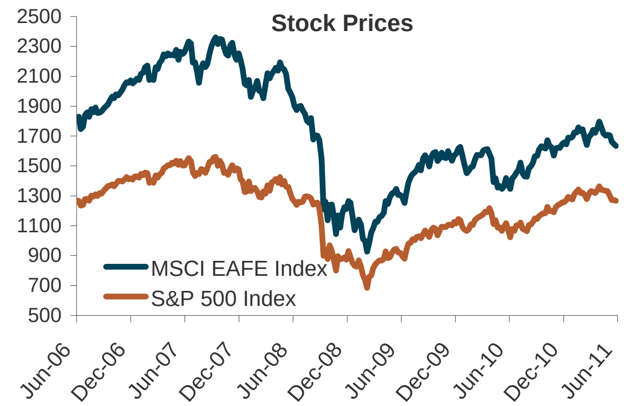
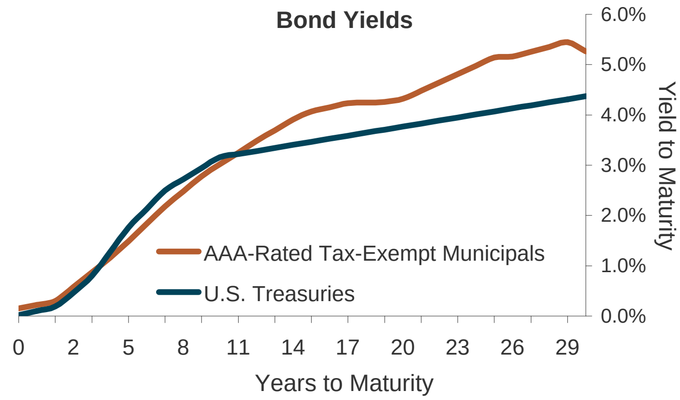
QUARTERLY INVESTMENT UPDATE

Perkins Coie Trust Company

For the Quarter Ending June 30, 2011





Stock Market Commentary

Driven by solid corporate profits, stocks maintained their upward momentum through April until macro news, including Greek debt woes and worries of slowing global growth, triggered a six-week sell-off. Despite increased negative sentiment, the S&P 500 rebounded in the final two weeks of June to end essentially flat, up 0.1% for the quarter. Smaller-sized companies fared slightly worse as the Russell 2000 was down 1.6%. Developed International Markets gained 1.8% while inflation fears pushed Emerging Markets down 1.1%.

Concerned investors shifted their attention to defensive sectors with Healthcare gaining 7.3% and Utilities and Staples rising 5%. Cyclical sectors lost ground as Financials slid over 6% and the Tech sector declined 5%.

Our strategy continues to focus on high-quality companies with sustainable earnings growth as we move through the business cycle in this slow growth economy. We are currently overweight in Consumer Staples, Healthcare and Technology positions.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	0.1%	30.7%	3.3%
Russell 1000	0.1%	32.0%	3.7%
Russell 1000 Growth	0.8%	35.0%	5.0%
Russell 1000 Value	-0.5%	28.9%	2.3%
Medium and Small Stocks			
S&P 400 Midcap	-0.7%	39.4%	7.8%
Russell 2000	-1.6%	37.4%	7.8%
Russell 2000 Growth	-0.6%	43.5%	8.4%
Russell 2000 Value	-2.7%	31.4%	7.1%
International Stocks			
MSCI Developed (EAFE)	1.8%	31.0%	-1.2%
MSCI Emerging Markets	-1.1%	27.8%	4.2%
Real Estate			
DJ Wilshire REIT Index	4.0%	34.9%	2.1%

Bond Market Commentary

Bond prices moved higher in the second quarter resulting in gains that ranged from 1.1% for high yield-bonds to nearly 4% for long-term municipal bonds. Municipal bonds enjoyed their best quarter in two years during a period that saw relatively little new bond supply and increasing demand from investors.

A flight to quality caused the U.S. Treasury market to rally. Fears caused by Greece's budget crisis created a demand for the safety of treasuries and the yield on the 10-year treasury fell to 3.16% from 3.47% at the beginning of the quarter. Short-term yields also declined. The three-month T-bill yield finished the quarter at only 0.01%.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	2.3%	3.9%	6.5%
Intermediate Govt./Credit	2.1%	3.8%	5.8%
U.S. Government	2.2%	2.3%	5.1%
U.S. Credit	2.5%	6.2%	8.2%
High-Yield Bonds	1.1%	15.6%	12.7%
Tax-Free Bonds			
3-Year Municipal	1.4%	2.5%	4.5%
5-Year Municipal	2.7%	4.3%	6.3%
10-Year Municipal	3.8%	4.5%	6.5%

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.
**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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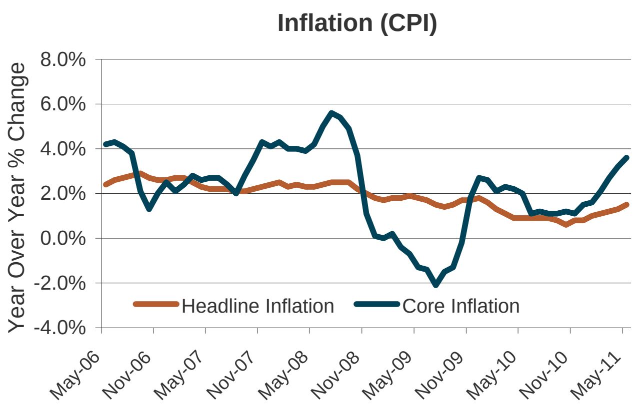

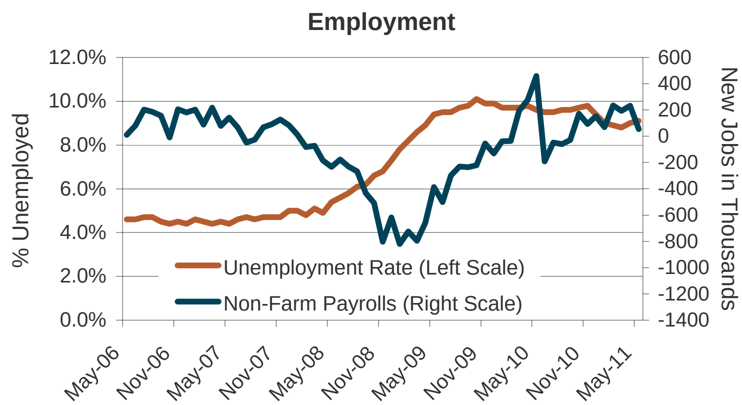

ECONOMIC COMMENTARY

Much of the recent economic attention has been directed overseas. Budget problems in Spain, Portugal, Ireland, Italy, and Greece have been headline news. Greece's government is working with the European Union on a package including spending cuts and additional bailout funds in order to avoid a default that could impact the rest of Europe. Meanwhile in the United States, there are signs that the economy remains fragile. The unemployment rate in the U.S. rose to 9.2%, and the economy added only 18,000 jobs in the month of June – far less than expected. Weakness in other areas such as consumer confidence and housing has fueled debate about the need for further economic stimulus.

The CPI fell 0.2% in June as energy prices declined and food prices rose only slightly. On a trailing 12-month basis, however, most inflation measures have risen. Core CPI, which excludes food and energy prices, is up 1.6% on an annual basis. The economy has seen price increases in some areas including new automobiles, hotels, and apartment rentals but not in major areas such as housing and the labor market, which should serve to keep inflation at bay.

KEY ECONOMIC RELEASES

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (1st Quarter)	JUN	0.8%	0.7%	-1.0%
Unemployment Rate	JUN	9.10%	9.20%	9.10%
Average Hourly Earnings (YoY)	JUN	1.9%	1.9%	1.9%
Change in Manufact. Payrolls	JUN	5K	6K	-2K
Change in Non-Farm Payrolls	JUN	105K	18K	25K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	JUN	3.6%	3.6%	3.6%
CPI Ex Food & Energy	JUN	1.6%	1.6%	1.5%
Producer Price Index	JUN	7.4%	7.0%	7.3%
PPI Ex Food & Energy	JUN	2.2%	2.4%	2.1%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	APR	-4.0%	-4.0%	-3.8%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	JUN	76.9%	76.7%	76.7%
Leading Indicators	MAY	0.3%	0.8%	-0.4%
GDP Annualized (1st Quarter)	JUN	1.9%	1.9%	3.1%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (1st Qrtr)	JUN	1.7%	1.8%	2.9%
Industrial Production	JUN	0.3%	0.2%	-0.1%

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.