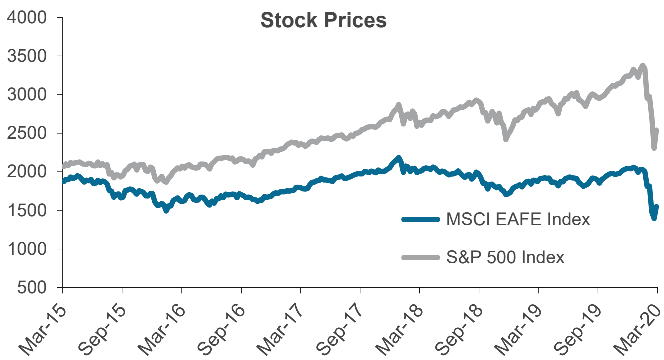
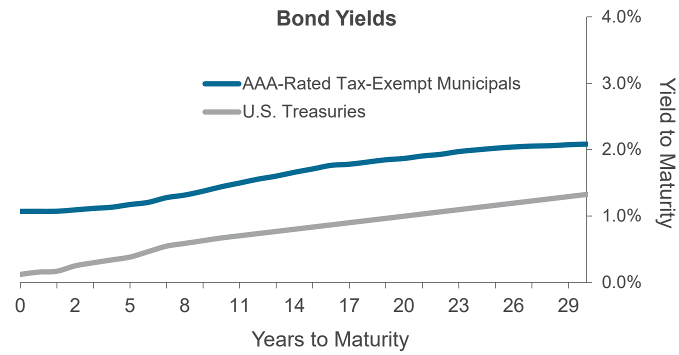
PERKINS COIE
TRUST COMPANY

Quarterly Investment Update

WORTH KNOWING®

For the Quarter Ending March 31, 2020





Stock Market Commentary

The start of 2020 continued the trend of 2019, with the S&P 500 rising 4% before hitting an all-time high on February 19. From there, the index fell sharply as investors responded to the reality that COVID-19 would cause the world's economy to slow and corporate earnings would be challenged. The rapid decline officially ended the 10+ year bull market in U.S. stocks. This transition, which typically takes around 10 months, occurred in just 16 trading days.

The Technology sector performed the best in Q1, down 12%, as many of these companies' revenues were less impacted by the move toward remote working and social distancing. The Energy sector was again the worst performing, down 51%, on the rapid decline in oil prices. Given the imbalance between oil supply and demand, energy companies face significant headwinds for the foreseeable future. Other regions were not spared and both emerging market and developed international stocks were down for the quarter, 24% and 23%, respectively.

U.S. stocks recovered some near the end of March as the Federal Reserve took action and Congress passed fiscal stimulus measures. We expect continued volatility as we work through the realities of what the ultimate economic impact of COVID-19 will be. However, the best days in the market often occur among the worst, and for long-term investors, we believe the best plan is to stay invested.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	-19.6%	-7.0%	5.1%
Russell 1000	-20.2%	-8.0%	4.6%
Russell 1000 Growth	-14.1%	0.9%	11.3%
Russell 1000 Value	-26.7%	-17.2%	-2.2%
Medium and Small Stocks			
S&P 400 Midcap	-29.7%	-22.5%	-4.1%
Russell 2000	-30.6%	-24.0%	-4.7%
Russell 2000 Growth	-25.8%	-18.6%	0.1%
Russell 2000 Value	-35.7%	-29.7%	-9.5%
International Stocks			
MSCI Developed (EAFE)	-22.8%	-13.9%	-1.3%
MSCI Emerging Markets	-23.6%	-17.7%	-1.6%
Real Estate			
DJ Wilshire REIT Index	-28.5%	-24.0%	-4.3%

Bond Market Commentary

Entering 2020, the Fed indicated it was on pause after cutting interest rates three times in 2019. Its stance quickly changed in early March, when in response to growing COVID-19 concerns, it cut rates twice to a new target range of 0.00%-0.25%. We anticipate the Fed will hold rates near zero for the foreseeable future.

The Fed took further drastic action by committing to unlimited Treasury and mortgage-backed security purchases as well as involvement in the corporate and municipal bond markets. The market reacted positively to these announcements, as they signaled there would be ample liquidity to support smooth market functioning. High-yield bonds declined more severely in the face of rising worries about the ability of these companies to repay their debts. Exacerbating these concerns was the significant decline in oil prices. In aggregate, energy companies are the largest borrowers in the high-yield space.

The response by the Fed to stabilize the U.S. economy has already exceeded its actions during the 2008 recession. Then, these programs took considerable time to design and implement, and yet they have been reactivated and expanded in just a few weeks.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	3.1%	9.3%	4.8%
Intermediate Govt./Credit	2.4%	6.8%	3.8%
U.S. Government	8.1%	13.6%	5.8%
U.S. Credit	-3.1%	5.5%	4.2%
High-Yield Bonds	-12.7%	-7.1%	0.8%
Tax-Free Bonds			
3-Year Municipal	-0.4%	1.9%	1.8%
5-Year Municipal	-1.0%	2.3%	2.4%
10-Year Municipal	-0.4%	4.2%	4.2%

Source: Bloomberg.
The bond indexes above are produced by Bloomberg.
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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TRUST AND ESTATE, INVESTMENT MANAGEMENT AND COMPREHENSIVE PLANNING SERVICES

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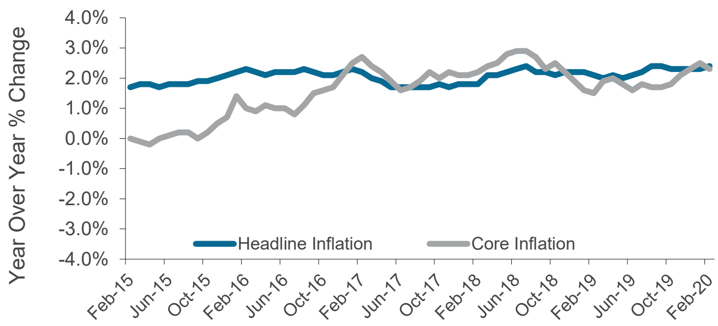
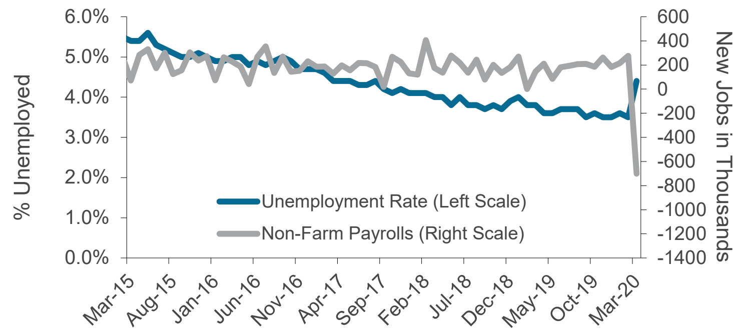
Inflation (CPI)



Employment



Economic Commentary

The year started with positive expectations for economic growth, but uncertainty hit with news of the coronavirus. In China, one of the first countries impacted by COVID-19, February's data forecasted a very weak GDP for the world's second-largest economy. These figures were alarming as similar shutdowns and social-distancing mandates began taking effect across Europe and North America in March.

Saudi Arabia and Russia both pledged to increase oil production as OPEC discussions failed, causing the largest oil price decline since the 1991 Gulf War. The increased supply, just as worldwide demand is decreasing due to the virus, will likely cause the U.S. oil industry to suffer a recession.

To support their economies, 54 central banks have cut rates since the start of the year, and many governments have considered fiscal stimulus programs. To stabilize the financial system and ensure continued access to credit, Europe's central bank has pledged to buy up to 6.5% of its GDP in bonds, while the U.S. Fed has expanded its balance sheet at the fastest pace in history.

U.S. weekly jobless claims spiked to 3.3 million in late March, with unemployment climbing rapidly after hitting a cycle low of 3.5% in February. Some relief came from $2 trillion in fiscal stimulus measures that include a payroll tax cut, paid leave, federal loan guarantees, tariff rollbacks, and an extension of the federal income tax filing deadline to July 15, 2020.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (4Q)	MAR	1.4%	0.9%	2.5%
Unemployment Rate	MAR	3.8%	4.4%	3.5%
Average Hourly Earnings (YoY)	MAR	3.0%	3.1%	3.0%
Change in Manufact. Payrolls	MAR	-10K	-18K	13K
Change in Non-Farm Payrolls	MAR	-100K	-701K	275K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	FEB	2.2%	2.3%	2.5%
CPI Ex Food & Energy	FEB	2.3%	2.4%	2.3%
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 Mkts.	JAN	3.2%	3.1%	2.8%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	FEB	77.1%	77.0%	76.6%
Leading Indicators	FEB	0.1%	0.1%	0.7%
GDP Annualized (4Q)	MAR	2.1%	2.1%	2.1%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (4Q)	MAR	1.3%	1.2%	-0.2%
Industrial Production	FEB	0.4%	0.6%	-0.5%

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.