QUARTERLY INVESTMENT UPDATE

For the Quarter Ending September 30, 2013

Perkins Coie Trust Company

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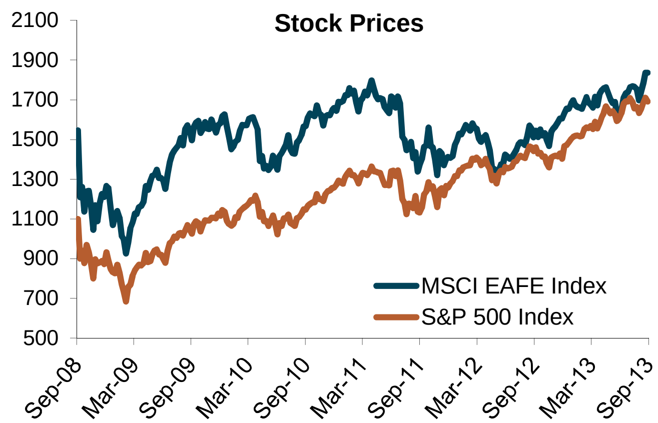

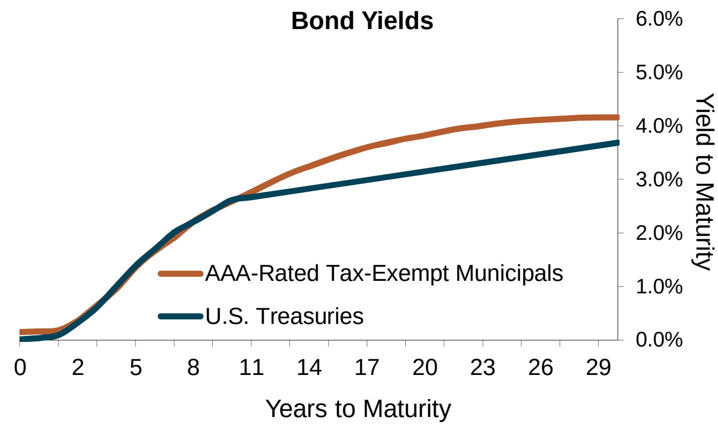

Stock Market Commentary

Market valuations expanded in the third quarter, largely due to the Fed delaying the tapering of its bond purchase program. Among domestic equities, the S&P 500 rose 5.2%, outpaced by smaller stocks as the Russell 2000 gained 10.2%. Large growth overtook large value by a significant margin in the third quarter and small growth stocks continued to outperform small cap value. Defensive sectors trailed Cyclicals once again, and the best performing sectors were Materials and Industrials, up 10.1% and 9.1%, respectively.

As conditions stabilized across Europe, concerns abated and the MSCI Developed (EAFE) index jumped by 11.7%. Emerging markets, which had plummeted after the Fed's tapering announcement in the second quarter, sprang sharply upward in September generating a return of 5.8% for the quarter. The real estate sector continued to lose steam in the rising rate environment and the DJ Wilshire REIT Index fell 3.1%.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	5.2%	19.3%	16.2%
Russell 1000	6.0%	20.9%	16.6%
Russell 1000 Growth	8.1%	19.3%	16.9%
Russell 1000 Value	3.9%	22.3%	16.2%
Medium and Small Stocks			
S&P 400 Midcap	7.5%	27.6%	17.4%
Russell 2000	10.2%	30.1%	18.3%
Russell 2000 Growth	12.8%	33.1%	20.0%
Russell 2000 Value	7.6%	27.0%	16.6%
International Stocks			
MSCI Developed (EAFE)	11.7%	24.5%	9.2%
MSCI Emerging Markets	5.8%	1.0%	-0.3%
Real Estate			
DJ Wilshire REIT Index	-3.1%	4.7%	12.1%

Bond Market Commentary

Bond prices reversed their slide in September and finished the quarter in positive territory, though high-yield bonds are the only sector with gains year-to-date and over the past 12 months. The yield on 10-year Treasuries rose slightly, from 2.49% to 2.61%, during the quarter after touching 3% in early September. Despite the shutdown of U.S. government services and a potential default on the horizon, U.S. Treasuries are still perceived as a safe haven.

Bond funds have experienced significant outflows this year. Following record inflows in 2012 and in the first quarter of this year, approximately $106 billion has been pulled from global fixed income mutual funds. U.S. retail funds have been especially hard hit, and muni funds recently experienced their 19th consecutive week of redemptions.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	0.6%	-1.7%	2.9%
Intermediate Govt./Credit	0.6%	-0.5%	2.4%
U.S. Government	0.1%	-2.0%	2.1%
U.S. Credit	0.7%	-1.9%	4.1%
High-Yield Bonds	2.3%	7.1%	9.2%
Tax-Free Bonds			
3-Year Municipal	0.8%	0.7%	1.8%
5-Year Municipal	0.9%	-0.2%	2.7%
10-Year Municipal	0.7%	-1.3%	3.9%

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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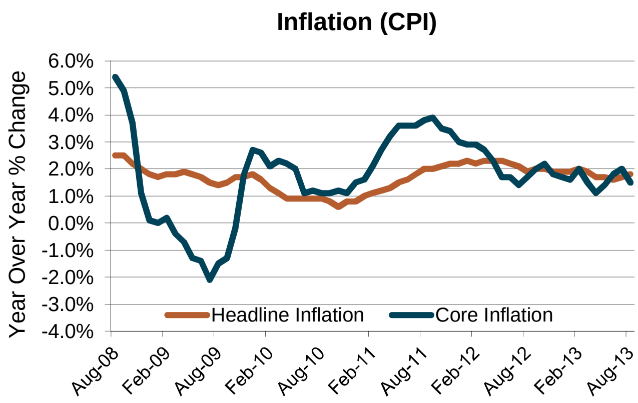

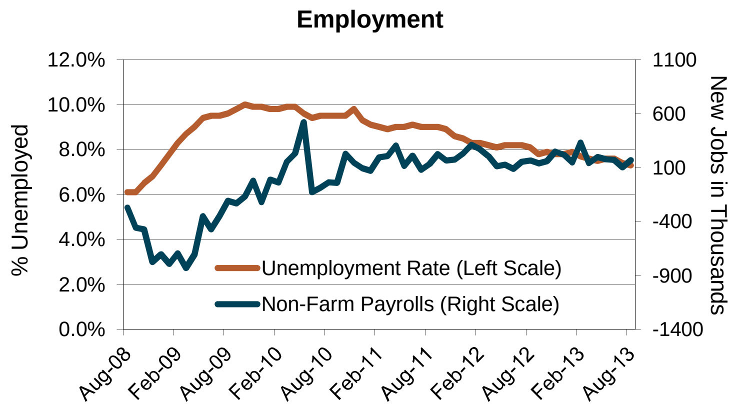

Economic Commentary

The Federal Reserve started a wave of selling in May, both in the bond and stock markets, by signaling that it might soon dial back on its asset purchases. This downtrend reversed sharply in September after the Fed surprised most observers by deciding to delay its so-called tapering. The Fed is continuing its quantitative easing despite data that points to a steady recovery in the U.S. Strong readings in the manufacturing and service sectors were encouraging, while the housing sector began to experience some negative impact from rising mortgage rates. Retail sales growth was generally subdued, but healthy auto sales indicated consumers' growing willingness to spend on big-ticket items.

Tapering, a civil war in Syria, and other headline news all took a back seat of late to the government shutdown and the threat of a default by the U.S. Treasury. The economic damage will be minimal if a budget is passed and the debt ceiling is increased in a timely manner. While the noise from Washington at times can be deafening, and short-term market volatility is unnerving, we remain focused on fundamentals. Short-term market fluctuations often provide attractive buying opportunities.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (2Q)	SEP	0.8%	0.0%	-4.2%
Unemployment Rate	AUG	7.40%	7.30%	7.40%
Average Hourly Earnings (YoY)	AUG	2.1%	2.2%	2.0%
Change in Manufact. Payrolls	AUG	5K	14K	-16K
Change in Non-Farm Payrolls	AUG	180K	169K	104K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	AUG	1.6%	1.5%	2.0%
CPI Ex Food & Energy	AUG	1.8%	1.8%	1.7%
Producer Price Index	AUG	1.3%	1.4%	2.1%
PPI Ex Food & Energy	AUG	1.3%	1.1%	1.2%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	JULY	12.4%	12.4%	12.1%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	AUG	77.9%	77.8%	77.6%
Leading Indicators	AUG	0.6%	0.7%	0.5%
GDP Annualized (2Q)	SEP	2.6%	2.5%	1.1%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (2Q)	SEP	1.6%	2.3%	-1.7%
Industrial Production	AUG	0.5%	0.4%	0.0%

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.

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