS Energy Group Topco, Inc.

The subjects of the Firm’s research include publicly traded and privately held oil and gas companies, with a focus on the analysis of North American and international energy exploration and production companies, basin characteristics, basin studies, commodity pricing forecasts, and global macroeconomics and geopolitical matters. Some of these companies also are subscribers of the Firm’s research. The goal of the Firm’s research activities is to provide timely and accurate information to assist the Firm’s subscribers in their review and due diligence of potential investment opportunities. All investment decisions, however, are made by the subscriber independently or with the advice of the subscriber’s independent advisor. RSEG, in other words, does not exercise discretion to make investment decisions for clients, manage client portfolio investments for clients, or execute investments on behalf of clients.

Research Process

Senior members of the Firm, often in consultation with analysts, will determine the subject of a research report and the report’s content. The Firm may seek new research subjects from client feedback, analysts’ original ideas, company presentations/announcements, government analyses, technical reports and conferences and media reports. The research generally tends toward technical analysis of geology and engineering, as well as from an analysis of the historical perspective and performance of a subject company. The Firm believes the scope of its research distinguishes it from most sell-side research that tends more toward rendering a buy, sell or hold recommendation.

The Firm predominantly relies on its internal data sourcing to inform the content of its research reports. RS Energy Group, Inc. (“RSEG-US”), an affiliate under common control, collects oil and gas energy data from corporate press releases and regulatory filings at the state and provincial level, and is the predominant source of oil and gas energy data for the Firm’s research reports. The Firm performs all of the research analysis from its principal office and place of business in Calgary, but pairs with RSEG-US to offer its research products and services to institutional and corporate clients.

Organization of the Research Team and Internal Review Process

Analysts are generally arranged into regional teams with intended overlap to allow for the free flow of ideas and information across the Firm. The teams are organized with a member of senior management, either an Executive Director or experienced Director, who meets with analysts to discuss a possible new report, map, or presentation. Once an idea is confirmed, another meeting is convened with authors and data technicians in order to establish a preliminary schedule for publication and to assign tasks.

Once a report is materially complete, the authors pass it to a Senior Editor who reviews the report and makes any revisions believed to be necessary. After the Senior Editor completes a review, and disclosures are added to the report, the Firm's graphics group prepares the report's layout and publishes it in portable document format (PDF) for review and approval by the Firm's senior management and compliance. After the necessary senior and compliance-level review and approvals, the Senior Editor makes preparation for the report's distribution to the Firm's subscribers.

The Firm mitigates potential conflicts of interest of its research process by prohibiting its research team from investing in companies in the oil and gas sector.

General Qualifications

The Firm's expectations are generally that analysts will be awarded a degree either in engineering or finance from an accredited university. Engineers typically are members of the Association of Professional Engineers and Geoscientists of Alberta. Professionals with finance degrees typically are members of (or working to become members of) the Chartered Financial Analyst Society.

Under most circumstances, newly hired professionals spend two years under the oversight of senior management prior to leading client meetings or authoring research reports as the lead author.

2. Fees and Compensation

The specific manner in which fees are charged by RSEG is established in a subscriber's written agreement with the Firm. Fees are charged at a negotiated rate and determined by the type and size of the subscriber, the customized products and services selected by the subscriber, if any, the scope of the project, timing, any confidentiality agreements with RSEG, and market factors. For all products and services, the Firm will generally bill its Fees on a basis outlined in each subscriber's written agreement with RSEG, which is typically quarterly or annually. Subscribers are typically billed in advance. Upon termination of a subscription, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

The Firm's services are tailored by subscriber needs. The selection of research services can include any combination of the following options:

- Access to all current and historical research reports.
- Access to RS Data.
- RS Research Intelligence
- RS Core
- RS Advisory
- RS Strategic
- Access to Firm analysts. This would include access to one-on-one meetings with the Firm's energy team (made up of petroleum engineers, geologists, data gathering technicians and financial analyst who have worked in the exploration and production industry).
- Access to updated lunches with RSEG analysts.
- Receive first priority on any calls, research follow-ups, conference highlights, analyst meetings and custom project work.
- Invitations to Firm sponsored energy conference and idea dinners with some of the top analysts from buy-side firms.
- Access to general information about a company that may cover newsworthy topics about the company and what effects, if any, on the company. These "one-off" requests elicit more general information rather than a detailed analysis of a company that would be indicative of a research report.
- Subscribers may participate on calls with the energy team to discuss key trends in the energy sector and operator drilling techniques in order to add background to the Firms' research reports.

The Firm also may enter into customized consultancy arrangements also at negotiated rates. The scope of the Firm's customized services can include benchmarking analysis, property reviews, due diligence, valuations, basin studies or peer reviews. Fees for custom engagements typically are billed at the execution of the engagement in which half of the agreed-upon fee is due and at the completion of the project when the balance of the fee is due. The Firm's consultancy arrangements tend to be short-term projects that generally would be completed within one calendar quarter from the time of engagement.

In the case of customized services, RSEG has the sole discretion to return any upfront fees should a customized project not proceed to completion. The extent to which any upfront fees are returned will depend on a number of factors, including (but not limited to) how much time and effort has elapsed following the engagement to the time in which a client determines not to proceed with the customized project.

3. Performance-Based Fees and Side-By-Side Management

The Firm publishes independent research focused on the energy sector on a subscription basis. It does not assess management fees based on assets under management; nor does it assess performance-based fees. Thus, RSEG would not have conflicts in connection with the side-by-

side management of accounts that solely assess management fees versus those that also charge performance fees. *See* Section 2 above for a description of the Firm's fee structure.

4. Types of Clients

RSEG's subscribers include institutional investors, including portfolio managers, private-equity managers, and corporate exploration and production companies.

5. Methods of Analysis, Investment Strategies and Risk of Loss

Senior members of the Firm, often in consultation with analysts, will determine the subject of a research report and the report's content. The Firm may seek new research subjects from client feedback, analysts' original ideas, company presentations/announcements, government analyses, technical reports, and conferences and media reports. The research generally tends toward scientific and technical analysis of geology, and often is engineering focused.

The research process uses a team approach overseen by Firm management. Before a research report is published, the research team convenes several times to agree on scope and publication schedule.

Once a report is materially complete, the authors pass it to a Senior Editor who reviews the reports and makes revisions to the report. After the Senior Editor completes a review, and disclosures are added to the report, the Firm's graphics group prepares the layout and publishes it in PDF for review and approval by the Firm's senior management and compliance. After the necessary senior and compliance-level review and approval, the Senior Editor makes preparation for the report's distribution to the Firm's subscribers.

The Firm's analyses are based primarily on calculations of net asset value (NAV), which are derived using discounted cash-flow models. The NAV model begins with an evaluation of a company's proven developed reserves using industry-standard decline analysis. The analysis then assesses the company's land holdings using a variety of technical data sources (geology, completion, historical production, *etc.*) to estimate the viability of the acreage for future drilling. Each well has an associated capital and operating cost structure that is incorporated into the model also accounts for hedges, debt, taxes, general and administrative costs, and other corporate-level financial inputs. RSEG typically runs a number of sensitivities around key variables, such as well cost, reserves and commodity prices, to show the range of possible outcomes.

The Firm does not make investment decisions for subscribers or manage assets where it would make and implement investment decisions either on a discretionary or nondiscretionary basis. Its research may be used as part of an informative process for others to make those investment and implementation decisions. Of course, securities investments pose risks of loss and, although RSEG has experience in the energy sector, its energy research cannot predict markets or positive performance with certainty. In particular, the development, production, transportation, and marketing of natural resources generally are subject to many risks and an investment that

depends on the continued and long-term success of these activities is not inherently certain. Energy sector investments are affected by many factors, including, without limitation, local and global commodity price fluctuations, government regulation, environmental issues, natural disasters, operational and transportation disruptions, shifts in supply and demand for resources, land use and title issues, import and export duties and other trade issues, changing macroeconomic conditions, changes in fuel and other input prices, raw material depletion, and labor issues.

Any of these factors could affect the Firm's research, and there is risk that the Firm's research may not adequately evaluate or convey some or all of these factors in its analysis.

6. Disciplinary Information

Neither RSEG nor any professional of RSEG has been the subject of any legal or disciplinary event of an investment-related nature that would be material to the business of the Firm or that would be subject to disclosure in Item 11 of Part 1A of Form ADV.

7. Other Financial Industry Activities and Affiliations

The Firm's sole business is the analysis and preparation of institutional research reports focused on the oil and gas industries. The Firm does not have any material business arrangements with any affiliates or control persons that are in the securities, banking, real estate, commodities or insurance business or with any legal or accounting advisers to any affiliate or control person. The Firm, however, is indirectly owned through three holding companies by a private equity firm and does predominantly obtain oil and gas energy data from RSEG-US to inform its research reports.

Additionally, the Firm's research content predominantly relies on oil and gas energy data from corporate press releases and regulatory filings at the state and provincial level that is collected by its affiliate, RSEG-US. This internal data source is the predominant source of oil and gas energy data for the Firm's research reports.

8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

RSEG maintains a code of ethics that addresses compliance with the U.S. Investment Advisers Act of 1940 and other relevant laws, as well as with the Firm's contractual duties.

Code of Business Conduct

The Firm's Code of Business Conduct and Ethics ("Code") covers a wide range of business practices and procedures. It prescribes basic policies to guide all directors, officers and employees of RSEG. In particular, the Firm's Code covers policies designed to deter wrongdoing and to promote (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interests, (2) full, fair, accurate, timely, and understandable disclosure, and (3) compliance with applicable governmental laws, rules, and regulations. All RSEG directors, officers and employees must conduct themselves in accordance with these

policies and seek to avoid even the appearance of improper behavior. RSEG seeks to comply with all applicable laws in conducting its business.

Periodically, the Firm conducts information and training sessions to promote compliance with laws, rules and regulations.

Honest and Ethical Conduct

The Firm's Code requires that each director, officer and employee conduct him/herself in an honest and ethical manner and act with the highest standards of personal and professional integrity. All actual or apparent conflicts of interest between personal and professional relationships must be handled honestly, ethically, and in accordance with the policies specified in the Firm's Code.

Conflicts of Interest

The Code seeks to manage conflicts of interest. Very generally, a "conflict of interest" arises when a person's private interest actually or potentially interferes in any way (or even appears to interfere) with the interests of the Firm's subscription clients or the Firm. A conflict situation can arise when an employee, officer, or director takes actions or has interests that may make it difficult to perform his or her work objectively and effectively.

RSEG requires its professionals to report actual or potential conflicts of interest. To mitigate certain conflicts, the Firm has established a policy that prevents professionals from investing in energy-sector companies.

The Code also addresses the potential for affiliates that may invest in companies that are the subject of a research report. In this connection, the Code recognizes information barriers that insulate the Firm's research activities to prevent coordination with the investment activities of its affiliates.

The Code is available to any subscriber upon request.

9. Brokerage Practices

RSEG publishes institutional research. It does not manage securities portfolios or select brokers and dealers for purposes of routing securities transactions. Accordingly, the Firm has not needed to establish a formalized process for the selection and evaluation of trading partners, such as brokers or dealers of securities.

10. Review of Accounts

Because the Firm does not manage client investments, it does not establish client accounts. Nor does it need to review the performance of client accounts. The Firm publishes institutional research for use by its subscribers. The subscriber or the subscriber's advisor(s) independently determines whether to act on any advice or analysis conveyed in the Firm's research.

11. Client Referrals and Other Compensation

The Firm does not compensate any third party for client referrals and does not receive any economic benefit from a third party for providing investment advice to its subscribers.

12. Custody

RSEG does not have custody over any subscriber's funds or securities.

13. Investment Discretion

As a research provider only, RSEG does not manage client investment decisions and does not establish or maintain any discretionary authority over client accounts.

14. Voting Client Securities

Neither RSEG nor any affiliate votes proxies on behalf of the Firm's subscribers.

15. Financial Information

The Firm's research services typically do not extend for long periods. Typically, the Firm's customized research extends no longer than one calendar quarter from beginning to end. If RSEG entered into a customized arrangement where it obtained a portion of its fees upfront for a period of six months or more prior to completing a project, it would provide its client with a Firm balance sheet at the time of the engagement and collection upfront of half of its fee. There are no financial conditions of which the RSEG is aware that would impair the Firm's ability to publish any research under a consultancy agreement.