

REAL FLOW

ART IS THE SUBLIME ASSET™

Prospectus
March 1, 2015

Real Flow bears no legal or financial liability for losses incurred from use of its instruments, which are artworks. All investments are subject to buyer's risk. All information contained in this red herring prospectus is subject to completion or amendment. Securities may not be sold nor may offers to buy be accepted prior to the final prospectus being issued.

THE VISION

Real Flow paves the way to art's future sublime by offering tailor-made financial solutions.

Today, art's potential is stifled by its entrenchment in a terrestrial, illiquid commodity form. Weighed down by the gravity of obsolete historical identifications, art is chained to atavistic forms of production and circulation.

Financialization offers art a much-needed elevation to a plane of multiplying possibilities, infinitely expanding what art can be and what it could be capable of. It proposes a diversification of art's circulation: An opening up into a trans-temporal dimension, a multipolar vista with unrestrained flows.

The ocean may reconnect us with primordial fluidity, yet it is air that offers the ultimate realm of possibility.

Beyond liquidity is air.

In another time, Karl Marx described capitalism as melting "all that is solid ... into air"—sublimation.

As a species, we are evolving past Cartesian confinement. Our biology no longer defines our limits. Technological upgrades on human senses pave the way to new dimensions of evolutionary adaptation. Tangibility is no longer confined to Earth-bound experience.

Air is our element, our medium.

Air reconstitutes power from a material, body-wielding mechanism to morphable energy. Yet movement through air will also generate turbulence—a reminder of terrestrial friction to be eased.

Air is the instrument to calibrate new non-terrestrial dimensions, to strive towards a future more sublime than capitalism can afford: A tomorrow in which the Earth is enhanced by its air.

Air is the space where art attains the breath-like quality of movement:
focused, expansive, emboldened to move assertively into the future.

Real Flow operationalizes financialization's futurity to reconstitute the
present of art, its future present and our future.

THE STRATEGY

Financial instruments are intrinsically future-oriented constructions.

They remold the place and meaning of production and its output. Yet, as inventive and fluid as financial instruments are, they nonetheless remain limited by the viscosities of liquidity—by their commitment to valuations generated elsewhere.

Equally, for all of art's heavily-terrestrial illiquidity, its hegemony of earth-bound aura and experience, it is a production of valuation *sui generis*.

Art's fiat valuation is mobilized as a basis for constructing financial mechanisms with three interconnected aims:

- To reconstitute the artwork's commodity form so as to allow the formation of more sophisticated market relations that would optimize the terms available for different client-parties' interests;
- To increase gains for everyone, while also decreasing all costs;
- To push the existing institution of finance towards a form more adequately suited to the social demands of the Anthropocene.

Real Flow is an initial release of artworks as financial instruments. By reconstituting the artwork's commodity form, Real Flow increases art's integrability into diverse channels by building into the art the conditions for the flexibility and sublimity of today's financial engineering.

Real Flow offers an investment into art engineered for its financial reconstruction—an art emancipated from stalling conditions.

THE OFFERING

In this initial offering Real Flow proposes two instruments.

Each instrument structurally reconstitutes the distinct components of the artwork. The components are recomposed in new formations with quasi-independent trajectories.

Real Flow retains the structural unity of the components as a holding artwork.

Each Real Flow instrument is identified by a series number.

REAL FLOW RF1501

RF1501 overcomes the limitation of identifying the tradable instance of the artwork with its material or conceptual manifestation. The instrument surpasses the commodity form's in-built limitation by allowing the two disparate dimensions to operate semi-independently of one another. As a result, the material and sensually artistic facets of the artwork function distinctly from its trading.

Investment in RF1501 can take place in two ways:

RF1501_X001-004

Managed by Real Flow, RF1501_X001-004 make the components 001-004 available for use in the gallery space, museum collections, private homes, and on other occasions where the presence of the physical object is desired.

The contracting party is responsible for covering all on-costs (including shipping, insurance, maintenance, preservation, etc). Real Flow's commission on this service is 20% of total exhibition costs.

RF1501_Y001-004

Real Flow also offers Certificates of Ownership—RF1501_Y001-004— at market price. RF1501_Y001-004 grant the buyer the right to trade the components 001-004 on the market without the logistics of handling the physical objects, yet directly benefitting from their increased adaptability and flexibility in circulation through RF1501_X.

The Returns

RF1501 presents significant new opportunities for simultaneously increasing the reputational integrity of the artwork while also increasing its market returns. Benefits for each component include:

RF1501_X001-004

- *Save purchasing power*: exhibitor only required to cover display costs plus 20% while reaping the benefits of association with exhibiting Real Flow.
- *No middle men*: transparent dealings and no strings attached.
- *Distinct artistic and exhibitionary integrity*: market transactions occupy a separate realm.

RF1501_Y001-004

- *Significant decrease in on-costs*: no need to pay for storage, packing, shipping, insurance, preservation, maintenance, etc.
- *Engage in market relations more efficiently*: the asset's illiquidity and transaction costs are significantly reduced.
- *Competitive advantage*: due to greater purchasing power afforded by the significant decrease in on-costs, outperform market players with higher transaction costs.

RF1501 enables exhibition and display venues to include artworks in their programs without having to worry about the market. The artworks' circulation in turn strengthens and enhances the value of assets, while profit margins benefit from the lack of on-costs.

REAL FLOW RF1502

RF1502 offers the opportunity to engage with a more structured instrument that will appeal to a progressive risk-aware investor.

RF1502_Zn

This instrument presents an innovative new channel for investment with the introduction of unprecedented Interlinking Contracts.

With this unique component, Real Flow provides a boutique service specifically customized to each investor. On the basis of a personal in-depth consultation, the Interlinking Contract will detail a binding relationship between RF1501_X001-004 and RF1501_Y001-004. Taking advantage of both the increased availability and adaptability of distribution of components 001-004 and the greater opportunity for market transactions afforded by RF1501 but without directly risking investments in either series of transactions, RF1502 provides additional opportunities for returns.

An investor may, however, choose to deploy RF1502_Zn as a hedge on the risk of purchasing RF1501_Y001-004. In this scenario, Real Flow offers the investor a 20% discount on the purchase of RF1501_Y001-004. This provides an ideal solution for a risk-averse investor interested in entering the art market.

Alternatively, an investor uninterested in equity may purchase RF1502_Zn as a self-standing financial asset. For example, if increased visibility of components 001-004 lead to increased market demand, the holder of RF1502 type instrument can benefit from the advantages of revenues up to 30% of all RF1501_Y001-004 future sales only at the cost of an initial purchase fee for acquiring the Interlinking Contract.

Arrangements to take advantage of these unique opportunities are made through our boutique service.

The Returns

RF1502_Zn

RF1502_Zn benefits from new opportunities for simultaneously increasing the reputational integrity of the artwork while also increasing its market returns through instrument RF1501 without the burden of handling or possessing an artwork. The investor need not be concerned with the risks of price movement of RF1501_Y001-004—revenues are accrued only from revenues of future sales. The Interlinking Contract may be sold on without additional costs other than a transaction fee to Real Flow.

Simultaneously, as detailed above, RF1502_Zn may provide an insurance hedge for investors who are interested in entering the art market (through instrument RF1501_Y001-004 at discount price).

All revenues from RF1501 and RF1502 will be subject to a 50/50 split between K. and Real Flow.

Real Flow reinvests 50% of its total revenues into its asset portfolio. The remaining 50% are distributed equally between its managers.

THE SUBLIME ASSET

New art makes for contingent and novel articulations; new art is also made by them.

Like air, Real Flow is an art without a shape of its own, yet it is the very basis of continued muscular action.

Financial instruments mitigate risk and increase liquidity across increasingly integrated markets.

Real Flow integrates different markets, and deliberately crosses the now wholly permeable and artificially-maintained barriers between art's market, markets in general and art's flexible and porous semantics.

Real Flow offers an art that is iteratively reassembled through its mobilization and adaptation by investors, collectors, dealers, exhibitions, critics, academics, and finance.

Portfolio Managers

Diann Bauer

Victoria Ivanova

Suhail Malik

Christopher Kulendran Thomas

Please visit

www.k-period.com/Real-Flow.pdf

to download a copy of the prospectus.

info@real-flow.com

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