Renaissance Studio, Ltd.
The Future of Film Making & Investment

A Compelling Alternative to Commercial Real Estate Investment

Overview

Commercial real estate ("CRE") has long been a popular "hard asset" investment alternative but a closer examination reveals that Renaissance Studio, Ltd. ("RSL") offers an exponentially more lucrative **risk adjusted** return on investment profile for insightful investors who are willing to think beyond there CRE comfort zones. This summary is designed to demonstrate the accuracy of this assertion so please reserve judgment until you have fully considered the facts and have a conversation with RSL about a scenario that offers a **risk adjusted** ROI opportunity that dwarfs any CRE investment.

Background

The founder of RSL is a capital markets veteran and risk analyst who has experienced the ups and downs of the economy, all the major industries, the equity markets and CRE through multiple cycles over the last three decades. This extensive analytical background serves as a sound foundation for objectively evaluating the risk adjusted ROI and IRR profiles of investments in the major industries.

This multidimensional awareness has caused him to focus his attention on the motion picture industry because it offers the most exceptional risk adjusted ROI opportunities of any major industry. As evidence of this assertion, please view the summary for Lions Gate Entertainment ("LGF") at the link below:

https://finance.yahoo.com/quote/LGF?p=LGF

Please focus your attention on the P/E (ttm) multiple that is about **300x trailing 12 months earnings** for a company that posted an operating loss and negative operating cash flow for its FYE 3/31/16 and is poised for a worse performance in its FYE 3/31/17. (See financial at the link below)

https://finance.yahoo.com/quote/LGF/financials?p=LGF

Now consider that the 300x P/E ratio is comparable to a typical cap rate of 10x on a CRE project.

The 300x P/E multiple for LGF is extremely irrational but it is real and strong evidence of the exponentially greater ROI and IRR potential in the movie industry as compared to CRE.

Return On Investment Comparison

Below is a comparison of a $50 million equity investment in a new build $400 million commercial office building and a $50 million equity investment in RSL.

Description	Office Building	RSL
Primary Equity Investment	$50 million	$50 million
Primary Debt Investment	$200 million	$100 million
Total Primary Capital Invested	**$250 million**	**$150 million**
Projected Annual Operating Income	$35 million	$100 million *
Multiplied by Cap Rate/LGF P/E ratio	10x	300x
Year 5 Market Valuation	$350 million	$30 billion
*** Market valuation at 10% of LGF P/E Ratio**	**N/A**	**$3 billion**
5 year ROE at 10% of LGF P/E ratio (30x)	**100%**	**6,000%**

Note: While the LGF 300x P/E ratio is real, a case with a P/E ratio of 30x is also shown to demonstrate that an extraordinary ROI is possible at a P/E ratio that is only 10% of LGF's current 300x level. This illustrates the enormity of the public equity market irrationality that can be exploited by RSL to deliver a year 5 windfall to RSL investors.

Please also note that the projected annual operating income of $100 million shown in the table above is only 50% of the plausible earnings goal in the RSL Base Case projections.

It is very important to note that CRE investments have almost no comparable public equity market exploitation potential. The link below to the Netflix ("NFLX") summary page demonstrates that the LGF 300x P/E ratio is not an anomaly in the movie entertainment markets:

https://finance.yahoo.com/quote/NFLX/?p=NFLX

CRE versus Movie Project Investments

There are many similarities between investments in CRE and motion picture projects that should create some comfort for traditional CRE investors:

Description	Office Building	Movie Project
Project development	Market research & development	Market research & development
Project design	Architectural Plans	Screenplay
Project management	Contractor/Superintendent	Contract Producer/Director
Project building/production term	2 – 3 years	12 – 18 months
Finished project	Building	Movie
Project capital controls	Incremental advances based on % completion	Incremental advances based on % completion
Revenue/Capital recovery cycle	Monthly increments over decades	90% of revenue in first year
Target market	Local	Global
Revenue contracts	Leases	Territorial rights sales/presales

CRE investors who invest the time to understand motion picture project development will discover that building construction and movies production are both development and contracting activities that have many similarities. Both businesses can only be as successful as their market research, development, designs and project execution with compelling product attributes that attract strong market acceptance.

Movies are unsuccessful when the developers, producers, directors and screenwriters fail to skillfully produce a diversity of compelling resonance elements that match broad market preferences. CRE projects fail for the same reasons. Therefore it is vitally important to create effective methodologies to insure that all projects are well developed and designed to insure strong and consistent market acceptance.

Like CRE developers, RSL is a movie project developer who assembles, integrates and manages all of the corporate and project level elements to insure project success. Unlike most CRE developers, RSL offers the ability to create a going concern corporation that can exploit the irrationality of up to 300x P/E multiples in the public equity markets.

Capital At Risk

The primary equity and debt capital of RSL are largely needed to 1) create credibility with agencies, execution talent and theater chains/distributors and to 2) serve as a bridge to operating cash flow that should quickly permit the return of the equity to investors to eliminate primary equity risk by month 30.

Motion pictures offer unique sources of cost free capital that are typically not available in other industries such as CRE. These sources reduce the total capital at risk while mitigating most of the downside risks and greatly improving the risk adjusted ROIs. Please consider the following example of capital investment offsets in a film project compared to an office building project with the same capital budget:

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Movie Project ($Millions)	Amount	Office Building Analogy
Production Budget	$ 30	Land/Building construction budget
- Government rebates	($ 6)	Government subsidy
- Talent deferrals	($ 3)	Contractor takes equity for services
- Foreign presales	($ 10)	Tenant prepays for long term leases
- Brand integration	($ 5)	Building naming rights proceeds
Net Capital At Risk Estimate	**$ 6**	**Net Capital At Risk Estimate**

It should be noted that the movie project capital sources are commonplace and the office building analogies would be very unlikely to occur. Accordingly, the office building project would likely have the full $30 million of equity capital at risk. Additional movie advantages can be summarized as follows:

Renaissance Studio, Ltd.	RSL	Advantage	Office Building Project
Capital offsets – See chart above	Substantial	RSL	Nominal
5 year ROE potential	6,000% - 60,000%	RSL	100% - 300%
Capital recovery from EBITDA	2 Years	RSL	8 years
Annual income potential	$100 - $200 million	RSL	$35 - $50 million
Revenue/ income potential	Very high & global	RSL	Limited by sq. footage & local rental rates
Target Market & Revenue sources	Global	RSL	Local
Net capital at risk - $150 million	$150 million	RSL	$250 million
P/E ratio – Annual earnings	Up to 30x -300x	RSL	Up to 10x - 15x
Risk adjusted ROI potential		RSL	
Public equity market exploitation	Very high	RSL	Almost no opportunity
Market acceptance risk	Global	=	Local
Financial leverage risk	2 to 1	RSL	4 to 1
Insolvency risk	Equity loses everything	=	Equity loses everything
Competition	Nominal	RSL	Substantial
Economic cycle risk	Nominal	RSL	Significant

The above charts highlight the many capital sourcing, risk management and other advantages that enhance the profile of RSL versus commercial office buildings that are widely perceived to be more attractive investments. Market acceptance risk is an issue for either investment so matching the design of the projects to the preferences of the target markets is vital in either case.

It is very important to note that equity holders will likely lose everything in an insolvency in either of the CRE or RSL investment scenarios. Therefore, the perceived advantage of investing in "Hard Asset" CRE is not significant.

The Renaissance Studio, Ltd. Value Proposition

Everyone 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. RSL has been designed to exploit this strange reality with 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.

RSL is not in the business of acquiring movie projects from conventional industry sources, attaching "A List" talent and exploiting naïve investors to play the "Hollywood" investment game that loses money over 85% of the time for equity investors.

RSL has invested many years in a comprehensive analysis of the movie industry and the development of the means to exploit it and the irrational public equity markets to deliver exceptional risk adjusted ROIs to insightful investors. The RSL development process has produced the following value proposition:

- **A Visionary Business Model** – RSL has developed a digital age business model that avoids the pitfalls of the movie industry, exploits its vulnerabilities and safeguards investor capital to deliver extraordinary risk adjusted ROIs to global audiences and RSL capital partners.
- **An Exploitative Business Plan** – RSL is grounded in a 160 page business plan for a virtual, going concern movie studio with a goal to convert $50 million of primary equity capital into $5 billion+ of IPO proceeds in 5 years.
- **Advanced Movie Content Evaluation Metrics** – RSL has developed metrics that allow RSL to avoid the 85% of movie concepts that lose money for equity investors. Over 95% of the movies that reach theaters do not meet the "green light" standards of RSL. This is a major risk mitigation factor.
- **Proprietary screenwriting methodologies** – RSL does not rely on traditional movie industry sources of project content that lose money over 85% of the time for equity investors. RSL employs it's own screenwriting processes that skillfully match a diversity of compelling resonance elements with the viewing preferences of broad spectrum international demographics to insure strong market acceptance and earnings on each RSL film.
- **An Exceptional Movie Content Inventory** – RSL has employed its metrics and methodologies to create an initial inventory of 14 screenplays with $30 million production budgets that are designed to launch up to 10 sustainable film franchises in the action/thriller/clandestine genres that have averaged almost $500 million in total revenues since 2006.

  The RSL project inventory compares very favorably to the future slates of any movie studio except perhaps Disney and it serves as a strong foundation for projecting a compelling IPO profile in year 5. Summaries of the RSL project concepts can be found at the link below:

  http://www.renaissancestudio.org/movie-projects.html

Summary

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. RSL represents an exceptional investment opportunity that has many structure and process similarities to CRE but RSL offers risk adjusted ROIs that dwarf any CRE investment.

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 ROIs.