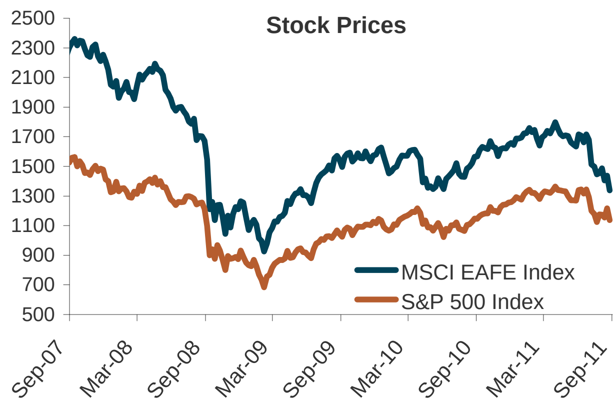
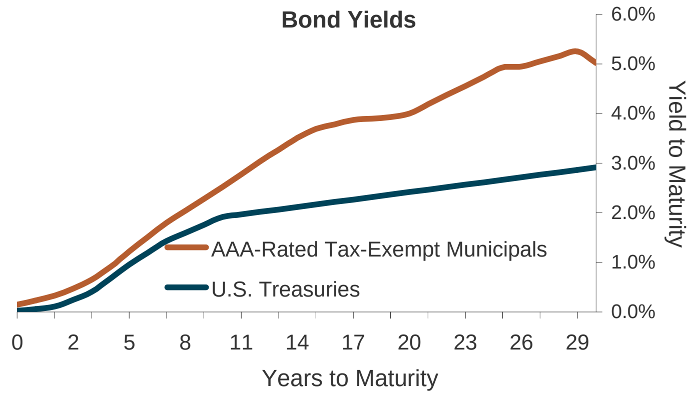
QUARTERLY INVESTMENT UPDATE

Perkins Coie Trust Company

For the Quarter Ending September 30, 2011





Stock Market Commentary

Concerns over the severity of the European debt crisis, eroding confidence in our political leaders, and signals of faltering economic growth worldwide led to severe market declines in the third quarter. Since August, daily market volatility has almost doubled the normal averages. The S&P 500 lost 13% during the quarter, falling back to the levels of a year ago as over $70 billion flowed out of equity funds. Smaller companies and international stocks suffered even greater losses, with the Russell 2000 losing 22%, the MSCI EAFE off 18% and MSCI Emerging Markets index down 22.6%.

Materials, finance, industrial and energy stocks were hit the hardest, each sector dropping over 20% for the quarter. Utilities, staples and telecom showed relative strength, returning 1.5%, -4.2% and -7.9%, respectively, as investors sought more defensive investments.

While corporate balance sheets are leaner and better positioned than during the 2008 crisis, earnings expectations are being revised downward for a number of companies as concerns that a global slowdown and a stronger dollar could have a negative impact on earnings growth. Moving into the third quarter earnings season, companies' outlooks will be as much in focus as the earnings reports themselves.

In this environment of economic uncertainty and slowing growth, we continue to emphasize the sectors that are defensive, seeking companies that are financially sound, innovative and leaders within their industries.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	-13.9%	1.1%	1.2%
Russell 1000	-14.7%	0.9%	1.7%
Russell 1000 Growth	-13.1%	3.8%	4.7%
Russell 1000 Value	-16.2%	-1.9%	-1.5%
Medium and Small Stocks			
S&P 400 Midcap	-19.9%	-1.3%	4.1%
Russell 2000	-21.9%	-3.5%	-0.4%
Russell 2000 Growth	-22.2%	-1.1%	2.1%
Russell 2000 Value	-21.5%	-6.0%	-2.8%
International Stocks			
MSCI Developed (EAFE)	-18.9%	-8.9%	-0.6%
MSCI Emerging Markets	-22.6%	-16.1%	6.3%
Real Estate			
DJ Wilshire REIT Index	-14.5%	1.8%	-4.2%

Bond Market Commentary

Treasury yields fell to new, all-time lows during the quarter as investors sought safety over return. Standard and Poor's downgrade of U.S. debt from AAA to AA+ did not reverse the rally that sent the yield on the 2-year treasury to a low of 0.15%.

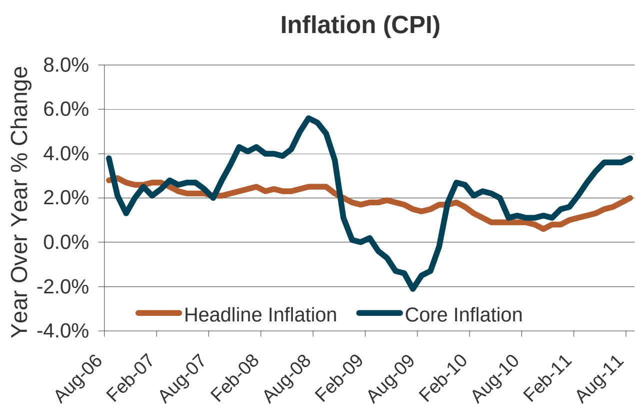
Longer-term municipal bonds also faired well, gaining over 4% during the period. Yields of AAA-rated municipal bonds remain higher than treasuries for all maturities due to the relative outperformance of the treasury market, making their after-tax equivalent yield more compelling. TIPS also underperformed treasuries in September, signaling lower expectations for inflation, but held on to solid gains for the quarter. High-yield bonds had their worst quarter since the 4th quarter of 2008 due to increasing fears of a global recession.

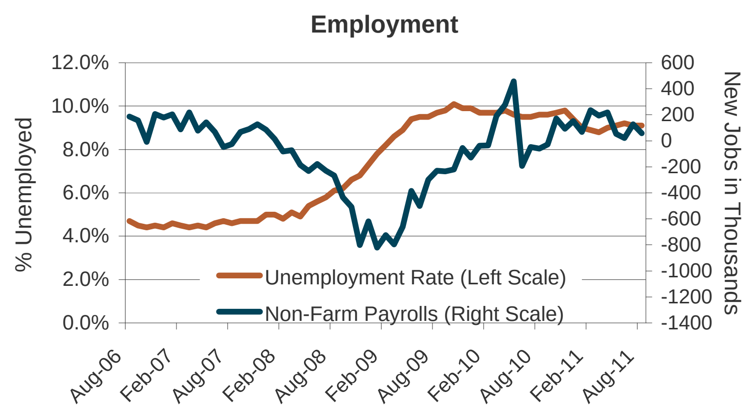
BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	3.8%	5.3%	8.0%
Intermediate Govt./Credit	2.4%	3.4%	7.0%
U.S. Government	5.8%	5.6%	6.4%
U.S. Credit	3.0%	4.6%	11.7%
High-Yield Bonds	-6.1%	1.8%	13.8%
Tax-Free Bonds			
3-Year Municipal	1.0%	2.4%	4.5%
5-Year Municipal	2.0%	3.7%	6.8%
10-Year Municipal	4.1%	4.8%	8.5%

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

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.

Perkins Coie Trust Company • 1201 Third Avenue, Suite 4800 • Seattle, Washington 98101 • 888.720.8382





ECONOMIC COMMENTARY

While it seemed that global markets were singularly focused on bad news in Q3, there were a number of positive economic releases during the quarter. First, the government revised the 2Q GDP rate from 1.0% to 1.3%, concluding that personal consumption expenditures, investments in technology, and exports grew faster than originally estimated. Government spending remains weak. U.S. consumer spending has been resilient in recent months, aided by lower oil and gasoline prices. Second, the U.S. economy added 103,000 jobs in the month of September, which was better than economists' prediction of a gain of around 60,000. Most of the gains came from the private service sector while the government and manufacturing sectors continued to shrink.

The Federal Reserve remains concerned with weak domestic growth as well as the unresolved credit crisis in the Eurozone. In its latest attempt to boost the economy, the Fed has initiated "Operation Twist," a policy tool designed to reduce long-term interest rates in the hopes of encouraging businesses and individuals to borrow and spend. Another round of quantitative easing is a possibility but would require far more weakness from the U.S. economy.

KEY ECONOMIC RELEASES

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (2nd Quarter)	SEP	2.4%	3.3%	4.8%
Unemployment Rate	SEP	9.10%	9.10%	9.10%
Average Hourly Earnings (YoY)	SEP	1.9%	1.9%	1.8%
Change in Manufact. Payrolls	SEP	0K	-13K	-4K
Change in Non-Farm Payrolls	SEP	60K	103K	57K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	AUG	3.6%	3.8%	3.6%
CPI Ex Food & Energy	AUG	1.9%	2.0%	1.8%
Producer Price Index	AUG	6.5%	6.5%	7.2%
PPI Ex Food & Energy	AUG	2.6%	2.5%	2.5%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	JULY	-4.4%	-4.1%	-4.4%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	AUG	77.5%	77.4%	77.3%
Leading Indicators	AUG	0.1%	0.3%	0.6%
GDP Annualized (2nd Quarter)	SEP	1.2%	1.3%	0.4%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (2nd Q)	SEP	-0.5%	-0.7%	-0.6%
Industrial Production	AUG	0.0%	0.2%	0.9%

Source: Bloomberg.

At Perkins Coie Trust Company, we believe that maintaining a long-term asset allocation strategy and employing tax awareness in the investment process is an important priority. We are communicating actively with our clients about the impact of the financial crisis on their investments. By diversifying portfolios and focusing on fundamentals we strive to manage market risk, especially during this turbulent time in the markets.
We stand ready to assist you with your financial decisions. For more information regarding investment services, please contact us toll-free at (888) 720-8382 or locally at (206) 359-8407.