Renaissance Studio, Ltd. – Executive Summary

The Most Lucrative Investment Scenario You Will Ever Encounter

"Making the movies that almost everyone wants to see."

"Exploiting the faulty conventional wisdom of the movie industry and the capital markets."

Overview

"Blind fealty to conventional wisdom and timid investment parameters is the obstacle to extreme wealth."

Renaissance Studio, Ltd. ("RSL") is an emergent movie studio that has invested many years in 1) a comprehensive analysis of the motion picture industry and 2) the development of the means to exploit its dysfunction and 30x to 200x price/earnings multiples in the M&A and equity markets to deliver absolute risk adjusted returns on investment that dwarf other investment scenarios.

The research and development work is complete to launch a virtual movie studio that is designed to convert $50 million of primary equity into $5+ billion of IPO proceeds in 5 years. Full due diligence on the RSL business model, business plan, metrics, methodologies and its movie project inventory will confirm that a $5 billion IPO end game is on the low end of plausible outcomes.

RSL is engaged in a search for prescient capital partners who are more concerned with exploring a very real opportunity to earn a 5 year Alpha above 10,000 than blind fealty to timid investment parameters or conventional wisdom. They will be insightful minds that grasp the concept of exploiting the major vulnerabilities of the movie industry and the irrationality of the valuation metrics in the equity markets.

This summary will expose the flaws in the conventional wisdom of the capital markets and the movie industry and reveal a highly plausible path to extreme wealth. Please invest 20 minutes to review it.

Equity Investment Reality Check

"Every missed opportunity in life can be traced to a misperception or a self-imposed limitation."

Warren Buffett Mythology

Warren Buffett is celebrated as the sage genius of the investment realm because he has wielded his powerful market profile to deliver a 21% average annual return on investment over the past five years. Few people talk about the fact that the NASDAQ posted a 24% average return and the S&P 500 delivered a 16% average return over the same time period.

In truth, individual investors could have achieved about the same average annual ROI as Warren Buffett if they had invested 50% of their money in each of the NASDAQ and S&P 500 indexes 5 years ago. More importantly, was Buffett's 21% average annual ROI largely the result of his wisdom and insights or excess liquidity driven market value inflation? Is it insightful genius to ride the rising tide of excess liquidity that lifted all the indexes?

Yes, Warren Buffet is a brilliant man who has successfully managed investments to earn billions of dollars but what was his true value added over the last 5 years? Could his funds have been invested to earn exponentially higher risk adjusted ROIs? Is it wise for Berkshire Hathaway and other investors to remain invested in equities that are highly overvalued in the current excess liquidity driven "Bubble"?

Venture Capital Mythology

There is a pervasive but false perception in the capital markets that investments in even well conceived start up venture capital ("V/C") scenarios offer much lower risk adjusted Alpha than other major investment alternatives. Therefore, conventional wisdom maintains that it is better to avoid V/C and invest in highly over valued public and private equity or funds or low Alpha ceiling oil & gas or commercial real estate scenarios.

Yes, some V/C flows into the tech markets but they are exposed to high levels of obsolescence, market acceptance and competition risks that deliver 60% failure rates.

The prevailing misperceptions about V/C outside the tech realm have the effect of automatically excluding innovative start up ventures that are skillfully structured to exploit the vulnerabilities of major industries and the irrationality of prevailing equity valuation metrics. Even highly plausible V/C scenarios are dismissed without due diligence on real opportunities that can to deliver absolute risk adjusted Alpha that dwarfs Berkshire Hathaway or other traditional investment alternatives.

Investment Performance Comparisons

The reflex reaction of **EVERYONE** is to reject the plausibility of the RSL 10,000 5 year Alpha goal and not invest the time to do the due diligence to fully evaluate the RSL scenario no matter how real and extraordinary the Alpha opportunity may be. Therefore, it is vital to immediately place the RSL scenario into the context of other equity market investment options to grasp the plausibility of the RSL Alpha opportunity.

Please consider the following chart that compares the average ROI performance of major investment options:

Name	Ticker or Reference	1/3/12	5/5/12	Change	Average Annual Change	Recent P/E Multiple
Oil & Gas & CRE						
Exxon Mobil	XOM	$86.00	$82.02	**(5%)**	**(1%)**	44x
Shell	RDS-A	$74.22	$54.23	**(27%)**	**(5%)**	47x
Chevron	CVX	$110.37	$105.79	**(4%)**	**(1%)**	**(392x)**
Apache	APA	$95.93	$48.29	**(50%)**	**(9%)**	**(13x)**
Anadarko	APC	$78.65	$52.59	**(33%)**	**(6%)**	**(9x)**
Comm. Real Estate	IRR Expectation				20%	
Funds						
Berkshire Hathaway	BRK-B	$77.68	$166.55	114%	21%	
Barrons Hedge Fund Top 100	3 Year Top !00 Average				17%	N/A
Barrons Top Hedge Fund - 2016	Best 3 Year Performer				30%	N/A
Major Indexes						
S&P 500	GSPC	$1,277.06	$2,399.29	88%	16%	N/A
Dow	DJI	$12,397.38	$21,006.94	69%	13%	N/A
Nasdaq	IXIC	$2,648.72	$6,100.76	130%	24%	N/A
Big Tech						
Apple	AAPL	$58.75	$148.96	154%	29%	18x
Microsoft	MSFT	$26.77	$69.00	158%	30%	30x
Facebook	FB	$31.91	$150.24	371%	74%	43x
Google	Googl	$333.04	$950.28	185%	37%	32x
Movie Industry						
Lions Gate	**LGF-A**	**$8.43**	**$24.89**	**195%**	**37%**	**(103x)**
Netflix	**NFLX**	**$10.32**	**$156.60**	**1417%**	**265%**	**202x**
Disney	**DIS**	**$38.31**	**$111.99**	**192%**	**36%**	**20x**
Legendary	**Est. 11 year life**	**$250.00**	**$3,500.00**	**1300%**	**118%**	**30x**
Renaissance Studio	**5 yr. Projection**	**$50.00**	**$5,000.00**	**10,000%**	**2,000%**	**25x**
GDP Average **GDP Growth**		**$15,518**	**$18,569**	**20%**	**4%** **2%**	

There are several important takeaways from the charts above:

Industry	Investment Positives	Investment Negatives
Oil & Gas	• Strong economic growth could drive a rise in energy commodity and share prices. • Investments are grounded in hard asset reserves. • Very low historical insolvency risk.	• 5 year average ROI is abysmal. • Strong demand growth unlikely to offset new supply from tech advancements. • Existing P/E multiples reflect valuations that already incorporate much higher oil & gas price expectations in the future. • Any significant economic contraction could cause a share price collapse. • There is almost no IPO opportunity to exploit the overvalued equity markets.

Commercial Real Estate	• Strong economic growth could drive a rise in cash flows and valuations. • Investments are grounded in hard asset real estate and buildings.	• Strong economic growth is unlikely & it has historically unleashed over building followed by valuation contractions that drive insolvencies on CRE projects that are often highly leveraged. • Any significant economic contraction could cause a valuation collapse. • There is almost no IPO opportunity to exploit the overvalued equity markets.
Funds	• Average fund ROIs have been good but not great relative to the indexes as they have largely ridden the rising tide of the equity markets over the last 5 years.	• Average returns have been 4x to 7x GDP growth since 2012. Is this sustainable or a sign of overvaluation? • Underlying P/E multiples are very high. • Any significant economic contraction could cause a valuation collapse. • There is almost no IPO opportunity to exploit the overvalued equity markets by buying equities at current prices.
Major Indexes	• The major indexes have delivered strong ROIs over the last 5 years.	• Average returns have been 3x to 6x average GDP growth since 2012. Is this sustainable or a sign of overvaluation? • Underlying P/E multiples are very high. • Any significant economic contraction could cause a valuation collapse. • Buying indexes at current prices offers no IPO opportunity to exploit the overvalued equity markets.
Big Tech	• Big tech companies have delivered very strong ROIs over the last 5 years. • The technology industries are the future.	• Average returns have been 7x to 18x average GDP growth since 2012. Is this sustainable or a sign of overvaluation? • Underlying P/E multiples are very high. • Any significant economic contraction could cause a valuation collapse. • The big tech firms are so large that useful capital reinvestment is an issue. • Buying or holding big tech shares at current prices offers no IPO exploitation opportunity in the overvalued equity markets.

New Tech Ventures	• New technology ventures can offer opportunities to exploit the very high P/E multiples in the NASDAQ and big tech public equity markets. • Big tech companies sometimes pay very high valuations for successful new technology ventures.	• Barriers to entry are very high and there is tremendous competition from established firms and other new tech. • New technology risks are difficult to assess because there is so much R&D. • At least 6 of 10 new tech ventures fail. • It is very difficult to build $1 billion enterprise valuation scale to get to the very high P/E multiples.
Movie Industry	• Low barriers to entry with almost no competition on 85%+ of consumers. • Everyone is a potential consumer. • Demand only limited by quantity of quality movie supply. • Very high operating margin potential to reach the $1 billion enterprise scale to get to the high P/E multiples. • Low economic contraction risk. • Very high and irrational P/E multiples to be exploited by startups. • Enormous China market potential.	• Average M&A and public market movie industry returns have been 9x to 66x average GDP growth since 2012. Is this sustainable or a sign of extreme overvaluation & exploitation potential? • 80%+ of movie projects lose money. • Global shortage of movie content that matches most consumer preferences. • Reliance on huge budget "Tentpoles" that concentrate risks and limit IRRs.
Movie Ventures: **Independent Films**	• Every traditional "Independent" film is, in substance, a start-up movie venture. • Well conceived movies can deliver an early return of capital in 18 to 24 months and returns on equity of 1x to 5x the equity invested in the film depending on global market acceptance.	• Over 85% of independent films lose money for production equity investors. • Very few independent films achieve broad theatrical release. • Independent filmmakers create films that match studio expectations rather than consumer preferences. • The studios systematically manipulate content, advertising and accounting to exploit production equity investor IRRs.
Renaissance Studio, Ltd.	• Business model and plan are designed to exploit all of the "Movie Industry" "Positives" and "Negatives" above. • Similar downside risks & exponentially higher upside return potential than almost all other investment options. • 98% of movies in theaters would not meet RSL's "Green Light" standards. • Superior project inventory is ready. • Manageable down side risks. • Investment return by month 30. • Real 10,000 Alpha potential in 5 years.	• $50 million of equity required for a start up studio with no movie production track record. • Most of RSL management not in place. • 80%+ of movie projects in the film industry lose money. • It is difficult to overcome the inertia of the faulty movie industry culture and business practices. • Global distribution and advertising are a major challenge for films that bypass the studios.

Absolute Risk & Return – The Compelling Case For Investment in RSL

The rise of China, Federal Reserve policies and near zero interest rates have unleashed huge volumes of excess liquidity in search of returns in the equity markets. This has created a situation where the global supply of equities is far smaller than the demand so equity prices have become highly inflated.

All the signs point to another hype and excess liquidity driven overvaluation "bubble" in the equity markets. Equity values have been rising far faster than GDP growth for many years. P/E multiples are very high as stocks trade more on future earnings potential than past earnings performance. A buy or hold at current inflated values is more a leap of faith that ever increasing excess liquidity will indefinitely perpetuate valuation metric irrationality than a sound investment choice grounded in fundamentals.

Given these realities, this is not a time to invest in equities at inflated valuation levels. It is a moment to invest in prescient start up ventures that are well designed to exploit the equity market overvaluations.

The chart below makes a compelling case that the motion picture industry and RSL offer far superior absolute risk adjusted Alpha potential than any other alternative:

Oil & Gas/ Real Estate	• Ventures in these industries have low Alpha ceilings because they have almost no IPO potential to exploit the extreme overvaluations in the public equity markets. • The underlying hard assets provide some comfort on the downside but the asset values are very vulnerable to excess supply, commodity price and economic contraction risks.
Funds	• Funds have Alpha ceilings below 50 because they seldom invest in start up ventures with strong IPO potential. Opportunities to reach Alpha above 20% are rare. • Funds are highly vulnerable to economic and market contraction risk as well as hype and liquidity driven overvaluation risks.
Major Indexes	• The major indexes have very low Alpha ceiling of about 25 because they are comprised of public equities with no start up venture exploitation opportunities. • The major indexes provide risk diversification but are highly vulnerable to economic and market contraction as well as hype and liquidity driven overvaluation risks.
Big Tech	• Big tech firms have a high Alpha ceiling of about 75 but 1) the huge size of these companies limits their Alpha above that level and 2) there is little IPO exploitation opportunity to deliver huge Alpha other than seed investments in new tech ventures. • Big tech firms rely on aging business models that may not be sustainable and yet they trade at 18x to 43x P/E multiples that reflect strong earnings growth expectations. • The inflated valuations are highly vulnerable to market and economic contraction risks. The NASDAQ lost 2/3 of its value in the "Dot.com" bust of the late 1990s.
Venture Tech	• Tech ventures consume over 80% of V/C even though new tech ventures fail 60%+ of the time and there are huge obsolescence, market acceptance and competing tech risks. • These ventures have substantial IPO or M&A exploitation potential but they seldom achieve the scale that is needed for multibillion dollar windfalls.

Movie Industry	• The motion picture industry offers the highest Alpha potential because well conceived movies can deliver net earnings that are multiples of the equity investment in each film. • Movie industry stocks are highly vulnerable to overvaluation risks but they are resistant to economic and movie market contraction risks because movie demand typically persists through recessions as the cheapest form of major entertainment. • Existing firms offer substantial equity value appreciation potential if they deliver successful films. Lions Gate's market cap increased from $1.1 billion to $5.5 billion in 20 months largely on the success of one film franchise, "The Hunger Games".
Renaissance Studio, Ltd.	• RSL has invested many years in a comprehensive analysis of the movie industry and the development of the means to exploit every element of its dysfunction. • The movie viewing preferences of over 85% of adults are being ignored by the movie industry. RSL will skillfully exploit this reality with far superior movie content. • The RSL business plan is to raise $50 million of primary equity to create a digital age, virtual movie studio that will project a compelling IPO profile in year 5. • The year 5 IPO would be valued at $6 billion if 1) the RSL movie projects average 45% of the genre average revenues and 2) the RSL IPO earns the 25x P/E. All RSL projects are expected to exceed the genre average revenues and the chart on page 3 of this document shows that the 25x P/E is at the low end of possible outcomes. • The initial RSL inventory of 16 movie projects are designed to launch up to 10 sustainable film franchises that will serves as a strong earnings foundation for the IPO. • RSL will not be vulnerable to movie market or economic contraction risks or the equity market overvaluation and competitor risks that it is designed to exploit. • Every movie project is a start up and RSL will have the great advantage of financial strength that will mitigate certainly of completion and global distribution risks. • The primary capital will allow RSL to hire top quartile executives and project execution teams to insure strong production values on time and on budget. The strength of these human resources will be a major offset to typical start up risk concerns. • Market acceptance risk will be offset by effective content evaluation metrics and proprietary screenwriting methodologies that skillfully match a diversity of compelling resonance elements with the viewing preferences of broad spectrum global demographics. Over 98% of movies that reach theaters would not meet RSL standards. • The RSL financial controls and risk management strategies that are unique to the movies industry will safeguard investor equity until it is returned in month 30 to eliminate primary equity risk.

Full due diligence on RSL would confirm that investors are taking similar risks for exponentially lower Alpha potential by investing in the overvalued equity markets, commercial real estate, oil and gas or most technology equities/scenarios. Those who invest the time to fully understand the RSL value proposition will discover a very real path to life changing wealth on a moderate risk profile. Please reserve judgment until you consider the balance of this summary.

Risk Versus Return Simulation

RSL assertions about absolute risk adjusted Alpha are nothing more than abstractions unless they are placed in a relative context. The chart below compares the major investment alternatives from above by rating each one of them on the major risk elements and their future Alpha potential. Each rating is from the viewpoint of any shareholder within the category at current price levels, not from the industry as a whole.

Major Risks	Oil & Gas	CRE	Funds	Indexes	Big Tech	Movie Ind.	RSL
Overvaluation	4	3	5	4	5	5	**0**
Technology	4	2	3	3	4	2	**1**
Competition	4	4	2	1	4	2	**2**
Economy	4	4	4	3	3	2	**1**
Start Up	0	0	0	0	0	3	**5**
Demand	3	3	3	3	3	4	**2**
Insolvency	2	3	2	1	2	4	**5**
Total Risk	**22**	**21**	**19**	**15**	**21**	**22**	**16**
Alpha Ceiling	**15**	**20**	**20**	**15**	**30**	**20**	**100**

Risk Ratings - Very High Risk: 5 / No Risk: 0

Future Alpha Potential Ratings - Very High: 100 / Very Low: 1

Reasonable minds can disagree about the weightings, the ratings and risk categories but the chart illustrates that RSL offers exponentially greater Alpha potential through the IPO at risk levels that are similar to or lower than the other alternatives. Full due diligence will confirm the general validity of these comparisons.

Strong cases can be made that the "Start Up" and "Insolvency" risks on RSL are largely mitigated.

The Global Movie Market Exploitation Opportunity

Extensive analysis has confirmed a reality that is obvious to all movie fans: The movie industry is consistently ignoring the viewing preferences of over 85% of movie consumers and there is almost nothing in theaters that most adults over 25 want to see. This situation represents a market and wealth exploitation opportunity for visionary entrepreneurs and investors. Please consider the following:

The Market Disconnect	No industry projects a greater disconnect between product features and consumer preferences. What other industry largely ignores the preferences of over 85% of its potential consumers?
Consumer Frustration	**Every movie fan** is familiar with the recurring frustration of wanting to go to a movie, checking the listings and finding nothing that inspires them to go to the theater. **Every movie fan** is mystified that "Hollywood" makes so few movies that they want to see. This problem is the same for viewing in venues outside of theaters.

Movie Market Demand	The only major limitation on movie demand is the supply of films with resonance elements that inspire people to view movies. The market for entertaining motion pictures is far larger than the industry's ability to create compelling content to serve demand under current industry business practices.
Enormous Consumer Base	**Everyone** in the developed world is a potential movie consumer and every movie fan would see more movies if there were more films that match their preferences.
Quality Supply Shortage	About 90% of movie consumers saw only 2 movies on average in theaters in 2016. This reality is not a demand issue, it is a major quantity of quality supply problem.
Poor Content Evaluation Metrics	The film industry employs faulty screenplay evaluation metrics that focus on the source of the script and technical screenwriting elements rather that the objective ability of the concept, the story, the characters and the resonance elements to match the viewing preferences of broad spectrum international demographics.
Movies Usually Lose Money For Equity Investors	There is no industry with greater risk adjusted IRR/Alpha potential and worse actual return on investment performance. What other industry loses money on over 80% of the products it produces and relies on the other 20% to cover the losses?
A Global Industry With Huge Revenue Size	Global box office revenues were $39 billion in 2016 with revenues from all sources above $100 billion. This is especially noteworthy because the industry is largely ignoring the viewing preferences of 85% of its potential consumers. What would revenues become if the industry matched its products with consumer preferences?
Underserved Adult Demographics	The movie industry focuses on creating big budget films that target the under 25 age demographic while largely ignoring the preferences of the 75% of adult movie goers over age 25.
Underserved Adult Female Demographics	The adult female demographic includes up 45% of potential movie goers and makes the movie going choices for over 60% of tickets that are purchased, Despite this fact, the viewing preferences of adult women are largely ignored. This often leaves them going to movies for their children or tagging along to watch movies that their male counterparts prefer.
Underserved International Demographics	Over 2/3 of movies that are produced by "Hollywood" have almost no resonance potential with the over 70% of movie goers outside of North America. Over 98% of the movies produced in China have no resonance potential outside of Asia.
Movie Studio Business Strategy	The movie studios are focused on creating earnings from shallow, big budget "Tentpoles" that largely target under 25 frequent movie goers. These films rely on gratuitous/repetitive action and computer generated effects rather than compelling stories and characters. They also believe that "star power" and distribution muscle can overwhelm content deficiencies and are content to ignore the viewing preferences of over 85%+ of adults.

Faulty Content Origination Culture	The movie industry operates on an incestuous and exclusionary movie development process that limits content acquisitions to a depleted pool of agencies and other "known" sources. This approach creates movies that lose money for equity investors over 80% of the time while they fail to inspire over 85% of movie consumers.
Overvaluation of "A List Talent"	The problems of poorly conceived movie concepts, characters and stories are compounded by an industry culture that undervalues content and highly inflates the value of "A List" talent to maximize agency compensation. In truth, there are countless actors and directors who can convert a great film concept into a great film. There is no actor or director who can convert a poor script into a great movie.

In truth, there is a pervasive global dearth of motion picture content that is skillfully designed to match product features with consumer preferences. You have to look no further than the theater listings to find strong evidence to support this assertion. This situation exists because the industry culture and the content evaluation metrics and screenwriting methodologies it employs are systemically flawed.

RSL has been designed to exploit every one of the above vulnerabilities with high concept, thought provoking, triumph of the human spirit stories that feature sensational, multidimensional characters who are immersed in the most compelling and terrifyingly plausible scenarios of the modern world.

The Public Equity Market Exploitation Opportunity

The M&A and public equity markets are offering highly irrational price/earnings multiples in the 30x to 200x range in the motion picture industry and the multiples are increasing along with the broader stock market advance**.** Please consider the following examples that illustrate the exploitation opportunities:

Lions Gate Entertainment	The market cap of Lions Gate ("LGF") increased from $1.1 billion in January 2012 to $5.5 billion in September 2013, largely on the success of one major franchise, "The Hunger Games". LGF's market cap continues to hover above $5 billion even though it posted a $186 million pretax loss for the 4 quarters ended 12/31/16.
Netflix	The market cap of Netflix has increased from about $4 billion in April 2012 to above $65 billion currently with an above 200x P/E ratio. This 16x increase was achieved even though Netflix posted earnings of only $187 million and negative $1.5 billion of cash flow from operations for the year ended 12/31/16.
Legendary Entertainment	Legendary commenced operations in 2005 with about $200 million in primary capital and sold to Dalian Wanda in 2016 for $3.5 billion that equated to an estimated 30x P/E multiple. This result was achieved even though Legendary was unable to successfully develop its own movie content, largely financed third party projects and could not deliver consistent earnings.

The extreme irrationality of P/E ratios in the 30x to 200x range in the motion picture industry represents an extraordinary wealth exploitation opportunity for anyone who can project a compelling IPO profile in the film industry. RSL has been created and developed to exploit this opportunity by launching a going concern, virtual movie studio that will deliver a compelling IPO profile by year 4.

The Virtual Movie Studio Business Model

Movie studios are typically engaged in the financing and global distribution of movie projects that are sourced, developed and produced by third party producers. All the studios and the production companies compete to acquire movie content from the same talent agencies, book authors, publishers and other depleted sources to create movies that lose money for production equity investors over 80% of the time.

The prevailing movie content origination culture and practices are deeply flawed because they systematically ignore the viewing preferences of 85%+ of potential movie consumers and the financial interests of production equity investors. In truth, "Hollywood" employs ineffective content origination practices to produce the films it wants to make rather the movies that most people want to see.

To exploit this pervasive dysfunction, RSL has developed a digital age business model for a virtual movie studio that can compete successfully with the major studios in the global markets. This goal will be achieved by employing advanced content evaluation metrics and screenwriting methodologies that skillfully match a diversity of compelling resonance elements with the viewing preferences of broad spectrum demographics.

What is the "virtual movie studio" business model and why will it succeed? Below is a comparison of the RSL business model vs the traditional movie studios:

Element	Renaissance "Virtual" Studio	Traditional Movie Studios
Content	Write and develop superior content for co-production	Largely rely on third parties to write, develop and produce content
Finance	Only finance projects that are written and developed by RSL to insure profitability	Largely finance agency, producer and third party developed projects
Success Premise	Story concept and content are 85% of financial success	"A List" talent, "Tentpoles", marketing and distribution drive financial success
Audience Target	Target the 85% of adults whose viewing preferences are largely being ignored	Target the 10% of "frequent movie goers" who are largely under age 25
Genre Target	Modest budget films in high revenue average and ceiling genres.	Huge budget "Tentpole" films in very high revenue average and ceiling genres.
Budgets	$30 million production budgets in genres that average $500 million of revenues/film.	Rely on $100+ million budget "Tentpoles" in high revenue genres.
Production	Self produce with coproduction partners.	Usually rely on third party producers.
Capital	Capital first to create optimum "Packages" and operate outside of the industry culture.	"Package" first to raise capital. This method creates movies that fail 80% of the time.

Real Estate	Invest no capital and opportunistically lease to produce where costs are lowest.	Studio owned soundstages in high cost venues still prevail in many instances.
Marketing/ Advertising	Invest in moderate ad buys and promotions that skillfully maximize net revenues.	Engage in huge advertising buys that seldom produce net revenues.
Distribution	Only distribute RSL projects unless no capital investment required by RSL.	Largely distribute third party produced projects.

The RSL business model will avoid the pitfalls of the movie industry and exploit its dysfunction to deliver exceptional risk adjusted IRRs at the operating level. The successful implementation of the RSL business model and plan will position RSL shareholders for a $5+ billion IPO windfall by year 5.

Making huge budget "Tentpole" movies can be financially successful but 45% of films with production budgets over $100 million in 2016 lost money for production equity. Big budget films also concentrate risks and limit IRRs. It is a high risk business model for large conglomerates, not independent investors.

Outside the "Tentpole" realm, are lower budget "Independent" films that are largely in low revenue ceiling genres with narrow global demographic resonance profiles and no franchise potential. This is not a path to consistent financial success or creating a successful IPO profile that represents 95%+ of the earnings opportunity for investors.

The RSL strategy is designed to fill the huge gap between "Tentpole" and "Indie" scenarios to deliver exceptional returns on investment to global audiences and RSL investors.

The RSL Business Plan

The RSL business plan will employ the virtual movie studio concepts to avoid the pitfalls of the movie industry culture and business practices and exploit their dysfunction. The key features of the RSL business plan can be summarized as follows:

Capital Plan

The RSL research and development process is complete and the early movie projects are poised to move into final development and preproduction upon receipt of the primary equity commitment of $50 million. The capital plan and end game can be summarized as follows:

Primary Capital	Raise $50 million of primary equity upfront as a bridge to operating cash flow in year 3. The equity will enable access to $100 million credit line and permit the full execution of the RSL business plan. This approach offers certainty of production and distribution that will project very strong credibility to the agencies, theater chains, sales agents and international distributors to insure strong and timely global distribution. This will also allow RSL to avoid the faulty industry culture and business practices and maintain control of content, advertising and releases to maximize IRRs.

Early Equity Capital Recovery	RSL's modest budget movies in high revenue ceiling genres will produce strong operating cash flows that will permit the return of the equity by month 30 under reasonable assumptions. RSL will remain self-sustaining on capital thereafter.
Return On Investment	The RSL business plan is designed to convert the $50 million of primary equity into $5+ billion of IPO proceeds by year 5. This goal will be achieved if: • The RSL movie projects average 45% of the action/thriller/clandestine genre average box office/DVD revenues since 2006 and • The RSL IPO receives the 25x P/E multiple that Legendary received in 2016. Much larger P/E multiples and IPO valuations are plausible given the equity market profiles and much higher P/E multiples of Lions Gate and Netflix.

Capital Budgets & Earnings Projections

RSL is not in business to raise incremental funds to produce individual movies because that approach seldom produces superior risk adjusted IRRs for equity investors. RSL's strategy is to raise primary capital to build a film production and global distribution company with a compelling enterprise value profile that can exploit the irrational 30x to 200x P/E multiple in the M&A and public equity markets.

This ambitious strategy requires a significant initial capital commitment to:

- Create credibility with all counterparties, management and employees that are needed to successfully execute the business plan.
- Provide seed funding for corporate start up and final development of the initial slate.
- Fund the production, global distribution and advertising of world class movies.

Description	Amount	Comments
Production Budget	**($317,500,000)**	**Initial 11 film slate through year 4**
Less: Corporate Expenses	**($35,790,000)**	**4 years**
Less: Marketing/Advertising	**($264,000,000)**	**Self funding to insure global distribution and maximize net revenues and IRRs**
Plus: Cost Free Capital	**$31,750,000**	**Film subsidies at 10% of production budgets**
Plus: Net Revenues	**$1,051,050,000**	**From initial 11 films over 4 years**
*** Base Case RSL Income**	**$465,510,000**	**Assumes 45% of genre average revenue per film**
Primary Capital Request	**$150,000,000**	**Includes $50 million of primary equity and a**
Less: Maximum Advance	**($114,000,000)**	**Projected maximum cash advance in month 14**
Contingency	**$36,000,000**	**Working capital**

*** Important Note: The Base Case RSL Income projection delivers a 9x 4 year ROI without the IPO.**

The actual maximum advance is expected to be substantially less than the $114 million because RSL will access international presales and other debt sources. The larger $150 million commitment is needed for credibility with the industry, the agencies, the theater chains, international distributors and others.

The RSL goal is to return the $50 million of primary equity to the investors by month 30 to eliminate primary equity risk and position RSL shareholders for an IPO windfall by month 60.

Operations Plan

The primary capital commitment of $150 million is vital to providing the credibility and liquidity to successfully execute the RSL business plan. Below are the key operational elements for RSL:

Content Origination & Development	RSL will use advanced methodologies to write, develop and control its project content to insure matching with consumer preferences and strong global market acceptance that drives financial success.
“Green Light” Standards	Self origination will allow RSL to employ the highest project “Green Light” requirements in the movie industry to 1) avoid the 80%+ of movie concepts that lose money for production equity investors and 2) insure profitability. 98% of the films that reach theaters would not meet RSL’s “Green Light” standards.
Production	The primary capital will enable RSL to finance the production of all of its own films to maintain full project control and insure superior production values. RSL may produce with coproduction partners in certain situations but RSL will maintain full content, financial and content control. This approach will allow RSL to hire the optimum talent and execution teams for each project.
Distribution	The primary capital will provide certainty of production and P&A budgets that will allow RSL to establish direct relationships with the theater chains, sales agents, global distributors, online/digital, TV, VOD and other distribution channels. This will enable RSL to eventually self distribute all of the RSL projects. RSL may contract with other studios for distribution but only under terms favorable to RSL.
Release Schedule	Release one major motion picture per fiscal quarter in perpetuity. This approach will allow RSL to maintain very high “Green Light” standards and project a compelling quarterly financial profile to theaters, distributors and the IPO markets.
Marketing & Advertising	The primary capital will allow RSL to self fund and control the marketing and advertizing budgets to employ effective digital age marketing, advertising and global distribution strategies that focus on maximizing net revenues.
Controls/Risk Management	RSL will employ strong financial controls and risk management tools to safeguard investor capital until it is returned by month 30 to eliminate primary equity risk.

The operations plan is supported by a 160 page RSL business plan that is available upon request.

Key Success Factors

The RSL business plan is designed to exploit the many defects and vulnerabilities of the movie industry status quo to deliver exceptional returns on investment to global movie audiences and RSL shareholders. Below is a summary of the key success factors to achieve these goals:

Superior Content Development	The best business model, business plan and capital market strategy are worthless without the ability to write and develop movie concepts, content and characters that consistently resonate with large global audiences. RSL has developed and employed advanced content origination methodologies to create an outstanding initial inventory of 16 high concept movie projects. RSL will continue to write and develop new franchise and sequel concepts and projects.
Markets	RSL will compete successfully in broad spectrum global markets and demographics that are being largely ignored by "Hollywood".
Key Target Markets	RSL will target the 90% of movie goers who see only 2 movies in theaters each year on average because so few movies inspire them to go to the cinema. The other 10% of "frequent movie goers" will often prefer RSL films as well. RSL will especially focus on the adult female and over age 25 demographics that are being largely ignored by "Hollywood".
Culture & Business Practices	The primary capital will allow RSL to bypass the incestuous, exclusionary and ineffective movie industry culture, business practices and expectations that largely ignore consumer preferences and the interests of production equity investors.
Finance	RSL will not finance, produce, distribute projects that are developed by third parties except in very rare occasions when they meet the RSL "Green Light" standards and require no RSL capital. This will dramatically reduce capital requirements and costs and avoid the 80%+ of movie concepts that lose money.
Consumer Preferences	Remain laser focused on global audience preferences. Insure that every RSL project includes a diversity of compelling resonance elements that will attract broad spectrum international demographics to view the RSL films.
Franchises	Sustainable film franchises are vital to consistent financial success. The RSL inventory includes 16 projects that are designed to launch up to 10 film franchises that will serve as the foundation of a compelling IPO profile by year 4.
Directing & Acting Talent	RSL's superior content will allow it to avoid "A List" actors who demand huge compensation premiums but seldom deliver positive net revenues. RSL will invest in the sourcing, development and promotion of sensational new actors, actresses and directors who possess the attribute requirements of the RSL projects.
Human Resources	The primary capital is vital to attracting the top quartile executives and project teams that are vital to the successful execution of the RSL business plan.

Product Resonance	RSL films will compare very favorably to the shallow story telling, one dimensional characters and gratuitous/repetitive action, violence, depravity, horror and CGI that dominate modern cinema. This will be achieved by projecting a diversity of compelling resonance elements across the full intellectual, visceral, sensual, emotional, artistry, visual and audio ranges.
Project Profiles	RSL will produce high concept, thought provoking, triumph of the human spirit stories on $30 million budgets in the action/thriller/clandestine genres that have averaged near $500 million in total revenues per film since 2006.
Project Features	RSL films will typically feature sensational, multidimensional, female protagonists who will be immersed in a compelling diversity of resonance elements that match the viewing preferences of almost all adult demographics.
Online	RSL will exploit a broad diversity of online “Adtech” channels to promote, market and advertise the RSL projects.
Costs	RSL can operate on corporate and production budgets that are a fraction of the bloated big studios to insure strong and consistent profitability and maximize IRRs.
Priorities & Transparency	RSL will put global audience preferences and RSL shareholder interests first and provide full financial transparency.
Facilities	Lease all necessary facilities. Make no investments in sound stages, offices or other real estate in order to maintain production location flexibility, minimize costs and maximize subsidies, earnings and IRRs.
Production Schedule	Produce and release at least 11 of the initial 16 RSL projects over the first 4 years with the goal of establishing strong and consistent earnings and 5 to 7 sustainable film franchises. Target one movie release per fiscal quarter in perpetuity.
Cost Free Capital Sources	RSL will produce its movies in locations that offer large production subsidies, solicit brand integration revenues and exploit international rights presales to collectively reduce the production capital at risk by as much as 60%.
Earnings	Superior content/franchises, lower overhead/production costs and much more net revenue effective production/marketing/advertising expenditures will deliver the consistent earnings that are key to maximizing the IPO valuation in year 5.
IPO Focus	Maintain laser focus on creating a compelling IPO profile by year 5 that will deliver a windfall return on investment to RSL shareholders.

The above business model is grounded in decades of business management and analytical experience in every major industry across multiple economic, political and industry cycles. It is the product of an exhaustive and comprehensive analysis of all the business practices and success factors of filmmaking and investment over many years. It includes an understanding of the means to exploit the public equity markets to deliver extraordinary risk adjusted Alpha to RSL shareholders.

RSL Intellectual Property

RSL has invested many years in a comprehensive analysis of the movie industry and the development of the following intellectual property:

Business Model	A digital age business model for a virtual movie studio that avoids the pitfalls and exploits the vulnerabilities of the movie industry.
Business Plan	A 160 page business plan for a virtual movie studio that will convert $50 million of equity into $5 billion of market value in 5 years.
Metrics	Effective film content evaluation metrics that avoid the over 80% of movie concepts that lose money for production equity.
Methodologies	Proprietary screenwriting methodologies that skillfully match compelling resonance elements with consumer preferences.
Risk/Controls	Financial controls and risk management techniques that safeguard investor capital and maximize earnings and IRRs.
Movie Projects	16 fully written movie screenplays with sensational, multi dimensional characters in exciting and terrifyingly plausible modern scenarios.
Franchises	10 film franchise profiles in the action/thriller/clandestine genres that have averaged $500 million in revenues since 2006.
Pentology	A fully written "Pentology" with 5 screenplays and 700 minutes of screen time that could be adapted into a mini-series.
Trilogy	A fully written "Trilogy" that launches a sensational female protagonist into the "James Bond", "Jason Bourne" and "Mission Impossible" genre.

Collectively, the above elements offer the most exceptional value proposition in the motion picture industry if maximizing absolute risk adjusted IRRs is the business and investment goal.

The RSL value proposition is the end product of decades of capital markets and risk evaluation experience, many years of movie industry analysis and development and thousands of man hours of advanced screenwriting. It is perhaps the most valuable intellectual property in the movie industry.

RSL Movie Projects In Development

The initial RSL inventory of 16 film projects includes up to 10 film franchise profiles that will serve as a durable foundation for producing strong and consistent earnings that will drive a compelling IPO profile in year 5. Summaries of the RSL project and franchise concepts can be found at the link below:

http://nebula.wsimg.com/0a98731c52ca731463369061f0a9df83?AccessKeyId=9E533268DA51246EF35E&disposition=0&alloworigin=1

Content Evaluation Metrics & "Green Light" Standards

The core of the RSL value proposition is grounded in its effective content evaluation metrics, its proprietary screenwriting methodologies and its industry high "Green Light" standards that have been applied to create the initial RSL content inventory.

The chart below summarizes the key standards that RSL uses to write and evaluate all of its projects for production to insure high certainty of strong profitability. Over 98% of the movies that reach theaters do not meet these standards and that is one major reason why they lose money over 80% of the time:

Story Profile	Original, high concept, thought provoking, triumph of the human spirit stories that affect audiences in positive ways that resonate after they leave the theater.
Resonance Elements	Must contain a broad diversity of compelling resonance elements that target all adult age and gender demographic preferences.
Audience Engagement	Should engage audiences in a diversity of ways in the intellectual, visceral, sensual, visual, audio, poignancy and emotional ranges.
Franchise	Real film franchise potential.
Global Appeal	High certainty of broad international market appeal.
Fascinating Characters	Compelling, multidimensional characters that attract both adult male and female demographics.
Modest Budget	Production budget between \$20 million to \$35 million in high revenue average (at least \$250 million) and high revenue ceiling genres (at least \$500 million).
Not Shallow or Gratuitous	Does not rely on shallow story telling overlaid with gratuitous/repetitive action, violence, crude language, depravity, horror or CGI in lieu of great stories and characters and other positive resonance elements.
Talent	Does not rely on "A-List" talent at inflated compensation premiums.
Rating	PG-13 rated.

It is very difficult to find or write movie content that meets all of these top line standards but movies that include these elements will be financially successful over 90% of the time versus the 80%+ failure rate in "non tentpole" films. Some of the RSL films are more successful than others in meeting the standards and it shows up in the comparative ratings but all of them meet the key standards that drive high certainty of profitability and almost all of them score higher than anything in theaters.

There is a pervasive notion that filmmakers can acquire high certainty of success movie screenplays from the depleted and highly competitive traditional "known" industry sources that produce movies that fail over 80% of the time. This myth is exposed and the value of RSL content is revealed when the scripts are evaluated against the standards above and the full RSL comparison grids. Please sees examples at the link below:

http://nebula.wsimg.com/5b9356ca6af0fe89fdc2a91ce195a462?AccessKeyId=9E533268DA51246EF35E&disposition=0&alloworigin=1

Valuable additional information on the RSL screenwriting methodologies can be found on RSL's wholly owned affiliate Visionary Content, Ltd. at the link below:

http://www.renaissancestudio.org/visionary-content--ltd..html

The bottom line is that RSL is not a theory in search of effective content evaluation metrics, premium content and capital. RSL has developed and employed advanced content evaluation metrics and proprietary screenwriting methodologies to create an initial inventory of fully written movie projects that include sustainable film franchises that are the means for RSL to reach and exceed its IPO goals.

The RSL Cinematic Vision

RSL research, common sense and the real world experience of everyone reading this document confirm that the vast majority of movie consumers across the globe are frustrated by the consistent dearth of movies that inspire them to go to the theater or view films by others means. The RSL vision is focused on relieving this frustration with exciting and compelling movie concepts, content and characters that will resonate in thought provoking and awe inspiring ways.

Part of the problem is the movie industry focuses on creating movies for niche markets. As examples, Sci-Fi, super hero and horror films can be financially successful but they all target niche markets that make up less than 20% of potential global movie goers. By contrast, the RSL strategy is to create films with a diversity of resonance elements that target above 90% of adult age demographics.

The cinematic goal of RSL is to make high concept, thought provoking, awe inspiring movies that engage audiences on diversity of intellectual, visceral, sensual, visual, artistry, audio and emotional levels that resonate in compelling ways with all adult age, gender and cultural demographics across the globe.

- RSL movies are designed for the over 80% of movie goers who are not inspired by the shallow story telling, one dimensional characters and gratuitous action, violence, depravity, horror and computer generated effects that dominate modern cinema.
- RSL films feature complex, brilliant and sensational female and male protagonists that are designed to trigger the intellectual, physical, character, visual, sensual and emotional attraction receptors in the psyches of adult male and female movie goers across the globe.
- RSL movies will be "high concept" profiles that feature life relevant plots, compelling themes and multidimensional characters that project strong and positive role models in a difficult world.
- RSL films are designed to take on the most important issues of the modern age, project positive role models and use cinema to help light a path to a much better world.

RSL has invested many years developing the metrics, methodologies, means, strategies and movie content to deliver strong and consistent earnings that will serve as sustainable foundation for a compelling IPO profile that will deliver a wealth windfall to RSL shareholders.

Key Risk Considerations

An investment in RSL involves significant risks that include but are not limited to the following:

The Risk	Risk Description	Offsetting Considerations
Start Up Risk	RSL is a new studio with no production track record and there is no certainty that its business model and plan can be successfully executed.	Full due diligence on RSL will reveal that investors are taking similar level risks with much lower Alpha potential by investing in the highly overvalued M&A, equity, real estate, arbitrage and "tech" markets.
Market Acceptance Risk	There is no certainty that audiences will attend or view any movie in sufficient quantities to recover the capital invested to create, market and distribute them.	RSL's industry high "Green light" standards and the advanced content evaluation metrics and screenwriting methodologies that RSL employs are laser focused on insuring strong global market acceptance on all RSL films.
Management Risk	RSL does not currently have a senior executive team in place with strong experience in the movie industry.	The $150 million of primary equity capital will allow RSL to employ top quartile movie industry executives to execute the RSL business plan.
Distribution Risk	Movies may not be accepted by theater chains, sales agents, film buyers, international distributors or aftermarkets cable, TV, VOD and streaming providers.	There is a global shortage of premium movie content that is well designed to match broad spectrum consumer preferences. The $150 million of primary capital will provide the financial credibility to insure production and advertising expenditures. The one release per quarter schedule of high certainty of success films that target all major adult demographics will excite everyone.
Completion Risk	The risk that the film will be completed on time and budget with strong production values.	RSL will only employ producers and directors with strong track records of delivering superior production values on time and on budget. RSL will secure completion bonds if desired by RSL investors.
Competitor Risk	RSL will be competing with major studios with much greater resources.	RSL will produce films with superior content and resonance elements that will compare very favorably to anything in theaters today. RSL will target the 85% of adults who are largely ignored by the studios. RSL's overhead, production and advertising costs will be dramatically lower than the studios.

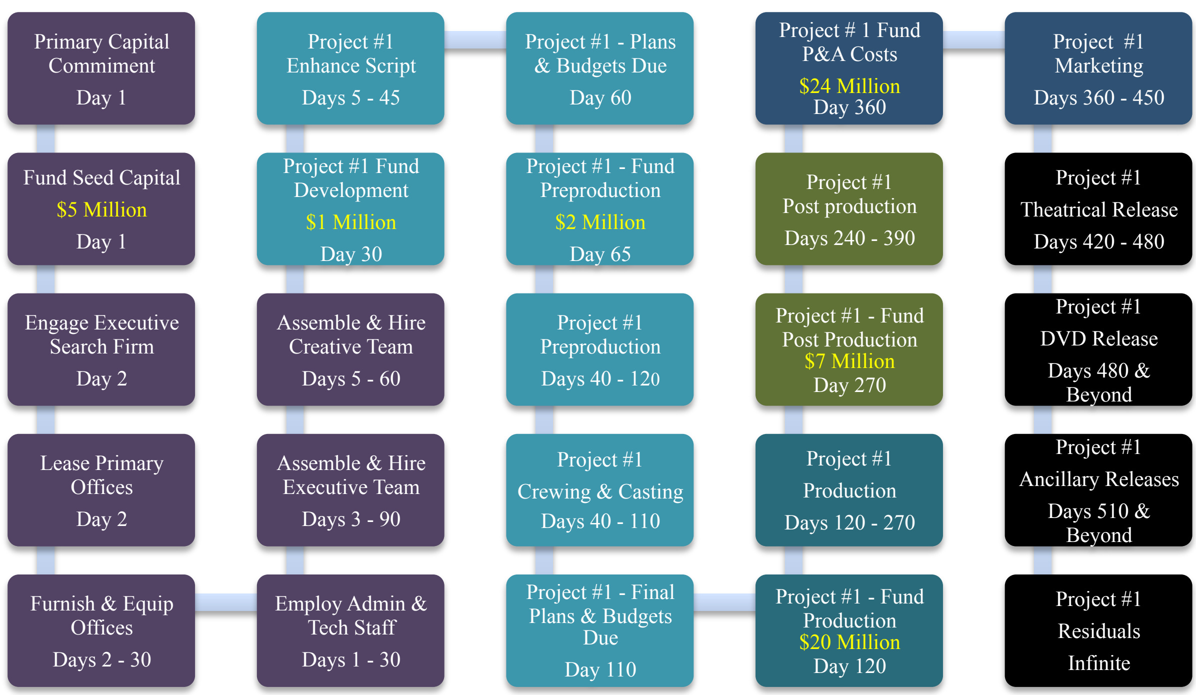
Yes, there are significant risk concerns with any new venture, especially in the motion picture industry with its poor earnings track record. However, there are sound risk mitigation offsets to every risk concern and the movie industry and its M&A/equity markets are uniquely vulnerable to RSL exploitation strategies.

The greatest risk mitigation consideration is the reality that the movie industry is systematically ignoring the viewing preferences of over 85% of its potential consumers and there is almost no limit to movie demand except the availability of movies that are well designed to match their viewing preferences.

RSL has been designed to exploit these realities to deliver absolute risk adjusted Alpha that is far greater than other investment alternatives in the movie industry and beyond.

The RSL Launch Schedule

RSL is a start up so the path from concept to operations is an importnant progression to consider. Below is a summary of an estimated time line goal from primary capital commitment through the first movie release. The timeline may vary based on the availability of key human resources and other factors. The fundings are front loaded by phase but can be advanced in monthy increments.



Summary

The RSL value proposition was created to fill the void of great movies and very high, risk adjusted Alpha opportunities for independent and corporate investors in the movie industry and beyond. RSL's capital partners will be strategic investors who can think at the level of exploiting vulnerabilities in major global industries and the highly irrational and inflated valuation metrics in the M&A and equity markets.

RSL was not developed by movie industry producers, film executives or "experts" who:

- Generally ignore the viewing preferences of 85%+ of their potential movie consumers.
- Create movies that lose money over 80% of the time for production equity investors.
- Are too often focused on exploiting equity investors rather than rewarding them for their good faith and the risks they take.

RSL is not in the business of acquiring movie screenplays from largely depleted industry sources, attaching "A List" talent and exploiting naïve investors to play the "Hollywood" investment game that loses money over 80% of the time for equity investors.

RSL was created by a 30 year veteran of the capital markets who is a career business, markets and risk analyst and fiduciary that:

- Has invested many years in a comprehensive analysis of the movie industry and the development of the means to exploit its vulnerabilities.
- Is laser focused on inspiring the 85%+ of underserved movie consumers and safeguarding equity investor capital until an exceptional risk adjusted Alpha is delivered in year 5.

The capital markets reflexively categorize RSL as a "high risk start up and/or venture capital scenario" that is unworthy of serious consideration. However, full due diligence on RSL reveals that its **absolute risk** profile:

- Compares favorably to most public and private equity risk profiles in every industry.
- Offers exponentially higher Alpha potential than all but very rare tech scenarios.

The combination of these two realities will allow RSL to deliver an **absolute risk** adjusted IRR that dwarfs other investment alternatives.

The R&D process is complete and RSL is now in its primary capital formation phase. The goal is to raise $50 million of primary equity capital that will support $100 million of primary debt capital. This capital structure will allow RSL to launch a going concern movie studio that will produce a perpetuity of 4 films per year that will compete successfully with the major "Hollywood" studios in the global markets.

Full due diligence on RSL will reveal that the assertions in this summary are not promotional hype but a sensational value proposition in search of insightful capital partners who can grasp the concept of exploiting the vulnerabilities of the movie industry and the irrationality of public equity market valuation metrics to earn extraordinary risk adjusted Alpha.

An investment in RSL is a sensational wealth earning opportunity but it requires 1) a willingness to do full due diligence on RSL and 2) the ability to think beyond blind fealty to timid investment parameters and conventional wisdom to evaluate the ABSOLUTE risk adjusted Alpha profile of RSL versus other investment alternatives.

Buying an established movie studio at inflated P/E ratios is irrational if the goal is to maximize Alpha.

RSL will achieve its goals by employing advanced metrics, methodologies and strategies to make awe inspiring movies that resonate with broad global audiences and help light a path to a much better world.

"RSL will make the movies that almost everyone wants to see."