

April 20, 2017

TO: Board of Directors
FROM: Heller An Shapiro
RE: Investment Advisor Proposals

Background:

As of 2/28/17, ArtStream has \$183,791.75 invested with Morgan Stanley’s Scottsdale, Arizona office. These funds are invested in several different American Funds. The Financial Advisor on this account passed away in January 2017. He came to ArtStream through the Woolsey family.

Two potential local advisors (Alvin Carlos and Dan Nguyen) were contacted for proposals to serve as ArtStream’s new investment advisor. They are both qualified Investment Advisors according to FINRA. Personal references are attached.

Alvin Carlos, District Capital Management, is also a Chartered Financial Analyst, registered in 4 states. Alvin and a partner founded District Capital Management in 2013 serving individuals and pension funds. They are seeking to develop a nonprofit practice.

Dan Nguyen, Northwestern Mutual, is registered in 14 states. Dan has been at Northwestern Mutual since 2009. He currently advises twelve nonprofits.

References were interviewed for both advisors, and are attached.

Proposal:

Review the enclosed materials and select an Investment Advisor(s) to meet with the Board.

Alvin Carlos, District Capital Management, proposes to move ArtStream into Vanguard funds, which he says have a .05% fee, compared to American Funds 5.75% fees plus .23% commission.

Alvin offers two contract options:

1. Investment advice on retainer for \$150/month (increasing by \$10 each year). He would tell ArtStream what to do, then ArtStream would make the actual trades. **TOTAL: \$1,800**

2. Full Investment Management at the following rates: **TOTAL: \$1,470**

Total Assets Under Management	Annual Fee Rate
First \$10,000	None
Next \$490,000	.85%
Next \$500,000	.75%

NOTE: It should be noted that in addition to the management fees, clients may also incur

fees and other expenses charged by mutual funds and exchange-traded funds held in client accounts. Additionally, the fees defined in this document are for advisory services only and do not include any applicable transaction fees, commissions, or other custodial charges. Lower fees for comparable services may be available from other sources.

Dan Nguyen, Northwestern Mutual, proposes to move ArtStream into a mix of Index funds and Vanguard funds, with full investment management for an estimated annual fee of 1.51%. Dan can also provide support for employee insurance, benefits and setting financial goals.

TOTAL: \$2,763

NOTE: The total annual client fee generally includes all fees for investment advice, trade execution and custody (i.e. a "wrap fee"), but does not include underlying management fees charged by any mutual funds or ETFs. However, you may incur trading costs, such as transaction charges, depending on the investments selected for your Portfolio.

Rationale:

ArtStream's funds are currently invested in an account with minimal support or interest from the Investment Advisor. The current yield is 1.45%.

An investment advisor selected by the Board will be more responsive to ArtStream's investment priorities and a better steward of the funds.

District Capital Management proposal highlights:

WHY US?

- **We are a team of top-notch investment professionals.** Our team has a combined 25 years of institutional investment experience, including managing assets of pensions and foundations. Two of our firm's partners are CFA charterholders. The CFA Program is a globally recognized curriculum that provides a strong foundation of real-world investment analysis and portfolio management skills.
- **We have our client's best interest at heart.** We abide by the CFA Code of Ethics. We do not sell any financial products that inherently cause a conflict of interest.
- **We provide excellent investment advice** comparable to what large institutions such as pensions, endowments, and foundations receive.
- **No minimum investment amounts.** We take on clients regardless of asset size. We believe that everyone is entitled to sound investment advice.
- **The result:** A diversified, [low-cost](#), tax-efficient portfolio tailored to achieve your specific goals.

OUR INVESTMENT PHILOSOPHY

- **Prioritize risk management.** We believe clients should be exposed to the right amount of risk they are willing and able to accept.
- **Minimize costs.** Excessive fund fees, transaction costs, and taxes are big drag on investment return. We cannot control the market, but we can control costs.
- **Diversify across assets.** We believe that asset allocation is the critical driver of performance and risk.

- **Conduct rigorous analysis.** We carefully examine capital market valuations to determine our asset mix and carefully research investment implementation.

Northwestern Mutual's proposal highlights:

- Investment Philosophy grounded in maximizing return relative to your appetite for risk.
- Asset allocation driven investment portfolio seeking the optimum/max efficiency within your portfolio.
- Utilize index funds to minimize expenses
- Automatically and systematically rebalancing of your portfolio as the market goes up and down
- Fiduciary/advisory relationship ensuring proper interment allocation at ALL times
 - personal relationship with ArtStream, semi-annual reviews of ArtStream's business goals, review market condition and rebalancing opportunities within the portfolio
- Recommendation: seek operational capital (line of credit) to mitigate volatility exposure on your investment portfolio. Subjecting your portfolio to liquidation during down markets is your primary risk to long-term investment success

Northwestern Mutual's Investment Proposal summary attached.

Reference Check for: Alvin Carlos, District Capital

Name/Date:	Chad Dobson, 3/13/17	Paul and Lisa Branum 3/21/17
How long have you been a client?	<p>Since June 2016</p> <p>I was the Executive Director of a non-profit in DC called Bank Information Center. I promoted Alvin to CFO when I started – he probably served 9 years in that role, and managed the finances and investments.</p> <p>I retired in June, and Alvin currently manages my personal retirement investments.</p>	Clients for 3 years
How did you find him?/Why did you decide to sign with District Capital?	<p>At BIC, we were outsourcing the management things, and I was doing the oversight. I was convinced he had the combination of skills needed, he's very good with numbers, He was totally committed to our mission, He's a very hard worker. I was convinced if he didn't know how to do something – (it was new to him, he was originally a Marine Biologist...) he would work at it until he found the answer and if he wasn't sure, we could talk about it.</p> <p>He had more of an understanding about our mission- he cared and could make up for what he didn't know by hard work. He's bright. Some people are so quick that they are extraordinary. Some people have to work at it but they get it, and that was true about him. He always delivered.</p> <p>I knew him and trusted him and so I knew he had the financial planning certification, and I knew he wanted to do it and no question about his integrity. I knew he could do it. I don't have so much money that he would not be able to handle it.</p>	Co-worker has been client for about 5 years; that's how we found out about him, he had rave reviews, we went to speak with him and signed up.

Reference Check for: Alvin Carlos, District Capital

	I've had an assistant who cleaned out our account and so I really value trust and integrity.	
How responsive is he?	Very responsive. Good professional relationship. I had a question about a transference of money that I sent after 6pm Sunday night and at 9 am Monday morning there was a response. That's typical. If he can't answer right away he'll tell me he can't and when he will be able to.	Alvin's been great. He responds to our questions within the next day.
How often does he contact you? How often do you feel you need to reach out because you haven't heard in a while?		He reaches out and touches base – “it's time to rebalance, let's look at what you have, things in market are changing...” He's very proactive. He's also reached out to say “Don't worry, or let's rebalance based on what's going on in the market.”
How prompt is the reporting?		
How informative is the reporting?	Good, but I have asked for them to be done in a different way for me. He sends me a regular report, and then every few months we have lunch and have a discussion about what's happening. Am I over-budget, what does he think? What's the portfolio looking at, any issues, etc. I want to make the Library of Congress music programs a beneficiary of my estate. I am exploring that with him.	We receive a comprehensive report. He gives us a thorough review of the bases that need to be covered – including those that we haven't even thought of. We meet about 3 times a year (every 4-6 months), he lays out how things compare and reports based on what we decided at our prior meeting, where we need to adjust or be more aggressive.
How do you think he might report to the Board?	My board was absolutely confident about the finances because Alvin was on top of this, because he reported in the way they wanted to see. But for me I wanted it verbally. He came to the board	He provided an initial report – about 12 pages on our current status, where we should change, where there were shortcomings in our investments. I imagine he could easily

Reference Check for: Alvin Carlos, District Capital

	<p>meetings for budget presentations, but they didn't meet with him.</p> <p>The Board often had differences in opinion about where we should go/what we should do, so that required multiple budgets. He had to be outside the fray and willing to move as the landscape changed. If changes were going to be made, he went with whatever the board/sr. management wanted. He was very good at making the changes.</p> <p>He was very good about sending the material to the board in a timely way so they could review before the meeting.</p>	<p>translate that to what a board should address – long term goals and short term assets.</p>
<p>How do you feel your investments are performing?</p>	<p>They're fine – the problem is the Trump bump so we don't know what will happen. I think that it is possible to do socially responsible investing that is as good as the marketplace. I believe that and Alvin supports that.</p>	<p>A lot better. It was right after the bad recession, so naturally, because the economy has recovered so we've gone up, too. But he's also made recommendations that assisted us in thinking long term. Things we hadn't really thought of – e.g. buying an umbrella policy, etc. He is really thinking long term for us.</p>
<p>Anything I didn't think to ask that you feel I should know?</p>	<p>He'll be interested in your type of organization.</p> <p>I think I wouldn't use him as an enforcer – he's not someone who will seek the report or get someone to do it. In our office, that was not a job that he was great at. If they didn't do it, he didn't feel comfortable complaining to people. So if his employees aren't doing the work, then he will have trouble getting them to do it.</p>	<p>Conscientious about what your goals are and tailoring his recommendations to that. Alvin used to be with a nonprofit, and he still is community focused. Very compassionate.</p> <p>Think he would be a nice fit with nonprofits. We feel comfortable that he has our best interests at heart.</p>

Reference Check: Dan Nguyen, Northwestern Mutual

Name/Date:	Andrew Peers 4/5/17	Taryn Fielder 4/6/17	Alan Zang 4/18/17
How long have you been a client?	6+ years Owner/Real Estate with Compass Real Estate Dan helps with the company's investing, insurance, retirement plan and strategies	3+ years. Dan works with me and my family personally with my investing, insurance, retirement plan and strategies.	4+ years VP of Finance & Operations w/ CustomerFirst Renewables Dan helps with the organization's investing, insurance, retirement plan and strategies. Also done my personal planning that started more than 4 years ago. Robust interactions over a long period of time, He's high energy, great personality.
How did you find him?/ Why did you decide to sign with Northwestern Mutual?	Dan contacted me through a referral through a mutual friend. He happened to reach out when we were looking – I needed someone to come in, look at my business, look at the cash flow, where I wanted to be in the future, and provide insurance.	I think that he found me through a mutual friend and reached out. He made a good, compelling case and I met with him a few times to get a feel for his business sense. Over that time we established a great personal and professional relationship. Since I felt I knew him well and felt comfortable, I signed up first for insurance, and then gradually moved my retirement and financial planning over to him.	Personal connection, I knew him through college. (Graduated undergrad in 2005.) We'd been out of touch for some time, then gotten back in touch. I was looking at my personal finances, I got married and had kids, so the need to manage our investments was growing. I'm a finance person myself. So, I called Dan, and did not shop around. I knew what he was doing, NW Mutual is a good organization, (I did review the organization). I trust him.

Reference Check: Dan Nguyen, Northwestern Mutual

<p>How responsive is he?</p>	<p>I feel like when we met I was a small business and I wasn't sure what kind of attention I would get. I was overwhelmed with the kind of attention I got! Dan was proactive about it. He found a way to check in with me proactively and regularly. We've become a real team. He always responds within 24-48 hours to my requests or questions.</p>	<p>I consider myself a "small fry" and Dan's always super responsive – if anything, he's usually waiting for me to respond. Always on top of things. He's in this for professional gain and long term relationships.</p>	<p>Very responsive. I don't even think about the scale of NW Mutual vs our company. We have 21 people on our team. Dan is providing our 401K, health care, etc. I feel like management there is decentralized – very entrepreneurial. High energy, always available when we need him.</p>
<p>How often does he contact you? How often do you feel you need to reach out because you haven't heard in a while?</p>	<p>He reaches out every month or two. That's all I need. I may reach out in between if I need to.</p>	<p>Depends on what my needs are – this year's been busy for me personally and with my family, so we have been in contact more regularly, about every other week. In general, it's quarterly, or if I need anything. I've never needed to call him. He's pretty persistent</p>	<p>Never had to reach out because I hadn't heard. I'm busy and don't worry about checking in. When he checks in, I am thinking "yes, thanks for staying on top of that for me." At least once a quarter, we have lunch and check in on things. That frequency works well for me.</p>
<p>How prompt is the reporting?</p>	<p>Very</p>		
<p>How informative is the reporting?</p>	<p>For me the written documentation is more than I need. I can view everything that I need to view on line. It's more than enough. It's accurate and how I expect it to be.</p>	<p>He's always good about making himself available to walk me through reports. He is great about recommending products and identifying holes in my portfolio. Proactive.</p>	<p>Yes, I think I'm pretty sophisticated on the financial side of things. I don't have a problem wading through the information. The website is also interactive and good.</p>
<p>How do you think he might report to the Board?</p>	<p>I have part time employees, so I have to be mindful of payroll and cash flow and I feel it all works.</p>		<p>Very good – he is very mature and good interpersonally. I've seen him interacting with everyone from my kids, to our CEO or others in the organization. He's sophisticated</p>

Reference Check: Dan Nguyen, Northwestern Mutual

			<p>enough to communicate with people at all levels. He's good at responding on his feet. Can handle any questions. Or navigate curveballs. Biggest strength is this piece – interpersonal conversation. Pretty down to earth as a communicator. Grew up in this area. Family man as well.</p>
<p>How do you feel your investments are performing?</p>	<p>They don't always perform of course, it fluctuates with the market. But I've been very pleased, enough to refer him to friends and small business colleagues. I wouldn't do that if I didn't feel confident.</p>	<p>My investments are performing well. Previously I worked with another manager at a different firm, and I felt I was happy enough. But with Dan, I feel I'm getting the returns that he and I discussed and agreed on, based on the risk I am comfortable with.</p>	<p>For us it's a passive long term strategy, so we are not making a lot of changes to the strategy, not trying to hit a short-term target. But we do want reasonable appreciation, and when the market is down, try to make it as best as we can. My understanding of this field and our horizon allow us to ride out the down cycles. There were no times where I called and said "Oh no! What have you done and how can we fix it?"</p>
<p>Anything I didn't think to ask that you feel I should know?</p>	<p>Depends what you're looking for. I enjoy the fact that we've built a relationship, not so sterile and numbers driven, also a personal relationship. Feels more natural, he's worked with my style, he adapts in that way. If you want someone who will pay attention to you, Dan's your guy.</p>	<p>I'm not a financial person. He's the one I've worked with who I feel most confident in his recommendations. I've dealt with other investment advisors and I feel he is the best, and has my interests at heart. I recommended him to several friends.</p>	<p>I think very highly of Dan and NW Mutual – I give them my strongest recommendation.</p>

Investment Proposal

ArtStream Inc. Proposal

Prepared For:

ArtStream Inc.
April 02, 2017

Prepared By:

Dan Nguyen
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Rockville, MD, 20852-1059
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■ FINANCIAL SNAPSHOT

This Investment Plan is based on the information that you provided. The following table summarizes your current financial circumstances.

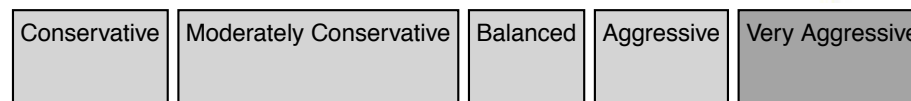
Time Horizon Until Funds Needed	More than 20 years
Withdrawal Time Horizon	More than 20 years
Total Liquid Assets	\$200,000-\$499,999
Total Net Worth	\$200,000-\$499,999
Current Portfolio Value	NA

Selected Risk Profile

Very Aggressive

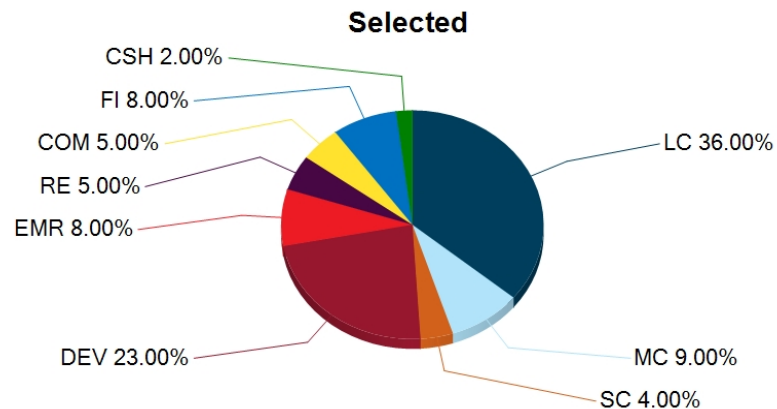
Very Aggressive investors are interested in higher potential growth with greater volatility, and are willing to take substantial risks to achieve it.

Based On
Questionnaire



SELECTED ASSET ALLOCATION

Based on your responses to the investor profile questionnaire, your risk profile is Very Aggressive.



RISK AND RETURN RELATIONSHIP*

Expected Pretax Return: 7.85 %
 Std Deviation: 16.51 %
 Tax Advantaged Very Aggressive1

ASSET CLASS	PROPOSED (%)	PROPOSED (\$)
US Equity		
US Equity - Large Cap (LC)	36.00	66,240.00
US Equity - Mid Cap (MC)	9.00	16,560.00
US Equity - Small Cap (SC)	4.00	7,360.00
International		
Int'l Developed Mkts (DEV)	23.00	42,320.00
Int'l Emerging Mkts (EMR)	8.00	14,720.00
Real Estate Securities		
Real Estate Securities (RE)	5.00	9,200.00
Commodities		
Commodities (COM)	5.00	9,200.00
Fixed Income		
Fixed Income (FI)	8.00	14,720.00
Cash/Cash Alternatives		
Cash/Cash Alternatives (CSH)	2.00	3,680.00
Total	100.00	184,000.00

IMPORTANT: The projections or other information generated by this Investment Proposal regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results of this asset allocation may vary over time. Other investments not considered may have characteristics similar to or superior to those analyzed. The asset allocation models are based on generally accepted investment theories. See the "Risk and Return Relationship" section of the Disclosures for more information.

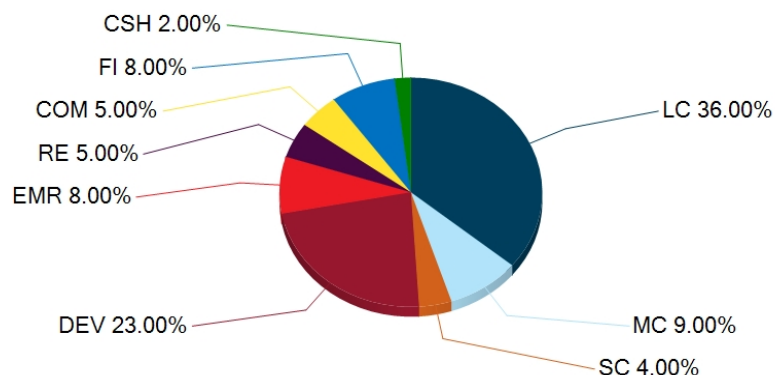
INVESTMENT PROPOSAL

Apr 02, 2017

If current asset allocation amounts are included in this proposal, then the asset allocation comparison chart demonstrates the differences in terms of percentages and dollar amounts between your current asset allocation and the selected asset allocation being recommended to you. Please keep in mind that the asset classes used may not match exactly the types of investments or investment objectives of your current asset allocation, and the valuations may not represent the exact market value of your current investment holdings, especially for assets that are difficult to liquidate or that do not have a readily assessable market value due to limited market float because of the nature of the investment.

The Expected Pretax Return and Standard Deviation are for illustrative purposes only and the standard deviations are calculated based on the expected annualized return and risk assumptions of each asset class, as well as the correlation between the different asset classes making up the hypothetical portfolios. The returns are based on combinations of the capital market return assumptions for the asset classes and associated indices.

■ GOAL INVESTMENT SELECTIONS



PRODUCT NAME	PRODUCT ID/TICKER	(%)	(\$)
US Equity - Large Cap (LC)			
SPDR S&P 500 ETF	SPY	36.00	66,240.00
	Sub Total	36.00	66,240.00
US Equity - Mid Cap (MC)			
iShares Core S&P Mid-Cap	IJH	9.00	16,560.00
	Sub Total	9.00	16,560.00
US Equity - Small Cap (SC)			
iShares Core S&P Small-Cap	IJR	4.00	7,360.00
	Sub Total	4.00	7,360.00
Int'l Developed Mkts (DEV)			
Vanguard FTSE Developed Markets ETF	VEA	23.00	42,320.00
	Sub Total	23.00	42,320.00
Int'l Emerging Mkts (EMR)			
Vanguard FTSE Emerging Markets ETF	VWO	8.00	14,720.00

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PRODUCT NAME	PRODUCT ID/TICKER	(%)	(\$)
	Sub Total	8.00	14,720.00
Real Estate Securities (RE)			
Vanguard REIT ETF	VNQ	5.00	9,200.00
	Sub Total	5.00	9,200.00
Commodities (COM)			
VanEck CM Commodity Index Y	CMCYX	5.00	9,200.00
	Sub Total	5.00	9,200.00
Fixed Income (FI)			
iShares National Muni Bond	MUB	6.00	11,040.00
VanEck Vectors High-Yield Municipal ETF	HYD	2.00	3,680.00
	Sub Total	8.00	14,720.00
Cash/Cash Alternatives (CSH)			
CASH & MM BALANCE	CASH-1	2.00	3,680.00
	Sub Total	2.00	3,680.00
Total		100.00	184,000.00

The selected portfolio investment selections are intended to produce a portfolio that comports with the Proposed Asset Allocation. The performance or risk characteristics of any particular security or portfolio, however, cannot be guaranteed. No investment strategy can assure a profit or protect against a loss.

■ ACCOUNT FEES

The total annual fee for the proposed portfolio is as follows:

Name of Investment Program :	Northwestern Mutual Signature Portfolios
Investment Amount (\$) :	\$184,000.00
Estimated Household Amount (\$) :	\$184,000.00
Estimated Yearly Client Fee (%) :	1.51%

The total annual client fee generally includes all fees for investment advice, trade execution and custody (i.e. a "wrap fee"), but does not include underlying management fees charged by any mutual funds or ETFs. However, you may incur trading costs, such as transaction charges, depending on the investments selected for your Portfolio. A detailed description of all fees and how fees are calculated can be found in the Northwestern Mutual Signature Portfolios Client Agreement ("Client Agreement") and in the Northwestern Mutual Signature Portfolios Program Disclosure Brochure ("Disclosure Brochure").

If there are multiple accounts in this Goal Level investment proposal, then the Estimated Blended Goal Level Yearly Client Fee illustrates an overall blended fee based on the Estimated Yearly Client Fee for each account within this Goal Level investment plan.

The Estimated Yearly Client Fee is an estimate of the annual blended client fee percentage (this fee is referred to as the "Annual Fee" and the "Program Fee") as calculated using the fee schedule as described in the Disclosure Brochure. The Estimated Yearly Client Fee estimates the Annual Fee you will pay for this account under the fee schedule. The fee percentage shown here was calculated based on the Estimated Household Amount to arrive at a blended rate. Your advisor may discount this fee. Any discount shown here only applies to reduce the Annual Fee for this account and not other accounts in your household. The Estimated Yearly Client Fee assumes the account balance and balance of the Estimated Household Amount remain constant throughout the year.

Account Fees: Your advisor's fees, including the Annual Fee, are described in more detail in the Northwestern Mutual Signature Portfolios Program Disclosure Brochure. Compounded over a number of years, investment advisory fees will reduce the value of your account. For example, over ten years, a 1.65% advisory fee would reduce return on a \$100,000 investment in an account with an assumed annual rate of return of 8% from \$215,900 to \$182,800. The preceding example uses time-weighted rates of return. Performance results do not reflect securities transaction costs unless otherwise stated. Any restrictions/limitations that have been included at your direction, will impact the composition of your portfolio, including the risk of the portfolio, as well as anticipated return.