PERKINS COIE TRUST COMPANY

Quarterly Investment Update

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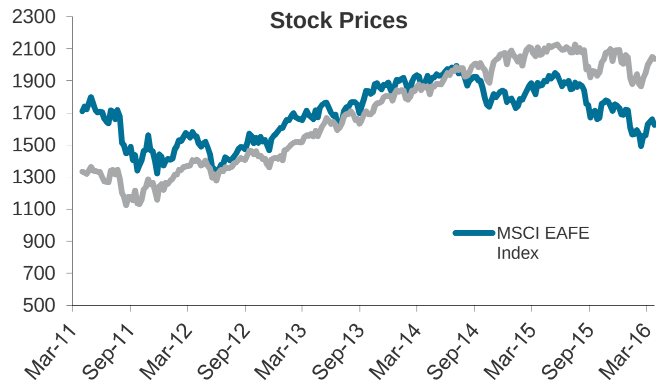
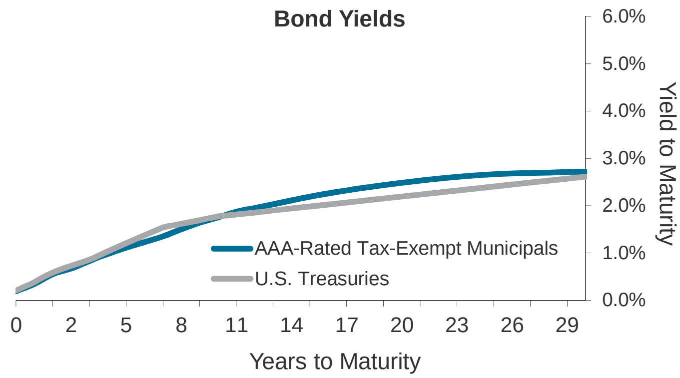
For the Quarter Ending March 31, 2016





Stock Market Commentary

Global markets endured a rocky ride in the first quarter as commodity prices continued downward. After plunging over 11% by mid-quarter, equities slowly and steadily drifted back above water by quarter-end, rising 1.3%, as measured by the S&P 500. The market's six-week recovery had a tone of caution as investors sought out more defensive, higher-yielding companies. The top-performing sectors were Telecom and Utilities, which surged 16.6% and 15.6%, respectively. Healthcare and Financials suffered the worst losses, each down over 5% for the quarter. Value stocks were finally favored over Growth stocks, after lagging much of last year. Mid Cap stocks managed to reel in a 3.8% return, while the smaller companies of the Russell 2000, fell 1.5%.

Continued troubles in China pushed down Emerging Markets stocks by 10% in the first half of the quarter, yet the bounce off the low was surprisingly strong, and the index finished with a solid 5.7% return. International markets were met with new challenges as the Bank of Japan moved to negative interest rates and the European Central Bank announced additional strategies to counteract economic weakness due to China's woes. As a result, the MSCI Developed EAFE index dropped 2.9%. A relenting Federal Reserve and low interest rates benefited real estate assets, allowing the DJ Wilshire REIT Index to gain 5.1%.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	1.3%	1.8%	11.8%
Russell 1000	1.2%	0.5%	11.5%
Russell 1000 Growth	0.7%	2.5%	13.6%
Russell 1000 Value	1.6%	-1.6%	9.4%
Medium and Small Stocks			
S&P 400 Midcap	3.8%	-3.6%	9.4%
Russell 2000	-1.5%	-9.8%	6.8%
Russell 2000 Growth	-4.7%	-11.9%	7.9%
Russell 2000 Value	1.7%	-7.7%	5.7%
International Stocks			
MSCI Developed (EAFE)	-2.9%	-7.8%	2.9%
MSCI Emerging Markets	5.7%	-12.0%	-4.5%
Real Estate			
DJ Wilshire REIT Index	5.1%	4.8%	11.0%

Bond Market Commentary

Corporate bonds, both investment-grade and high-yield, rallied along with equity markets in March, to finish in positive territory for the quarter. The Federal Reserve's decision to hold off on interest rate hikes and the recent increase in oil prices have boosted the market for high-yield debt. The U.S. high-yield market's performance has been highly correlated with oil prices in the past year due to the high percentage of energy related companies in the high-yield universe. Downgrades of corporate debt to junk status are running at a fast pace this year, fueled largely by downgrades in the energy sector. The European Central Bank said in early March that it would include corporate bonds in its bond-buying stimulus program, which previously had been limited to government debt, providing additional support to the prices of global corporate debt.

Muni bonds gained 1.1% for the quarter, adding to the strong returns of 2015. Investors have added to municipal bond mutual funds for 26 straight weeks dating back to October, the longest streak since 2012. Tax-exempt interest rates are near historic lows, but risk-adjusted returns have been attractive compared to the more volatile fixed income and equity asset classes.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	3.0%	2.0%	2.5%
Intermediate Govt/Credit	2.4%	2.1%	1.8%
U.S. Government	3.1%	2.4%	2.1%
U.S. Credit	3.9%	0.9%	2.9%
High-Yield Bonds	3.4%	-3.7%	1.8%
Tax-Free Bonds			
3-Year Municipal	0.8%	1.5%	1.3%
5-Year Municipal	1.1%	2.8%	2.2%
10-Year Municipal	1.9%	4.4%	3.9%

Sources: Bloomberg, Municipal Market Data, Vanguard, Lipper.
The bond indexes above are produced by Barclays Capital.
Returns include the reinvestment of interest and dividends.
**Returns are annualized.*

To receive this Quarterly Investment Update by email, request our composite performance history, or request descriptions of the indexes and other information included in this report, please contact us at investmentnewsletters@perkinscoie.com.

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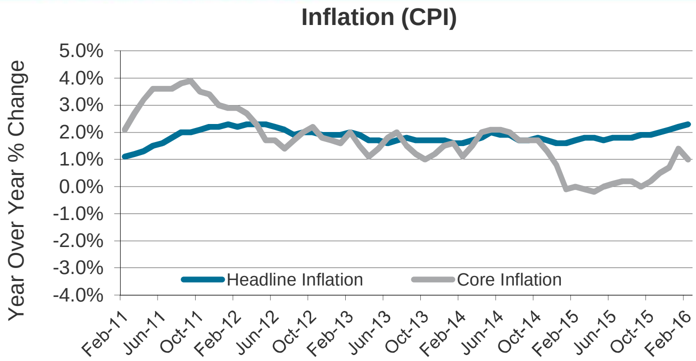

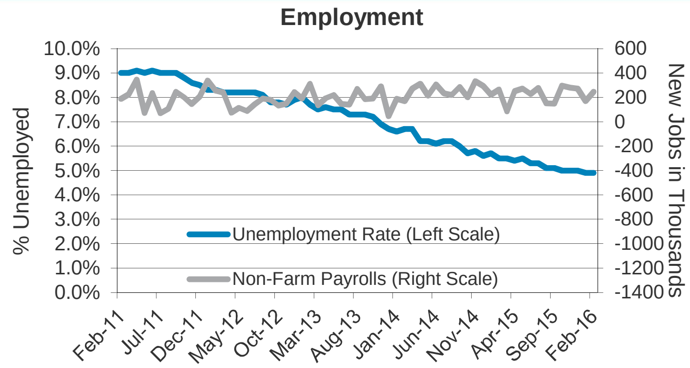

Economic Commentary

The U.S. economy continued to dismiss fears of a global economic downturn on the back of consistent job gains, wage growth and resilient consumer spending. The labor market remains a bright spot: Nonfarm payrolls rose 215,000 in March, leaving the six-month average at a strong 246,000. The unemployment rate did tick higher to 5%, but this was for good reasons, as the labor force participation rate increased for the sixth consecutive month to 63%. The participation rate had been falling for the last decade, partly due to an aging work force and also due to the fact that some workers lost hope in finding a good job. The recent reversal suggests that some of these discouraged workers are coming back.

The final estimate for fourth-quarter 2015 GDP growth was 1.4%. This was a slight increase from the previous estimate and brings the full year growth rate for GDP to 2.4%, equal to the growth rate in 2014. Since the current economic expansion began in the fourth quarter of 2009, the economy has grown for 26 quarters in a row. In the post-World War II era, the average economic expansion has lasted 20 quarters, or five years.

The slow-but-steady gains are providing flexibility for the Fed, which has held off on raising rates this year amid concerns about global growth and market turmoil. Fed Chair Janet Yellen recently emphasized proceeding "cautiously" on raising rates, noting "ongoing risks" from China and other global forces. The Fed will be keeping a close eye on inflation. The recent reading of 2.3% for the CPI Ex Food and Energy is above the Fed's target of 2.0%. Also, the Headline Consumer Price Index, which includes food and energy prices, has turned up sharply, from under zero a year ago, to 1.0% in the past year.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (4Q)	MAR	4.3%	3.3%	1.9%
Unemployment Rate	MAR	4.9%	5.0%	4.9%
Average Hourly Earnings (YoY)	MAR	2.2%	2.3%	2.3%
Change in Manufacturing Payrolls	MAR	2K	-29K	-18K
Change in Non-Farm Payrolls	MAR	205K	215K	245K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	FEB	0.9%	1.0%	1.4%
CPI Ex Food & Energy	FEB	2.2%	2.3%	2.2%
Producer Price Index	FEB	1.8%	1.8%	1.7%
PPI Ex Food & Energy	FEB	1.8%	1.8%	1.6%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Markets	JAN	5.7%	5.8%	5.7%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	FEB	76.9%	76.7%	77.1%
Leading Indicators	FEB	0.2%	0.1%	-0.2%
GDP Annualized (4Q)	MAR	1.0%	1.4%	2.0%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (4Q)	MAR	-2.9%	-2.2%	2.1%
Industrial Production	FEB	-0.3%	-0.5%	0.8%

Source: Bloomberg.

At Perkins Coie Trust Company, we believe that maintaining a long-term asset allocation and tax-intelligent strategy is an important priority. We seek attractively valued investment opportunities in high-quality stocks, bonds and mutual funds across a full spectrum of geographic regions, sectors and specific industries. By diversifying portfolios and focusing on fundamentals, we strive to manage market risk. We stand ready to assist you in meeting your objectives. For more information regarding trustee and investment services, please contact us toll-free at (888) 720-8382, locally at (206) 359-6462 or on the web at www.trust.perkinscoie.com.