Annual Investment Update

ECONOMIC REVIEW AND OUTLOOK

DECEMBER 31, 2020

The extraordinary events of 2020 will leave their mark on economics, markets, and society long after the pandemic is over. During the first half of the year, the fear and uncertainty surrounding the novel coronavirus led to one of the sharpest, fastest market declines in history as the "Great Lockdown" caused a global growth slowdown not seen since the Great Depression. The subsequent job losses required significant and swift intervention by global monetary and fiscal authorities to stabilize markets and prevent additional suffering.

The second half of the year was the mirror image of the experiences and hardships of the first, with one of the strongest market rallies in history, significant improvements in the unemployment rate, the reopening of economies, and triumphant vaccine announcements heralding the beginning of the end of the pandemic.

While significant challenges still lie ahead, 2021 will offer the benefits of numerous tailwinds. Corporate earnings, for the most part, have remained resilient. The continued reopening of the economy, enabled by the rollout of the vaccines, will allow people to return to work. The Federal Reserve (the Fed) continues to provide accommodative monetary conditions (maintaining low interest rates to stimulate economic activity), and additional fiscal stimulus could provide the bridge between the current challenging environment and a resumption of a more normal economy.

The Economic Expansion Resumes As the U.S. economy entered 2020, it was growing at a slow but steady 2.2%, with unemployment at a low level not seen since the 1960s. However, the rapid spread of COVID-19 quickly challenged health care systems, spurring governments to institute policies to "flatten the curve." Measures included closing schools, restricting business activity, and urging citizens to remain isolated. The subsequent impact to gross domestic product (GDP), a widely accepted measure of an economy's growth, saw the sharpest and fastest contraction in U.S. history, with second-quarter figures falling 31.4%. At the peak of closures in April, 14.7% of people were unemployed, and during the second quarter, 49 million people filed for unemployment benefits. Reliable data is hard to find,

KEY ECONOMIC RELEASES

EMPLOYMENT	As of	Expected	Actual	Prior Period
Unit Labor Costs (3rd Quarter)	OCT	-8.90%	-6.60%	-8.90%
Unemployment Rate	DEC	6.70%	6.70%	6.90%
Change in Non-Farm Payrolls	DEC	50K	-140K	245K
INFLATION (Year Over Year)	**As of**	**Expected**	**Actual**	**Prior Period**
Consumer Price Index	DEC	1.30%	1.20%	1.20%
CPI Ex Food & Energy	NOV	1.50%	1.60%	1.60%
Producer Price Index	NOV	1.00%	-1.30%	-1.10%
HOME PRICES (Year Over Year)	**As of**	**Expected**	**Actual**	**Prior Period**
S&P/Case Shiller Top 20 Mkts.	NOV	6.95%	7.95%	6.57%
MANUFACTURING ACTIVITY	**As of**	**Expected**	**Actual**	**Prior Period**
Capacity Utilization	DEC	73.0%	73.3%	72.8%
Leading Indicators	NOV	0.5%	0.6%	0.7%
GDP Annualized (3rd Quarter)	OCT	33.1%	33.4%	-33.1%

Source: Bloomberg

UNEMPLOYMENT AND WAGE GROWTH

Source: Bloomberg

CONTACT US
TOLL-FREE 888.720.8382
LOCAL 206.359.6462
trust.perkinscoie.com

AT PERKINS COIE TRUST COMPANY, *we believe it is a priority to have a current financial plan, maintain a strategic asset allocation strategy and employ tax awareness in the investment process. We also believe that investors must focus on fundamentals and diversify their portfolios by asset class, style, size and geography to manage market risk. We invite you to contact us to learn how we can help you achieve your financial goals. For more information regarding our trust, investment and planning services, please contact us toll-free at 888.720.8382 or locally at 206.359.6462 or visit our website at trust.perkinscoie.com.*

PERKINS COIE TRUST COMPANY

ECONOMIC REVIEW AND OUTLOOK (CONTINUED)

but Yelp, an online company that provides a platform for reviews and ratings of local businesses, estimated that nearly 97,000 U.S. businesses have permanently closed due to the decreased economic activity.

In response to the economic damage from COVID-19, Congress moved swiftly to enact the $2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act in late March, providing $300 billion in one-time cash payments to Americans and creating the Paycheck Protection Program to provide forgivable loans to small businesses. The bill also contained $500 billion in loans for corporations and $340 billion in funding to state and local governments to help combat the virus. This fiscal stimulus, coupled with the monetary stimulus provided by the Fed to improve financial system stability, boosted the confidence of markets and led to one of the fastest market rallies in history. GDP, too, rallied strongly in the third quarter, posting one of the highest readings ever at +33.4%.

Internationally, China's GDP returned to growth after just one negative quarter due to that country's extreme intervention measures to stop the spread of COVID-19. The European Union, meanwhile, may not post any quarters of growth for 2020 due to struggles both with containing the pandemic and with reopening economies. Additionally, with "Brexit" finally fully negotiated and the United Kingdom leaving the European Union, European growth could be challenged in 2021.

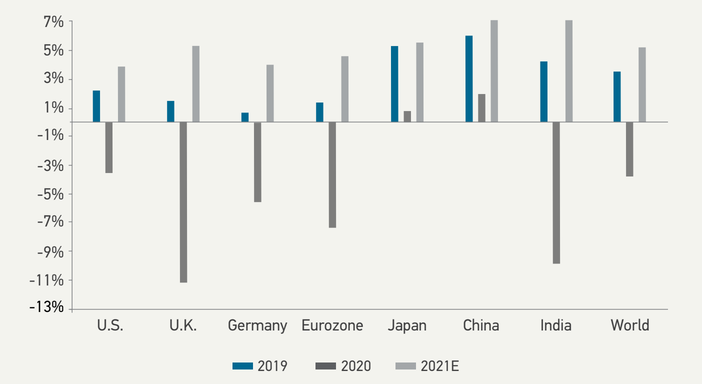
Unforeseen Consequences The pandemic has had strange and unanticipated impacts across the economy beyond the headline-grabbing shortages of toilet paper and bleach wipes. After the CARES Act passed, the personal savings rate of Americans as a percent of their income briefly hit its highest level ever at 33.7%, well above the previous 10-year average of 7.3%. A combination of direct stimulus dollars in the pockets of Americans along with fewer ways to spend them (no travel, no restaurants, no movie theaters) led to swollen bank accounts, a sharp reduction in outstanding consumer debt, a reversal of a decades-long trend favoring services over goods, and a rash of new investors in the market utilizing online services to day-trade. Charles Schwab, a broker with a large online presence, saw 609,000 accounts opened in Q1, while Robinhood, an investment app favored by younger traders, saw daily trades up 300% in March.

Housing, too, experienced a boom year as many buyers found the combination of extremely low interest rates and high savings allowed them to fund new homes, vacation homes, and existing-home remodels. Lumber prices soared in response, rising nearly 300% from pandemic lows.

Back Toward Normal As we enter 2021, we remain cautiously optimistic that the economy will resume a path of growth. The coming year will not be without its challenges. Millions remain dependent on unemployment insurance that nearly ran out before benefits were extended by the late-December passage of a stimulus package. Millions more Americans face possible homelessness as the federal eviction moratorium comes to an end on February 1. President-elect Biden has indicated support for additional pandemic stimulus until the crisis is over.

The consensus of economists is for U.S. growth of 4.6% in 2021 driven by the rollout of vaccines to help solve the health crisis, allowing the economy to continue toward being fully open. Corporate earnings should provide a significant tailwind to markets as Wall Street currently anticipates 22% earnings growth in the S&P 500 in 2021. Unemployment is estimated to end the year around 6.8%, an improvement since April but still much higher than the "maximum employment" target of the Fed. With inflation still substantially below the Fed's target, we anticipate low interest rates for the foreseeable future to continue to stimulate the economy.

GDP GROWTH BY REGION



Source: Bloomberg

BOND MARKET REVIEW AND OUTLOOK

DECEMBER 31, 2020

The Year after the Inversion After three rate cuts in 2019 to reverse an inverted Treasury yield curve—a signal that has preceded every U.S. recession for the past 50 years—the Federal Reserve dropped its target rate to 0%-0.25% in March 2020 in response to growing pandemic-induced economic concerns. Having learned lessons from the 2008-2009 financial crisis, the Fed moved swiftly this time to calm the markets.

Actions included significant purchases of U.S. treasuries, mortgage-backed securities, and, for the first time ever, corporate bonds and bond exchange-traded funds (ETFs). As of mid-November, the Fed had used only 1.8% of the $750 billion made available to it through the CARES Act, but the positive impact on investor confidence and credit spreads was already evident. The U.S. bond market, as measured by the Bloomberg Barclays US Aggregate Bond Index, had fallen more than 6% over the course of two weeks in March but quickly recovered after the Fed took action.

Central banks across the globe also took aggressive steps, including rate cuts and other quantitative easing measures by the European Central Bank, Bank of England, and Bank of Japan. The major banks remain accommodative, and assets on their balance sheets continue to grow at levels comparable to the last financial crisis. By all accounts, central banks have indicated they are willing to do "whatever it takes" to help the economy and keep financial markets operating smoothly.

We anticipate interest rates will remain low for some time. The Fed has committed to holding rates near zero through 2023, and in August it established a new policy, under which it will seek inflation that averages 2% over time and may allow it to overshoot 2% before raising rates in response. Low rates, while not great for bond yields, should help support economic activity, particularly in interest-rate-sensitive markets such as housing.

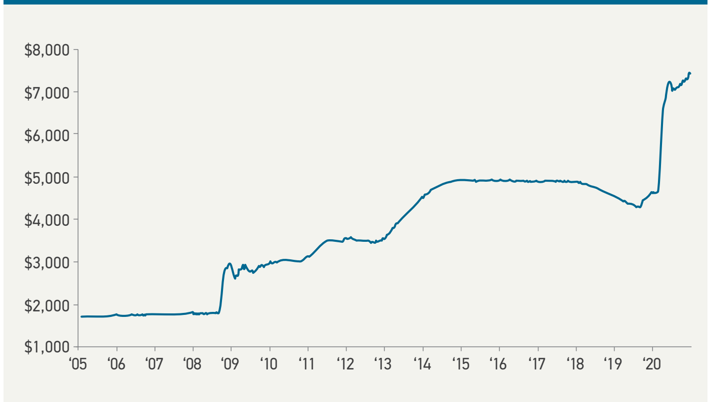
Bond Market Sees Strong Demand Following a stellar 2019 for bond returns, the seemingly insatiable demand for high-quality income-producing investments pushed bond prices even higher through 2020. This price appreciation drove most of the 7.5% return from the Bloomberg Barclays U.S. Aggregate Bond Index for the year. The robust demand caused yields across the bond market to fall and, in some cases, go negative. As of mid-December, about 27% of the world's investment-grade debt had a yield below zero.

U.S. Treasuries remain one of the few options for developed government debt still yielding above 0%. In the euro area, when

U.S. TREASURY YIELD CURVE

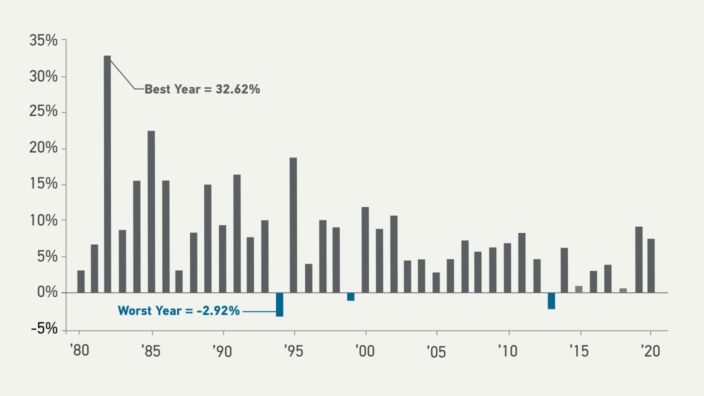
Source: Bloomberg

VALUE OF ASSETS HELD BY THE FEDERAL RESERVE - IN BILLIONS



Source: Bloomberg

BOND MARKET CALENDAR YEAR RETURNS 1980–2020



Source: Bloomberg

BOND MARKET REVIEW AND OUTLOOK (CONTINUED)

looking at yields on 10-year government bonds, only Italian and Greek securities are in positive territory.

Corporations took advantage of the low rates and issued record-breaking amounts of debt in 2020. As of the end of November, U.S. companies had issued more than $2 trillion in bonds. Cash held by nonfinancial companies also grew to a record $2.1 trillion as of the end of June—up 30% from a year prior and higher than the previous peak of nearly $2 trillion in 2017—as companies cut dividends, suspended share buybacks, and looked to reduce expenses in the face of the ongoing pandemic. Given the significant cash held on corporate balance sheets, issuance is expected to moderate in 2021, which should be supportive of corporate bond prices.

State and local governments also looked to lock in the savings offered by low interest rates. Long-term municipal bond issuance increased more than 12% to $457 billion in 2020, exceeding the previous record. The Bloomberg Barclays Municipal Bond Index returned 5.2%, marking the seventh straight year of gains.

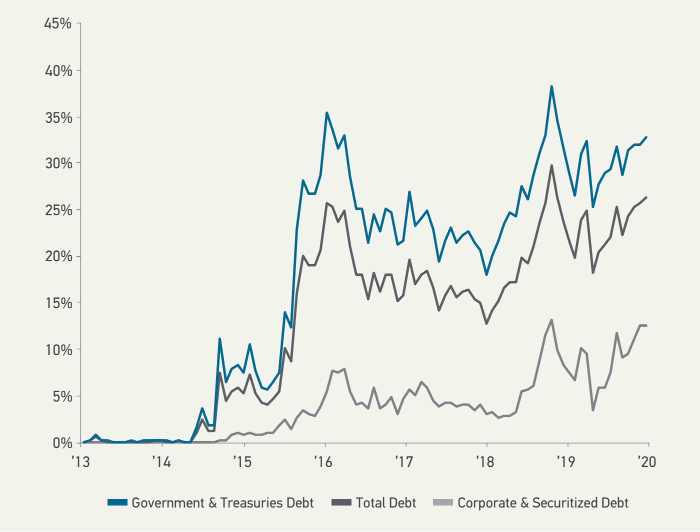
Heading into 2021, the overall bond market should benefit from meaningful tailwinds, including recovering global economies, accommodative monetary policies, and continued demand for yield.

Inflation Maintains Its Low Level Inflation in the United States has been running low for years, well below the Fed's target of 2%. In the near-term, we expect this to continue, as elevated unemployment and declining rents should keep pricing pressures limited. In the longer term, inflation may rise, powered by improving global growth, a depreciating U.S. dollar, and an accommodative Fed with a new average inflation target policy.

While actual inflation has been low, fears of inflation and a subsequent reduction in purchasing power have driven investors into Treasury inflation-protected securities (TIPS) and other assets seen as inflation hedges like gold and Bitcoin—which all saw significant price appreciation in 2020.

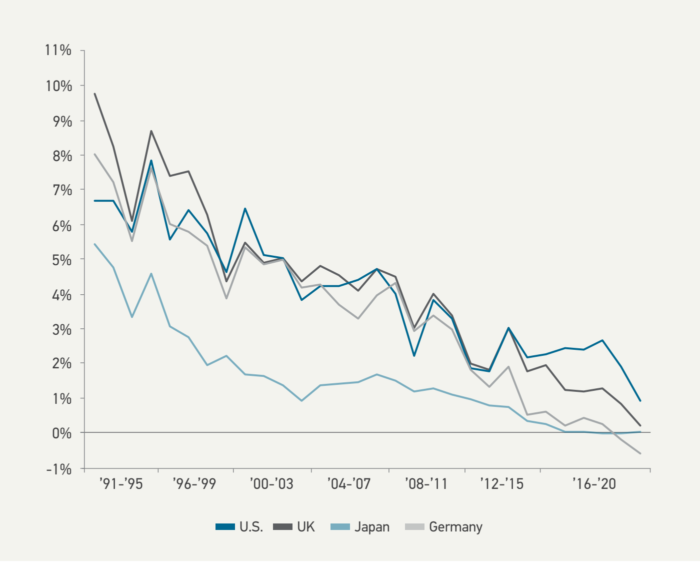
As of the end of December and for the first time since 2018, the bond market was betting that U.S. inflation will average close to 2% per year over the coming decade. The gauge, known as the 10-year breakeven inflation rate, ended 2020 at 1.99% after gaining year-end momentum as the rollout of COVID-19 vaccines signaled the possibility of economic recovery in 2021.

NEGATIVE YIELDING DEBT AS A PERCENTAGE OF OUTSTANDING



Source: Bloomberg

10-YEAR BOND YIELDS OF MAJOR DEVELOPED ECONOMIES



Source: Bloomberg

STOCK MARKET REVIEW AND OUTLOOK

DECEMBER 31, 2020

Coronavirus Crash For U.S. stocks and major indices, 2020 was far from an ordinary year. The S&P 500 was trading at historic all-time highs in late February before the global pandemic changed everything. A major and sudden stock market decline launched a bear market and ended the 11-year bull market that had begun in March 2009. When the S&P 500 Index fell 39% in March 2020, it marked the fastest fall in global stock market history. However, the bear market was short-lived, and in April, global stock markets reentered a bull market, which continued through the end of the year. The S&P 500 surged almost 70% from its March low and finished the year up nearly 18.4%. In many ways, the stock markets were extraordinary in 2020.

The S&P 500 performed exceptionally well starting in early November 2020 due to the reduced political risk and the positive vaccine announcements. Small company stocks had been underperforming large caps during the first three quarters, but they reversed course in 4Q 2020, which ranked as the top performance quarter for the Russell 2000 since its inception in the late-1970s (+30%). Growth stocks outpaced value stocks again in 2020; however, value stocks became relatively more appealing in the fourth quarter as investors began to see a path toward economic normalization. Global stocks gained 12.4% in November, the best monthly performance on record. The S&P 500 gained by approximately 11% and reached an all-time high.

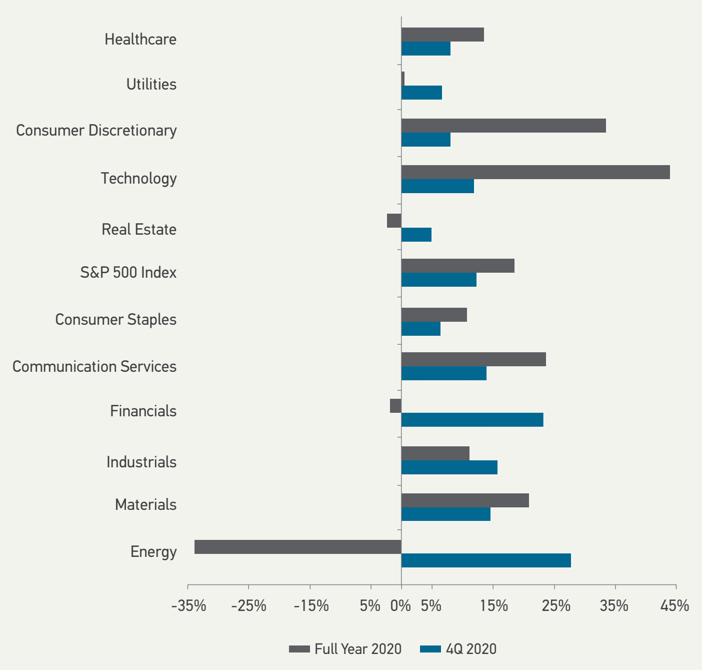
Equities, while overvalued by some metrics, continue to look attractive compared to fixed income. This is partly due to earnings yields exceeding investment-grade corporate yields; also, the gap between corporate dividend yields and the 10-year Treasury yield is the largest since the 1950s.

Technology Still the Leader Driven by people's dependence upon online solutions for both their work and home lives, Technology was the best-performing sector in 2020, returning over 43.9% for the year. The sectors that posted the next-strongest returns for the year were Consumer Discretionary and Communication Services, gaining 34.4% and 23.6%, respectively. The Energy sector suffered the worst return, plunging over 33.7% for the year. The oil price crash, caused by a dispute between Russia and Saudi Arabia over market share and the uncertainty about future demand, along with uncertain economic recoveries from the coronavirus crisis and the ongoing clean-energy transition, took their toll on energy company performance. Almost all commodity prices saw sharp decline during the year, generating a loss of 3.5% as measured by the Bloomberg Commodity Index.

STOCK MARKET RETURNS	Latest Quarter	12 Months	Last 3 Years
S&P 500	12.14%	18.39%	14.13%
Russell 1000 Growth	11.39%	38.49%	22.92%
Russell 1000 Value	16.25%	2.78%	6.04%
S&P 400 MidCap	24.36%	13.65%	8.40%
MSCI Developed (EAFE)	16.09%	8.39%	4.86%
MSCI Emerging Markets	19.61%	18.50%	6.45%
Alternative Assets			
Bloomberg Commodity	10.17%	-3.50%	-3.97%
MSCI World Real Estate	8.84%	-4.25%	3.85%
S&P Global Infrastructure Index	15.03%	-5.80%	2.65%

Source: Bloomberg

S&P 500 RETURNS BY SECTOR



Source: Bloomberg

STOCK MARKET REVIEW AND OUTLOOK (CONTINUED)

The second worst-performing sector, Real Estate, lost 2.2% during the year. Commercial real estate was hit particularly hard as companies started to reassess their need for office space during and after the coronavirus pandemic.

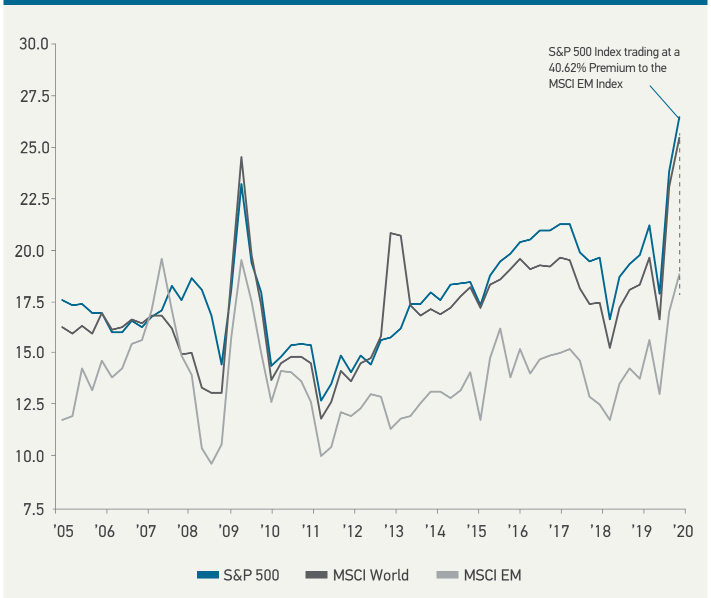
Global Stocks Perform Well The positive performance in developed international markets was widespread, with MSCI EAFE posting a return of 8.3%. Emerging markets made a strong comeback after the March lows, and the MSCI Emerging Markets Index climbed to 18.5%. Many countries are further along than the United States in emerging from coronavirus lockdowns and adopting successful economic-stimulus plans. These factors have helped put some foreign economies in a stronger position than the U.S. economy. As we look forward, non-U.S. stocks may benefit from the tailwinds of improving economic growth led by China and the diminishing intensity of the pandemic.

Although much noise has been made about the potential of the stock market rising too quickly and ignoring the real-world economic harm, often citing price-to-earnings metrics, it's important to keep in mind that the market is forward looking and often recovers well ahead of the economy.

IPO Issuance The initial public offering (IPO) and secondary offering markets, which shut down along with the rest of the country in late March, roared back to life in 2Q and 3Q, jumping more than 80% sequentially as 132 companies raised funds through IPOs in those six months. Ultimately, 2020 turned out to be one of the busiest years for U.S. stock market IPOs in decades. The surge in IPO activity has been driven by a boom in offerings from special purpose acquisition companies (SPACs), sometimes called "blank check" companies, created solely to raise capital through IPOs in order to merge with private companies. In the third quarter, a whopping 77 SPACs went public, representing 47% of all IPOs for the quarter. As of December 31, 2020, there had been 480 IPOs, which is 104.3% more than in 2019, and 2021 is looking to set further records.

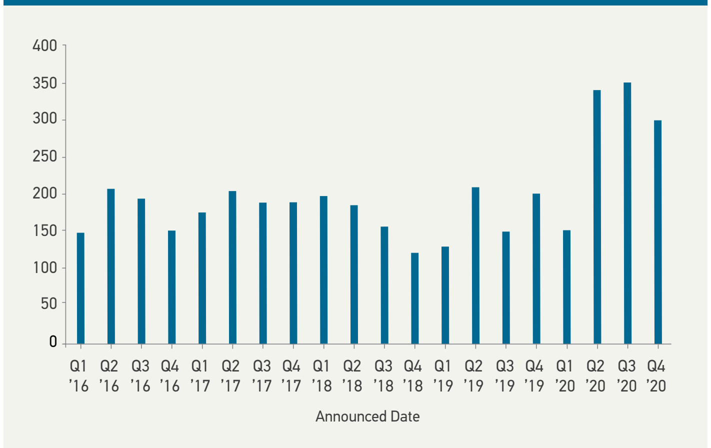
Outlook for 2021 It was a difficult year, to put it mildly, but 2020 ended on a hopeful note as COVID-19 vaccines rolled out globally and a Brexit deal was reached. With the U.S. election behind us, positive news on the vaccine front, and an economic recovery on solid footing with government support, we believe stocks remain good investments. Stocks may grow into their elevated valuations as earnings rebound, buoyed by a widespread economic reopening that allows corporate profits to return to growth. Wall Street strategists also expect stocks to keep climbing as the new year is anticipated to see a rapid increase in vaccine distribution and a new presidential administration, alongside an extension of 2020's improving economic activity and low interest rates.

U.S. VS. INTERNATIONAL VS. EM VALUATIONS



Source: Bloomberg

IPO ISSUANCES - IN BILLIONS



Source: Bloomberg

INVESTMENT MANAGEMENT SERVICES

Perkins Coie Trust Company offers investment management services for trusts and estates, personal investment portfolios, individual retirement accounts, private foundations and endowments.

PATRICK A. CASEY, CTFA, is President and Chief Executive Officer of Perkins Coie Trust Company. He has over 30 years of experience in the financial services industry advising private clients in the areas of banking, trust and investment management, and wealth planning. He graduated from St. John's University with a Bachelor of Science in finance and received his MBA in management from Fairleigh Dickinson University. Patrick is a Certified Trust and Financial Advisor.

ANDREW ELOFSON is the Chief Investment Officer at Perkins Coie Trust Company and is responsible for investment management, research, economics, and market outlooks. Andrew has over 23 years of financial services and investment experience across numerous asset classes, most recently managing taxable bond portfolios for high net worth clients. Preceding that, he managed over $4 billion in international equity mutual funds for large institutional clients.

SAMANTHA SUNDBERG is an Investment Officer of Perkins Coie Trust Company and is responsible for investment research, due diligence and management of investment portfolios for individuals, trusts and estates. Samantha has over 10 years of financial services industry experience, focusing on investment management and helping clients attain their financial goals. She graduated from the University of Michigan with a Bachelor of Arts in Economics.

MONICA GUPTA is an Investment Officer of Perkins Coie Trust Company and is responsible for investment research, due diligence and management of investment portfolios for individuals, trusts and estates. Monica has over 8 years of financial services industry experience focusing on client and investment management. Monica graduated from Pacific Lutheran University with a Master of Science in Finance.

ALEJANDRO CASTRO is an Investment Administrator of Perkins Coie Trust Company and supports the Investment team in all aspects of investment management, including trade execution, investment research and analysis, performance measurement, investment compliance and client reporting. He graduated from Rutgers University with a Bachelor of Science in Finance.

INVESTMENT PROCESS

1. **LEARN** CLIENT GOALS & NEEDS
2. **ESTABLISH** CLIENT INVESTMENT OBJECTIVE & STRATEGY
3. **DETERMINE** ASSET ALLOCATION STRATEGY
4. **CONSTRUCT & MONITOR** INVESTMENT PORTFOLIO
5. **REVIEW & REASSESS** CLIENT NEEDS

TRUST COMPANY SERVICE

The investment process at Perkins Coie Trust Company is always client-driven.

We meet routinely with clients to ensure that we incorporate changing life-cycle needs into our investment strategies.

WORTH KNOWING®

Annual Investment Update

PERKINS COIE
TRUST COMPANY