Producer Fund I

A Series of Craftsman Film Ventures | Daren Smith, GP, daren@producer.fund

Invest In Indie Film

We messed up. We stopped investing in indie film. But we shouldn't have.

It feels amazing to discover a new independent voice at a festival or on your TV at home. To connect with a story that wouldn't – *couldn't* – have been told any other way.

Indie film was about creating something that lasts. Something singular. A ***film***, captured on celluloid, handled with care by every steward who came in contact with it.

It was about quality over quantity, art over commerce, telling a story only you could tell, rather than trying to calculate the future desires of a fickle marketplace.

But things changed.

The studios and streamers started over-supplying the market with big, bloated, unoriginal films. It became harder to find new voices and new films.

The avalanche of AI-generated content is just at its starting point, ready to break free and cover everything in its track.

The studios and streamers not only let it happen, they're going to profit from it.

Now indie film feels like an outcast, a burden, with too high a cost. Something you avoid, not protect. Rather than invest in it, you tell it to stop being so entitled.

And yet, indie film continues to amaze us. "Barbenheimer" doesn't happen without indie filmmakers Greta Gerwig first doing Nights and Weekends and Lady Bird, and Christopher Nolan doing Following and Memento. (And, indie film swept the 2025 Oscars!)

It works. It's simple. It's the starter that allows the industry to thrive. It's how filmmakers hone their craft and grow into creators that can impact the entire world with a story.

The magic is still there, we just stopped investing in it.

Indie film deserves a new model. A renaissance. Modernized for the way we watch films today.

It's time for a new ecosystem, one that's Truly Independent.

Indie film isn't content filler for digital library shelves. The studios and streamers aren't going to fix it for us. We have to do it ourselves.

Forget the gatekeepers. Leave the queue. Stop abdicating the responsibility. If we try and force their hand to give us more opportunities, they'll just leave. They'll choose profit margin and shareholder value every time, even at the expense of the art they already paid for.

We must start making our own decisions instead of seeking their permission. Creating profitable films that put that permission in our own hands.

The studios and streamers don't have a monopoly on stories that resonate with audiences. So we start there, and we build the new independent film ecosystem.

Small is mighty. Small stories. Small budgets. Small timelines. These are unique to indie film. It's what we can do that they can't.

If we want amazing movies in the future – the kind of movies that we'll show our kids in 30 years – *then we must invest in indie film today*.

That's why we created Producer Fund.

Producer Fund I

Our Mission: To build a profitable, independent film ecosystem that creates films that change people for the better.

Executive Summary

Producer Fund I is a $10M independent film fund focused on creating profitable, family-friendly feature films in the $1.5M-$2.5M budget range. The fund will produce 10 films over four years, leveraging a proven distribution partnership and innovative marketing approach to generate strong returns for investors while building a sustainable independent film ecosystem.

Investment Highlights

• Established distribution partnership ensuring theatrical release• Proven production team with track record of successful films• Focus on underserved family-friendly independent film market• Innovative marketing approach building direct audience relationships• Multiple revenue streams including theatrical, streaming, and ancillary rights• Clear path to profitability with 20% preferred return structure

Market Opportunity

The independent film market presents a unique opportunity. While major studios focus on $200M+ blockbusters and streaming services flood the market with content, a significant gap exists in high-quality, moderately-budgeted films – particularly in the family-friendly space.

The success of recent independent films demonstrates this opportunity:

- "Past Lives" (2023) - $24M box office on $4M budget
- "Everything Everywhere All at Once" (2022) - $140M on $25M
- "Lady Bird" (2017) - $79M on $10M

These examples prove that well-crafted independent films can generate significant returns while launching major careers and creating beloved intellectual property.

Strategic Framework

Our approach is built on five integrated pillars that work together to create a sustainable and profitable independent film ecosystem:

I. Product Strategy

At Producer Fund, we approach each film as a carefully crafted piece of art meant to be experienced in theaters with family and friends. Our product strategy focuses on creating memorable, impactful films through a methodical development and production process that prioritizes quality at every step.

Development begins with a $100,000 investment and six-month timeline for each project. This allows us to thoroughly develop scripts, test concepts with audiences, and align the creative vision before a single frame is shot. We've found this upfront investment crucial to creating films that resonate with audiences and perform well in the marketplace.

Our production philosophy centers on protecting the creative space where filmmakers do their best work. We assemble experienced crews, provide state-of-the-art equipment, and structure reasonable shooting schedules—typically 20-30 days—to ensure every moment on screen receives the attention it deserves.

Each project includes a significant marketing budget, equal to 50% of production costs, ensuring our films reach their intended audience. We secure 40% of the budget through equity investment, with the remainder coming from a combination of tax incentives, minimum guarantees, sponsorships, and strategic partnerships.

A unique aspect of our strategy is our commitment to developing new talent. We allocate $50,000 from each feature's budget to produce a short film by an emerging filmmaker. This creates a pipeline of fresh voices while generating additional content that supports our marketing efforts.

We deliberately avoid arbitrary deadlines that could compromise quality. Release dates are set based on the film's readiness and market conditions, not predetermined schedules. Throughout the process, we involve our audience through voting, engagement opportunities, and behind-the-scenes access, turning them into champions for each release.

II. Distribution Strategy

Our distribution strategy centers on creating "oversubscribed" theatrical releases that maximize both audience impact and investor returns. At its core, this means carefully managing the balance between supply and demand for our films in theaters.

We begin by securing distribution before any film is greenlit. Our partnership with Purdie Distribution ensures theatrical release for each project, with a minimum $100,000 commitment for prints and advertising (P&A) costs. This early commitment from our distribution partners provides crucial marketing support and guarantees our films will reach theaters.

Our controlled release strategy deliberately limits initial theater count to maintain demand above supply. We target a minimum $2,000 per screen average, achieved by requiring at least 200 confirmed audience members before booking a theater for opening weekend. This approach prevents the common industry mistake of oversaturating the market, which often leads to films being pulled from theaters prematurely.

Rather than pursuing a wide release strategy that risks diluting our audience, we expand strategically based on performance. This method allows us to build word-of-mouth momentum and maximize the lifetime value of each theatrical run. Our distribution partners are fully aligned with this strategy, understanding that sustainable success comes from patient, deliberate growth rather than rushing to capture opening weekend numbers.

As our films prove successful, we aim to bring more distribution capabilities in-house. This vertical integration will give us greater control over our releases and allow us to capture more value from each film. We're investing in relationships with theaters, developing our own distribution technology, and building the infrastructure needed to eventually handle domestic distribution ourselves.

This measured, strategic approach to distribution ensures we maintain control over our films' releases while maximizing their market potential. It's a sustainable model that prioritizes long-term success over short-term gains, aligned perfectly with our mission of building a lasting independent film ecosystem.

III. Revenue Strategy

Our revenue strategy is built on creating multiple income streams while maintaining ownership of our intellectual property. We begin by ensuring market viability before any project is greenlit, working closely with our sales partners who have deep industry connections and understanding of both domestic and international markets.

The core of our revenue model is a unique profit-sharing structure that aligns incentives across all stakeholders. After our equity investors recoup 120% of their initial investment, remaining revenues are split 50/50 between investors and the production company. From the production company's share, we've created an innovative distribution model:

- 50% retained by the production company
- 37.5% shared among cast and crew
- 12.5% allocated to the writer-director

This structure ensures everyone involved has a vested interest in the film's success, while providing ongoing revenue streams that extend well beyond the theatrical release.

We maintain a long-term view of our film library's value. Rather than seeking immediate sales at film festivals, we enter the market with distribution already secured. This approach allows us to retain ownership of our films and build a valuable content library over time. Each new theatrical release increases awareness of our previous films, creating a compound effect on revenue.

Strategic partnerships play a crucial role in maximizing returns. We actively pursue:

- International distribution rights sales
- Streaming platform agreements
- Television broadcast rights
- Merchandising opportunities
- Educational market distribution
- Festival circuit revenues

While we're open to exploring output deals or negative pickup arrangements with major studios, these must align with our core strategy of building long-term value through intellectual property ownership. Any such deals would need to enhance, not replace, our existing distribution and revenue model.

IV. Brand Strategy

In the film landscape, certain brands have become synonymous with excellence in specific genres: Pixar with animation, Blumhouse with horror, and A24 with boundary-pushing indie films. We see a significant opportunity to establish Craftsman Films as the premier brand for family-friendly independent cinema—a space that remains largely unclaimed by existing studios.

Our brand strategy extends beyond individual films to create a lasting relationship with audiences. When people see the Craftsman Films logo, they'll know they're about to experience a thoughtfully crafted, family-friendly story that will spark meaningful conversations and create lasting memories. This trust isn't built overnight, but through consistent delivery of quality films that respect our audience's intelligence while remaining accessible to all ages.

Central to our brand identity is founder Daren Smith's role as a visible champion for independent filmmaking. Rather than creating separate social media presences for each new release, we're building a concentrated following around the Craftsman Films brand and Smith's thought leadership in the industry. This approach allows us to maintain ongoing relationships with our audience between releases and create anticipation for upcoming projects.

We're also positioning Craftsman Films as the destination for talented filmmakers who want to create meaningful family entertainment. By fostering a culture of creativity, respect, and craftsmanship, we're building a reputation as the best place to work in independent film. This attracts top talent and creates a virtuous cycle of quality productions.

Our commitment to championing independent film extends beyond our own productions. Through initiatives like our emerging filmmaker program and industry advocacy, we're helping to build a more sustainable ecosystem for independent film as a whole. This leadership position strengthens our brand while contributing to the broader health of the industry.

V. Audience/Marketing Strategy

Our marketing strategy focuses on building deep, lasting relationships with two key audiences: filmmakers and film lovers. By creating an environment where artists can do their best work, we naturally generate buzz within the industry and attract top talent. This industry recognition, in turn, signals quality to our viewing audience.

We're cultivating an audience that values film as an art form rather than mere entertainment. Through consistent education and engagement, we help viewers understand the craft of filmmaking, making them more discerning consumers who appreciate the value of a theatrical experience. This deeper appreciation translates into stronger word-of-mouth promotion and repeat viewership.

Email marketing serves as the backbone of our audience engagement strategy. While we maintain a presence on social media, all channels funnel back to our email list, where we can build direct, meaningful relationships with our audience. This approach gives us independence from platform algorithms and allows for more personalized communication.

Our release strategy is deliberately measured, with just 3-4 films per year. This cadence allows us to give each film the marketing attention it deserves while maintaining anticipation between releases. We complement these theatrical releases with our innovative "Indie Film Friday" program, a monthly initiative that builds community around independent film appreciation and creates ongoing engagement between our releases.

We're also pioneering unique theatrical experiences in partnership with theaters and streamers. These might include:• Behind-the-scenes content and filmmaker Q&As• Family discussion guides for post-viewing conversations• Special preview screenings for our most engaged audience members• Community events built around each release

To amplify our reach, we're building a network of ambassadors—passionate film lovers who champion independent cinema in their communities. These advocates receive special access and rewards for helping us grow our audience organically through authentic, grassroots promotion.

Through these combined efforts, we're not just marketing individual films; we're nurturing a movement that values and supports independent cinema. This community-driven approach creates a sustainable ecosystem where each new release strengthens our audience base and increases anticipation for future projects.

Fund Structure

Fund Size & Terms

Producer Fund I will raise $10 million to finance the production and marketing of 10 feature films. The minimum investment is $10,000, with a preferred return of 20%. The Fund receives 100% of net profits until their initial investment is returned plus preferred interest, then 50% thereafter. The fund has a 10-year term.

Investment Timeline

The Fund will deploy capital over a 3-year period, with approximately $3-4 million invested annually. This measured approach allows for strategic film releases and market testing of initial projects. Investments will be staggered to maintain consistent cash flow and optimize marketing efforts. Each film's budget will range from $750,000 to $2.5 million, including marketing costs. This structure ensures adequate resources for both production and distribution while maximizing potential returns.

Management Fee

Management fees are set at 2% annually, with a 20% performance fee after the preferred return.

Profit Distribution

Profits will be distributed quarterly, with investors receiving 100% of net proceeds until their initial investment plus the 20% preferred return is achieved. After this hurdle is met, profits are split 50/50 between the Fund and the production company. This structure aligns incentives between investors and creators while ensuring sustainable returns. Exit opportunities may include film library sales, streaming rights, or potential acquisition by larger studios.

LP Rights & Responsibilities

Limited Partners will receive quarterly financial reports and annual audited statements. They participate in voting for the films the Fund invests in, and have priority access to film premieres and special events. LPs can participate in strategic planning sessions and have opportunities to visit film sets. The Fund provides regular updates on production progress, marketing initiatives, and distribution deals. Advisory board positions are available for qualified investors who bring significant industry expertise or strategic value.

Execution Timeline & Milestones

Producer Fund I will produce 10 independent feature films over four years (2025-2028), with budgets scaling from $1.5M to $2.5M. Our key milestones include:

2025

- Launch first two projects into development
- Build core production management team
- Establish "Indie Film Friday" community
- Target: 10,000 email subscribers

2026

- Scale to $2M+ budgets per film
- Expand marketing team
- Target: 25,000+ email subscribers
- Begin fundraising for Producer Fund II

2027-2028

- Reach $2.5M+ budgets per film
- Build in-house distribution capabilities
- Target: 2M+ email subscribers
- Complete Fund I production slate

Distribution is already lined up for each film. If and when other distribution partners become interested, we have the option to explore those offers.

Foreign and digital sales partners are already interested in the films, and we will partner on a per-film basis.

Lending partners are on board to lend against tax incentives and minimum guarantees.

We have a fiscal sponsorship through the Utah Film Center which allows donors to receive the full tax write-off up front, and then we draw on the funds with each film as they are produced.

In 2025, we will greenlight 2 projects for development as early in the year as possible.

The cadence we aim for is a Spring, Summer, and Fall production each year (unless the film calls for shooting in the winter). Theatrical releases will be determined between the distributor and fund manager on a per-movie basis.

By film 3 we will be in the $2 million+ range per film, and by film 5 we will be at $2.5 million+, which includes all expenses - development, short film, production, post, marketing, and production fee.

The investment period is four years, overlapping with a nine-year recoupment period that begins in year two.

Audience building starts in early 2025 with the first Indie Film Friday. The target is 10,000 people on the email list in 2025, 25,000+ in 2026, and growing 20% month over month at that point, which puts us over 200k within a year after that, and nearly 2 million a year after that, if we maintain that momentum and trajectory.

An email list of 2 million people activates an audience that will show up and provide a seven-figure opening weekend for each of our films, making them profitable within the first week of release. That's the goal by year four, and will help with the success of films produced through the fund along the way.

A big part of year one is to assemble and develop a core team of production management members. A line producer, Unit Production Manager (UPM), production accountant, and production coordinator that can learn and embody the "craftsman mindset" and our approach to producing profitable films. These key people will work on all of the productions - ultimately becoming full-time employees as the business grows - and will be essential to the success of each production.

Secondly, we will bring on a dedicated marketing lead, someone who understands all of the aspects of film marketing and advertising, with a special emphasis on email marketing and list building.

After that we'll expand the distribution and sales teams and bring as much in house as possible, aiming for a team of 12 or fewer by the end of 2027. The team will gain experience on the first few films as contractors, and will be brought into the company as employees as soon as profit allows. We want to bootstrap the company as much as possible, relying on "variable expenses" of contractors and short-term employees paid through each film's budget, and transition that over time responsibly once the films become profitable.

By the end of 2026 we will begin the fundraise for Producer Fund II, which will aim to produce independent features in the same way, at a $4-5 million budget for each film. We can also explore co-investing in other, larger projects as executive producers, and further building out the infrastructure to accommodate the needs of the films we're producing.

The goal is not a billion-dollar unicorn, breakout business. The goal is a highly-profitable business that takes care of its people and has the permission to create more and more films that audiences love. We don't need massive debt, a huge team, or tons of resources to do that. We can build what we need through Producer Fund I, and grow the business and the impact over Fund II and beyond.

Success Metrics

Success metrics for Producer Fund I include:

- Reaching profitability on each film within 12 months of release
- Growing email subscriber base to $1M+ engaged followers
- Achieving 80%+ audience satisfaction ratings
- Building a sustainable core production team
- Establishing strong distribution partnerships
- Meeting quarterly revenue targets for investor returns
- Creating efficient production workflows and systems
- Developing intellectual property portfolio value
- Maintaining production costs within budgeted parameters
- Building brand recognition in independent film market

Risk Factors

Market Risks

- Shifting audience viewing preferences Competition from major studios and streaming platforms
- Economic downturn impacts on entertainment spending
- Changes in distribution channel dynamics
- Volatility in theatrical release windows

Production Risks

- Budget overruns and unexpected costs
- Key talent/crew availability
- Weather and location challenges
- Equipment and technical issues
- Insurance and liability concerns
- Post-production delays
- Quality control issues

Production Risks

- Creative differences between key stakeholders Union strikes and labor disputes

- COVID or other health/safety disruptions
- Technical equipment failures
- Scheduling conflicts and delays
- Raw material shortages
- Transportation and logistics issues

Financial Risks

- Market fluctuations affecting returns
- Currency exchange rate volatility
- Tax incentive program changes
- Production cost increases
- Cash flow management challenges
- Interest rate fluctuations
- Investment timing risks

Distribution Risks

- Changes in theatrical release strategies Digital platform algorithm shifts
- Marketing campaign effectiveness
- Competition for screen space
- International distribution barriers
- Audience engagement challenges
- Content delivery system changes

Legal Risks

- Copyright and intellectual property disputes
- Contract compliance issues
- Talent agreement conflicts
- Regulatory compliance challenges
- Insurance coverage gaps
- Liability exposure concerns

Mitigation Strategies

- Implementing comprehensive risk assessment protocols Maintaining strong legal counsel relationships
- Building contingency reserves into budgets
- Developing backup plans for key personnel
- Creating detailed crisis management procedures
- Establishing clear communication channels

- Diversifying distribution strategies
- Securing comprehensive insurance coverage
- Regular monitoring of market conditions
- Fostering strong industry partnerships
- Building redundancy into critical systems
- Maintaining flexible production schedules
- Nurturing the relationship with the audience

Join Us in Revolutionizing Independent Film

Producer Fund I offers qualified investors the opportunity to be part of building the next great independent film studio. We're seeking partners who share our vision for creating profitable, impactful films that audiences love.

To learn more about investment opportunities with Producer Fund I, contact:

Daren Smith

General Partner, Producer Fund

daren@producer.fund