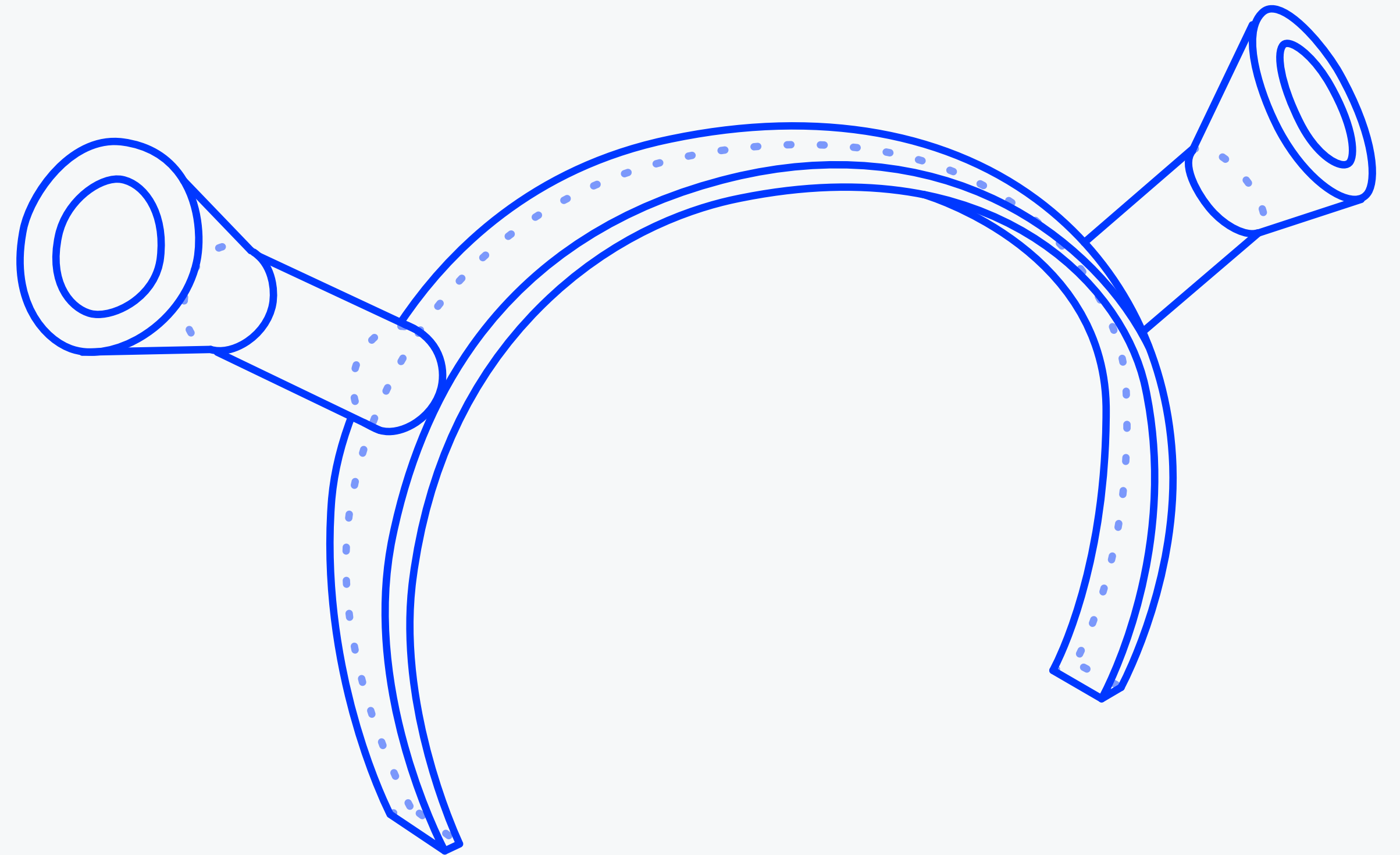


Royalties

Music From the "Shrek" Film Franchise

October 2023



Disclosures

Public Holdings, Inc. (“Public Holdings”) operates the Public website and mobile app (collectively, the “Platform”). Open to the Public Investing, Inc. (“Public Investing”), a subsidiary of Public Holdings, is a registered broker-dealer and member of FINRA and SIPC. Public Shrek Royalties LLC (the “Issuer”) is conducting an issuer-direct public offering (the “Offering”) of its membership interests (“Shares”) under Tier II of Regulation A of the Securities Act of 1933, as amended. The Offering will be facilitated by Dalmore Group LLC (“Dalmore”), a registered broker-dealer and member of FINRA and SIPC, as the broker-dealer of record for the Offering. The Issuer is an affiliate of Public Holdings and Public Investing, and Public Holdings (or one of its affiliates) earns fees when you purchase or sell the Shares. For more information, consult the [Alts Risk and Conflicts Disclosures](#). You can review the FINRA BrokerCheck for Public Investing and Dalmore at brokercheck.finra.org. Public Holdings, Public Investing, the Issuer, Dalmore, and any of their affiliates shall collectively be referred to as “we,” “us,” or “our.”

The offering of Shares is made pursuant to an offering statement, of which the offering circular forms a part, which you should carefully review before investing in any Shares. The offering statement can be found at www.sec.gov/edgar. The Shares are not registered with the SEC, will not be listed on an exchange, and are not FDIC or SIPC insured. Neither the SEC nor any state securities commission or regulatory authority approved, passed upon, or endorsed the merits of investing in the Shares. When investing in the Shares, you must rely on your own understanding of the Shares, the relevant offering materials, and the underlying asset owned by the Issuer (“Asset”).

Investing in the Shares can present risks and may result in partial or total loss. An active trading market for Shares may not develop or be sustained. Investment in the Shares, as with any investment, is speculative and involves substantial risks to consider before investing which include, but are not limited to, illiquidity, lack of diversification, and complete loss of capital. Additional key risks include, but are not limited to, limited operating history, limited diversification, and lack of voting rights. An investment in the Shares constitutes only an investment in the Issuer and not in Public Holdings, Public Investing, Dalmore, or any of their affiliates. The economic interest of a holder of Shares is different from owning a direct and undivided interest in the Asset itself: (a) the holder has limited rights with respect to management of the Asset; (b) the Issuer will be required to pay corporate taxes before distributions are made to the holders; and (c) the Shares are subject to restrictions on transferability. Investors should carefully review the risks located in the offering materials for a more comprehensive discussion of risk. Only investors who are able to accept significant risks for an indefinite period of time should invest in the Shares.

Any historical earnings presented herein or elsewhere on the Platform are not comparable to or intended to represent or be a proxy for performance of the Shares, Issuer, or Asset. Past performance is no guarantee of future results and historical performance does not reflect future performance. Any overviews and descriptions contained herein or elsewhere on the Platform are merely summaries of the investment opportunity. These summaries intended for informational purposes only, are not purported to be complete, and are qualified in their entirety by reference to the more-detailed discussions contained in the offering materials. Any data presented herein or elsewhere on the Platform was sourced from publicly and privately available records of third parties. We cannot ensure the accuracy or completeness of such data and we do not make any determination or representation that such data is useful in determining the value of an investment in the Shares. You are urged not to place undue reliance on such data and should speak with your financial advisor, accountant, and/or attorney when evaluating the purchase or sale of any Shares. None of the content or information herein or elsewhere on the Platform should be construed as investment advice or as a recommendation to buy, sell, or hold any investment or security or to engage in any investment strategy or transaction.

Certain information contained herein or elsewhere on the Platform may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended). Forward-looking statements are subject to a number of risks and uncertainties, some of which are beyond our control. All forward-looking statements contained herein or elsewhere on the Platform are expressly qualified in their entirety by these risks and uncertainties. Actual results, dates, performance, prospects, and/or opportunities could differ materially from those expressed in or implied by the forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. You should not place undue reliance on any forward-looking statements but should instead carefully evaluate applicable offering materials in assessing any investment, including the complete set of risk factors that are provided.

There are no refunds with respect to your investment after the Offering closes. Please review the relevant offering materials and subscription documentation for more information. If, after the Offering closes, an active trading market for the Shares does not develop or is not sustained, it may be difficult or impossible for you to resell or liquidate your Shares at any price. Even if an active market does develop, the market price could decline below the amount you paid. There is no assurance that the Platform will provide an active market for resales of the Shares. Further, without the Platform, it may be difficult or impossible for you to dispose of your Shares. If the market develops for any Shares, the market price of such securities could fluctuate significantly for many reasons, including reasons unrelated to us or the Asset.

At a Glance: Shrek Franchise Original Music

Public Shrek Royalties LLC will purchase 25% of the interest of composer Harry Gregson-Williams to 768 tracks of score music written for the *Shrek* film franchise. This is a **cash-flowing asset**.

The asset generates royalties (cashflow) when the films (*Shrek*, *Shrek 2*, *Shrek the Third*, and *Shrek Forever After*, plus TV special *Shrek The Halls*) air, are streamed or are used in other programming (e.g., when *Shrek* is played in the movie *I Am Legend*), when the music is streamed, and when the music plays on *Shrek* theme park rides.

Offering* \$889,700

Price Per Share \$10.00

Of Shares 88,970

*Membership interests ("shares") in Public Shrek Royalties LLC are not registered with the U.S. Securities and Exchange Commission and are offered in accordance with Regulation A of the Securities Act of 1933, as amended, through Dalmore Group LLC, a registered broker-dealer and member of FINRA/SIPC.



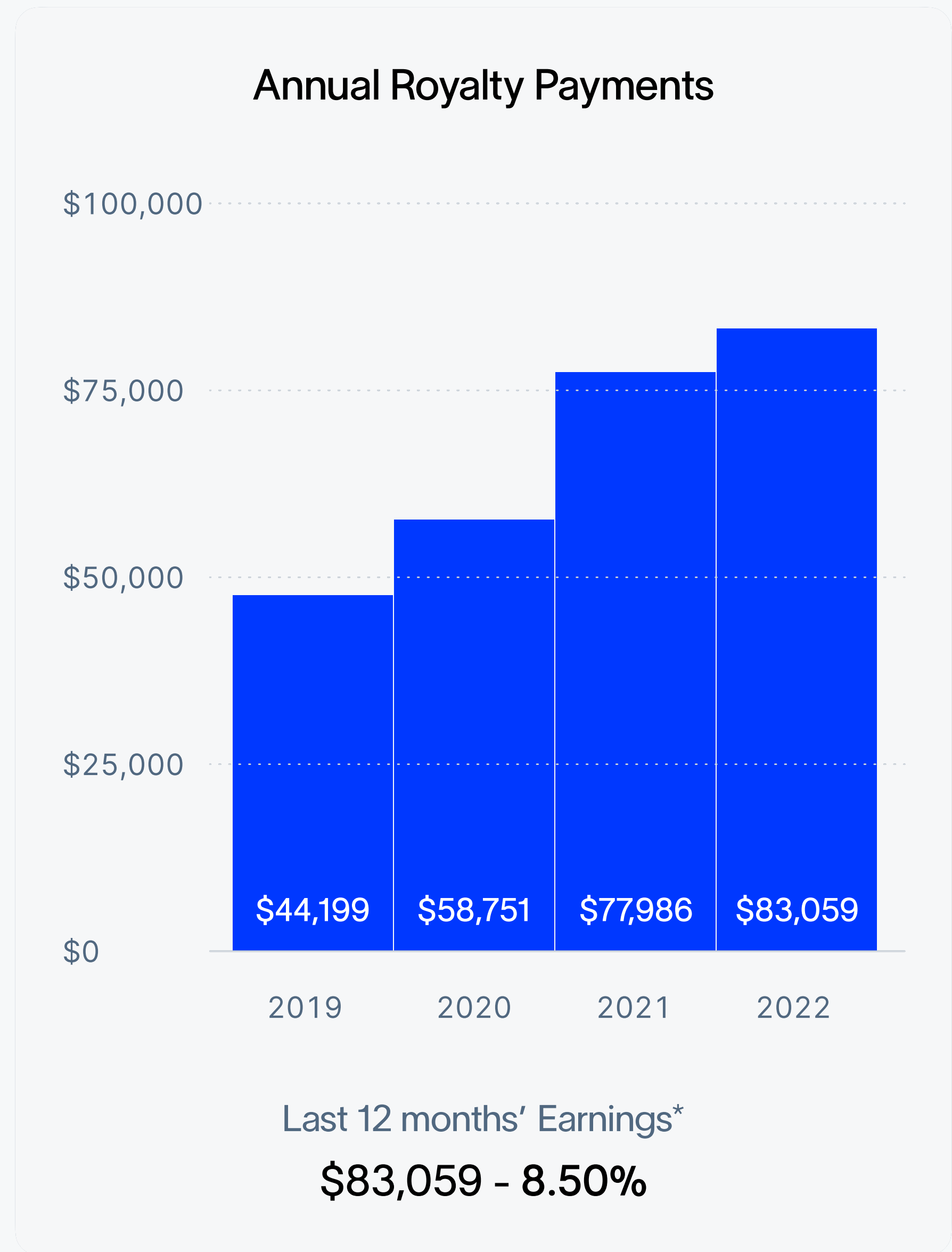
Image Credits: Dreamworks

Investment Highlights

Shrek asset generated **\$83,059*** in royalties in the preceding twelve months (corresponding to calendar year 2022) and an average of \$71,599 per year in revenues in the preceding three years.

The asset has low correlation with traditional markets—for example, its performance is not tied to interest rates.

Royalty payments are not guaranteed, and depend on consumption of the underlying content and payment by various operating partners.



*Stated figure is royalties paid as of July 2023. Percentage was calculated by dividing historical 12-month royalty earnings less 10% fees but including all taxes)) by offering amount of \$889,700. Source: Royalty Exchange Inc. Past performance is no guarantee of future results.

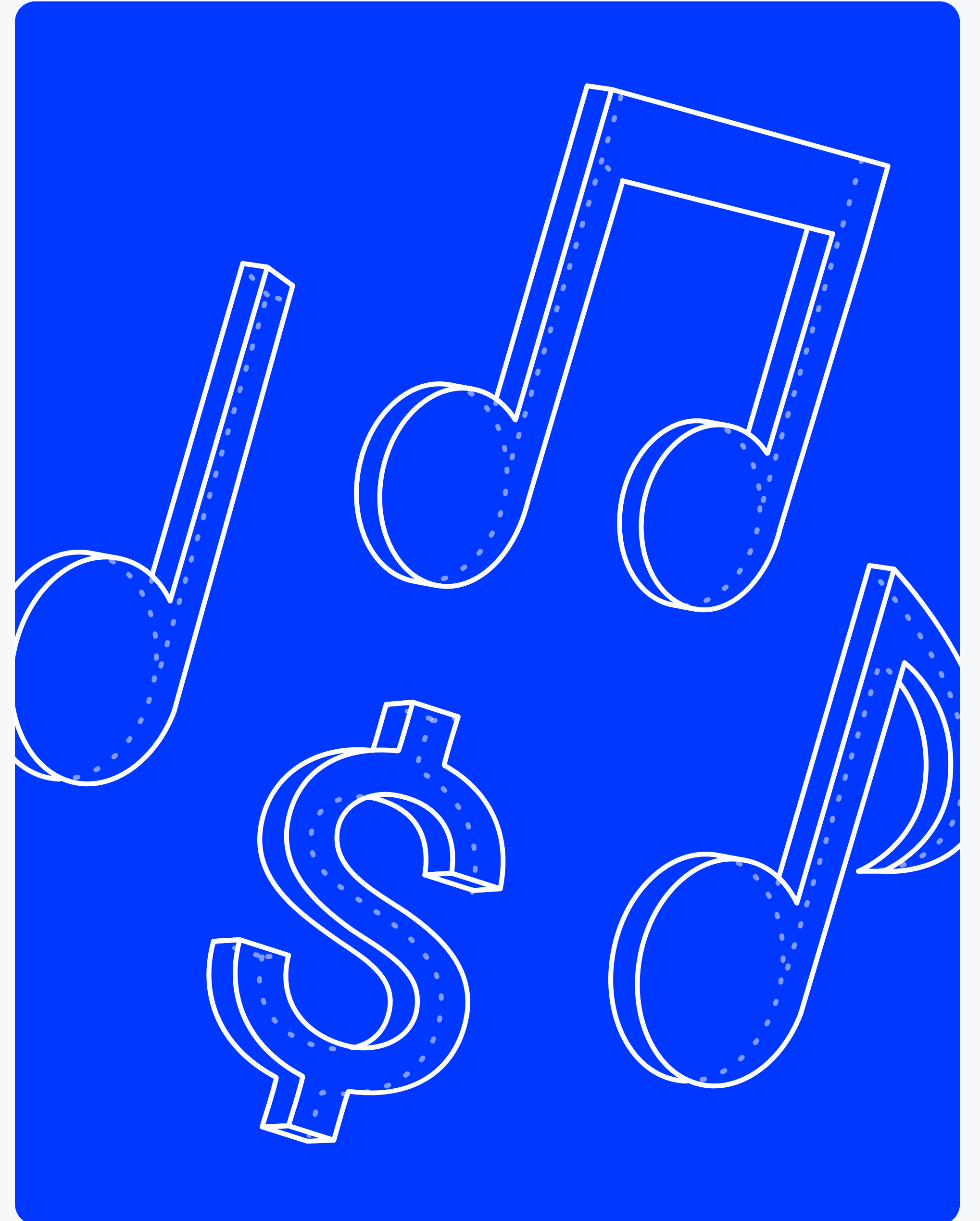
What are royalties?

Artistic works are protected by copyright law, a type of intellectual property. Someone must have a license to use the work—meaning pay for use. That payment is a “royalty,” and the person receiving the payment (the “rightsholder”) holds a “royalty interest,” a legal right to collect income generated from the copyrighted work.

Because royalties are earned from licensing, put differently, royalties are generated by content consumption of the underlying asset.

Licenses are obtained from administrators known as “Performing Rights Organizations” (“PRO”), such as BMI and ASCAP, which manage licenses and corresponding payments on behalf of rightsholders.

Royalties are “off the top” payments that go directly to the rightsholder—this differs, for example, from a corporate dividend where the corporation’s board has a say in whether the amount is paid and for how much.



Why invest in royalties?



Passive Income

Royalty interests are cash-flowing assets, which means they have the ability to pay quarterly dividends.*



Diversification

Content consumption tends to have a low correlation with stocks, bonds, and other traditional investments, which may help reduce portfolio volatility and potentially increase risk-adjusted returns.



Category Growth

The global streaming market is expected to increase by over 20% from 2023-2030,** creating additional opportunities for content consumption.



Tax Benefits

Royalty interests may also be amortized over a 15-year period, which reduces taxes at the corporate level by reducing taxable income.***

* Dividends are not guaranteed and may fluctuate or not be paid at all.

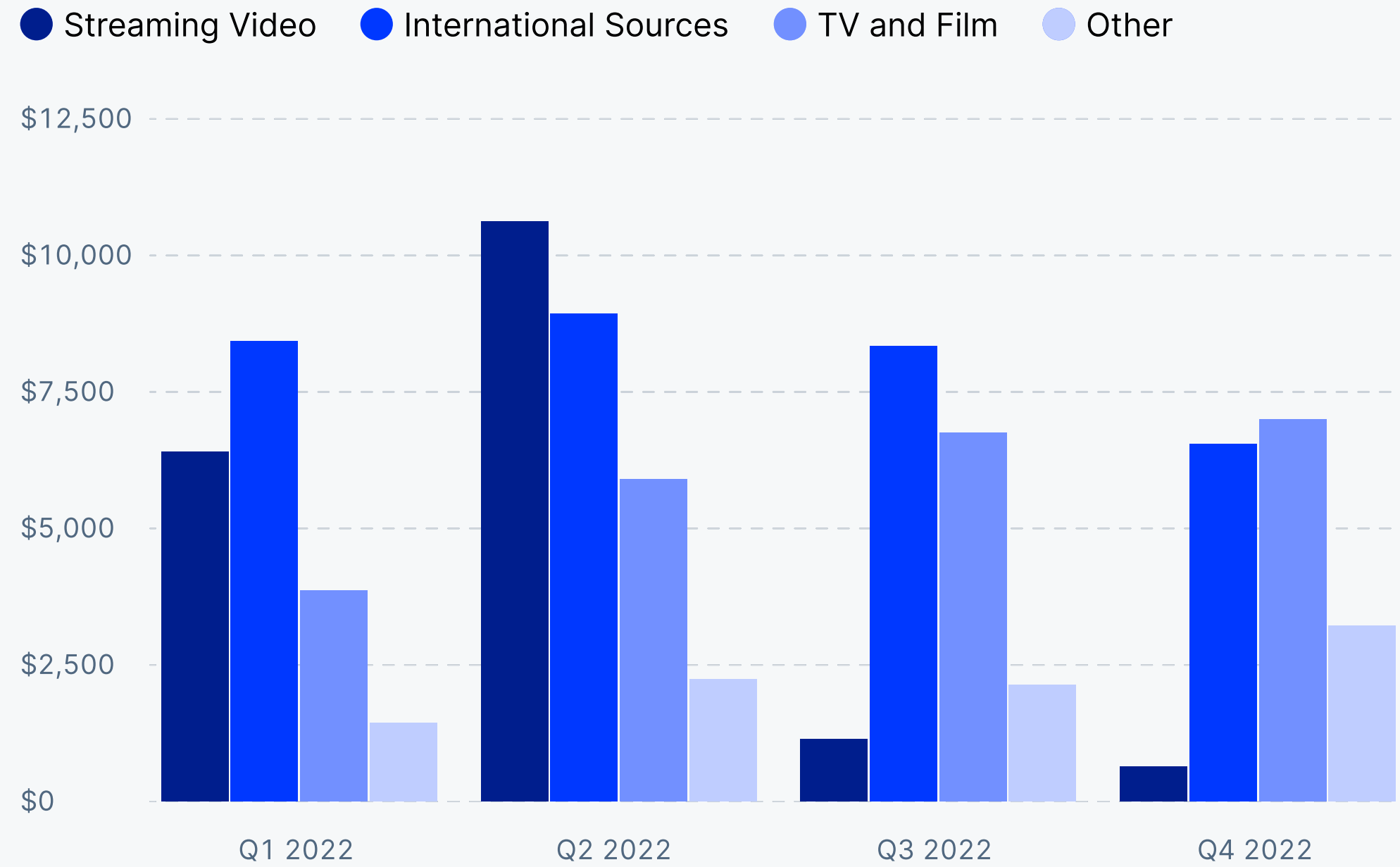
** Source: Grand View Research, Inc. April 2023

*** Section 167 of the Internal Revenue Code of 1986, as amended, allows for straight-line amortization of intellectual property assets, i.e., 1/15th of the asset cost per year.

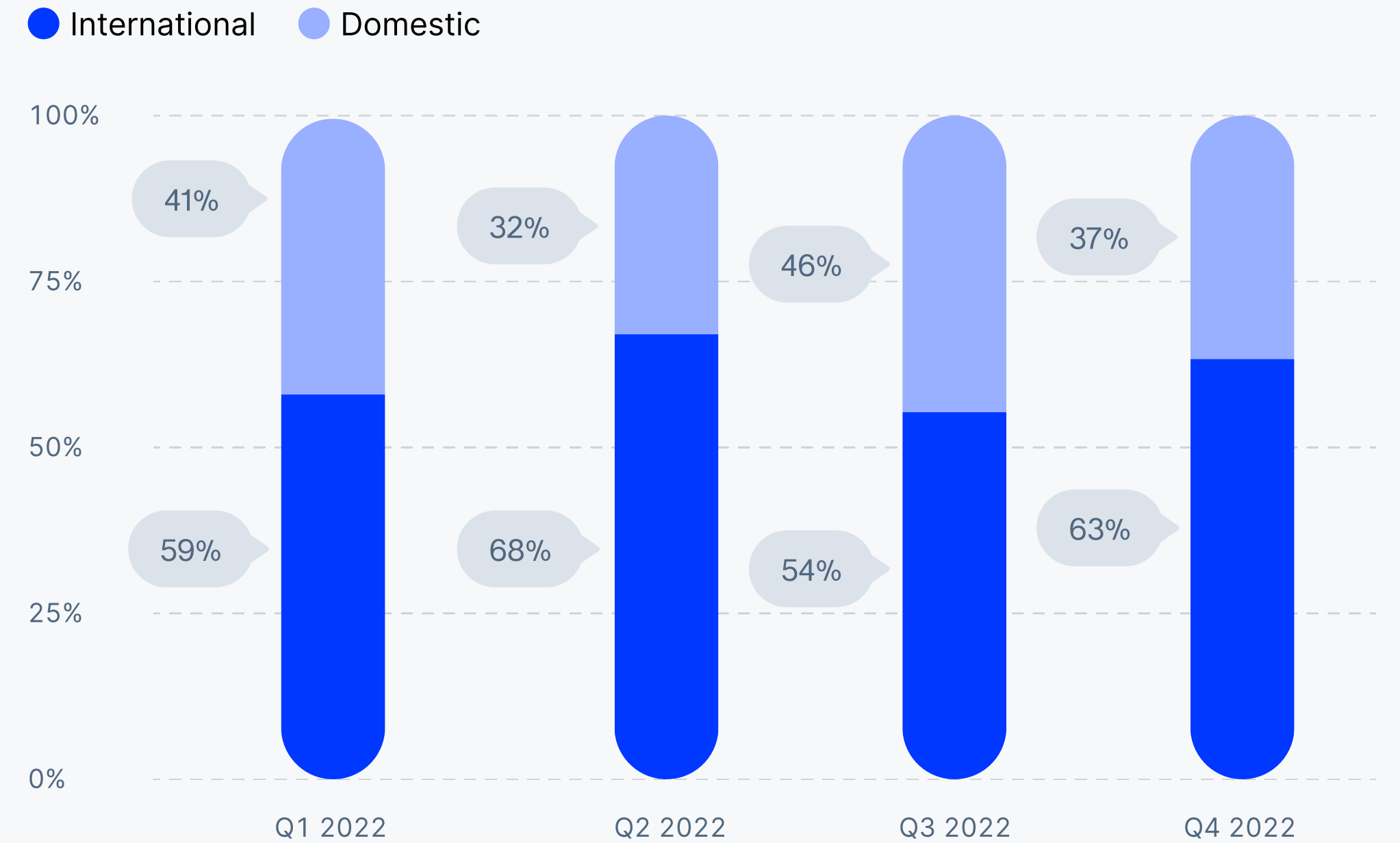
Historical Shrek Asset Performance

The Shrek asset generated \$83,059 in royalties in the preceding twelve months (corresponding to calendar year 2022) and an average of \$71,599 per year in revenues in the preceding three years. Had an investor owned the asset on January 1, 2022, they would have seen an 8.50% return in 2022.*

Royalties by Source



Royalties by Geography



*Stated figure is royalties paid as of July 2023. Percentage was calculated by dividing historical 12-month royalty earnings less 10% fees but including all taxes)) by offering amount of \$889,700. Source: Royalty Exchange Inc. Past performance is no guarantee of future results.

Shrek Franchise History



- The series primarily focuses on Shrek, a bad-tempered but good-hearted ogre, who begrudgingly accepts a quest to rescue a princess, resulting in him finding friends and going on many adventures in a fairy tale world.
- As of September 2023, Shrek is the 17th highest-grossing film franchise of all time and the second highest-grossing animated franchise—Shrek grossed approximately \$268 million in box-office sales, Shrek 2 approximately \$441 million, Shrek the Third approximately \$323 million and Shrek Forever After approximately \$239 million.*
- Shrek won an Academy Award for animated features, and was nominated for an award for adapted screenplay. Shrek 2 was nominated for Academy Awards for animated feature and original song but did not win.**
- A fifth Shrek feature film, to potentially to be called Shrek 5, is anticipated. The launch of a new franchise movie could reinvigorate interest in the older ones, which may increase royalty earnings. Note that there is no current Shrek 5 release date.

* Source: [statista.com](https://www.statista.com).

** Source: [wikipedia.org](https://www.wikipedia.org).

*** Source: [apnews.com](https://www.apnews.com)

Past performance is no guarantee of future results.

Shrek Royalty Interest

- Although earnings have fluctuated over the last five years, recent years have seen increased royalty payouts for the royalty interest in Shrek.
- The Shrek catalog generates earnings from several different sources. Over 1/3 of royalty earnings come from international sources. Around 50% of domestic earnings are from TV and film, with the remainder from streaming (~40%) and other sources like theme parks (~10%)
- The Shrek franchise has shown early signs of success in the growing streaming space. In March 2022, the first two Shrek films launched on Netflix, at which point they were in the Top 10 most viewed films on the platform; customers watched nearly 10 million hours of Shrek 2 in one week.*
- The royalty interest is life-of-rights, i.e., life of the artist (composer) plus 70 years. As of September 2023, Gregson-Williams is 61 years old, meaning the underlying asset will earn royalties for at least 70 years.

Royalty Info	Detail
Interest	25% of composer's life-of-rights interest
Catalog	List of related works (768 tracks)
Type	Musical composition
Copyright Included?	No
Rights	Public performance
Sources	Internet Streaming, AM/FM & Satellite Radio, TV/Film/ Commercial Placements & Performances, etc.
PRO	BMI

* netflix.com

Past performance is no guarantee of future results.

Offering Use of Proceeds & Ongoing Fees

Offering proceeds will be used primarily to purchase the asset from our affiliate, as well as pay our affiliate a small fee. A portion of the fee will go to a third-party broker-dealer for its services.

Use	Amount	Percentage
Purchase of royalty interest*	\$868,000	97.6%
True-up fee**	\$21,700	2.4%
Total	\$889,700	100%

On an ongoing basis, we'll pay the following fees:

Fee	Percentage
Cash flow from royalties**	5%
Carry on asset sale**	10%

*Asset to be purchased from an affiliate, Otis Wealth, Inc. ("Otis"), at the same price paid by our affiliate.

**We will pay an upfront "true-up fee" to Otis as reasonable compensation for Otis' services, capital commitment and outlay in sourcing and acquiring the asset, as well as Otis' agreement to pay all fees, costs and expenses of, or incurred in connection with the operation of, our company. Of the true-up, \$8,897 will be paid to Dalmore Group, LLC for brokerage services in connection with the offering. On an ongoing basis, Otis will receive 5% of free cash flow. If the asset is sold, Otis will receive 10% of the profit.

Investment Risks

Royalties

Royalty payments are not guaranteed, and depend on consumption of the underlying content (Shrek films, and the tracks themselves).

Partners

The underlying asset relies on the operating partners with respect to the aggregation, audit, enforcement and payment of royalty revenues earned from the underlying asset: BMI, Royalty Exchange and, to a lesser extent, Gregson-Williams.

Content Consumption

Companies like Netflix, HBO (Max), Apple and Amazon are spending billions of dollars on developing proprietary content. With the increased competition for new content and aggressive marketing campaigns, people have more selections to watch with their limited time. This could lead to a decline in viewership of existing content.

Viewing Venue

Alongside new content creation, those same companies compete for existing content. As of September 2023, Shrek and Shrek 2 cannot be streamed on Netflix. This may affect royalties.

Illiquidity & Price Volatility

Investments such as this are speculative and involve substantial risks to consider before investing, including, but not limited to, illiquidity, lack of diversification and complete loss of capital. Due to illiquidity, secondary market pricing, if a secondary market for shares develops, can be highly volatile.

