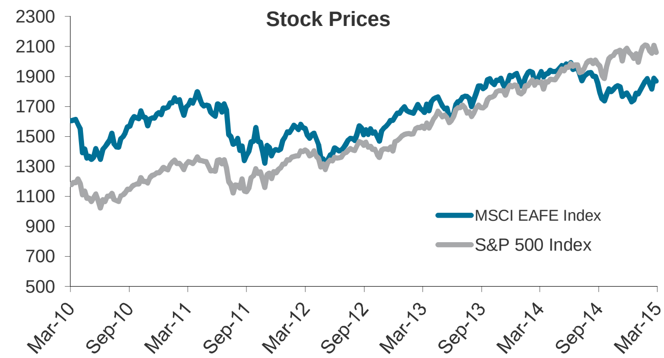
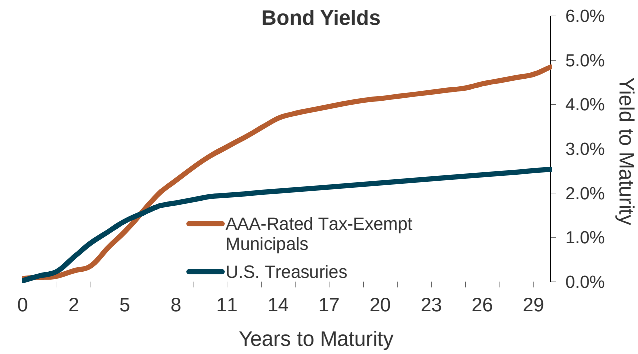
PERKINS COIE
TRUST COMPANY

Quarterly Investment Update

WORTH KNOWING®

For the Quarter Ending March 31, 2015





Stock Market Commentary

Despite the stock market's nearly 6% surge in February following a bumpy January, March brought heightened volatility, which nearly dissolved the year-to-date gains. The S&P 500 finished the quarter with a 1% return including dividends. One concern to investors is the impact of the strong dollar on earnings for multinational companies. The dollar rose 13% against the euro in the first quarter alone. Mid cap and small cap stocks with less foreign exposure rose 5.3% and 4.3%, respectively, as measured by the S&P 400 Mid Cap and Russell 2000. Growth stocks were favored over Value stocks during the quarter as Utilities, Energy and Financial stocks, which all emphasize companies in the Value arena, lagged other sectors, returning -5.2%, -2.9% and -2.1%, respectively. The best performing sector in the first quarter was Healthcare, up 6.5%, lifted by merger activity. Consumer Discretionary stocks had the second highest return, up 4.8%, as investors expected lower gas prices to positively impact this sector's earnings.

After a negative performance in 2014, Developed International stocks benefited from the European Central Bank implementing quantitative easing measures to ward off deflation and the MSCI EAFE Index rose 5% for the quarter. The MSCI Emerging Markets Index also generated gains of 2.2%. Continued strength in the global real estate sector drove solid returns for the Dow Jones Real Estate Index, which climbed 4.7%.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	1.0%	12.7%	16.1%
Russell 1000	1.6%	12.7%	16.4%
Russell 1000 Growth	3.8%	16.1%	16.3%
Russell 1000 Value	-0.7%	9.3%	16.4%
Medium and Small Stocks			
S&P 400 Midcap	5.3%	12.2%	17.0%
Russell 2000	4.3%	8.2%	16.3%
Russell 2000 Growth	6.6%	12.1%	17.7%
Russell 2000 Value	2.0%	4.4%	14.8%
International Stocks			
MSCI Developed (EAFE)	5.0%	-0.3%	9.7%
MSCI Emerging Markets	2.2%	0.4%	0.3%
Real Estate			
DJ Wilshire REIT Index	4.7%	25.2%	13.9%

Bond Market Commentary

All sectors of the bond market posted gains for the first quarter of 2015. Central banks were the main drivers of price changes during the quarter. The Fed lowered its expected trajectory of rate hikes and the European Central Bank ramped up its quantitative easing program. The yield on the 10-year Treasury fell back below 2% and the yield on the 10-year German bunds fell to a record low of 0.17%. U.S. Government bond prices have now risen for five straight quarters as investors worry about uneven global growth and also due to the fact that U.S. interest rates are still higher than rates in other developed countries.

High-yield bonds fell in March, along with most of the equity markets, but still managed to hold on to a 2.5% gain for the quarter. Intermediate-term municipal bonds rose 0.8% for the quarter. Year-to-date new issuance of muni bonds is almost 60% higher than bonds issued over the same period last year. This is good news for muni-bond buyers, though yields remain near historic lows. Issuers are taking advantage of low interest rates and are issuing new bonds to refund older debt. Almost 70% of this year's total issuance has been used for refundings.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	1.6%	5.7%	3.1%
Intermediate Govt./Credit	1.4%	3.6%	2.3%
U.S. Government	1.6%	5.2%	2.3%
U.S. Credit	2.2%	6.7%	4.9%
High-Yield Bonds	2.5%	2.0%	7.5%
Tax-Free Bonds			
3-Year Municipal	0.4%	1.3%	1.3%
5-Year Municipal	0.8%	2.9%	2.4%
10-Year Municipal	1.3%	6.7%	4.2%

Sources: 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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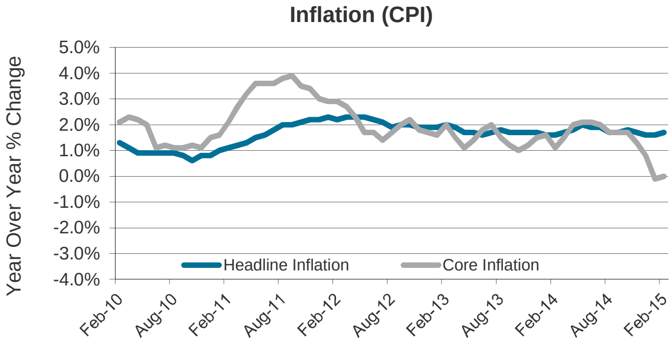

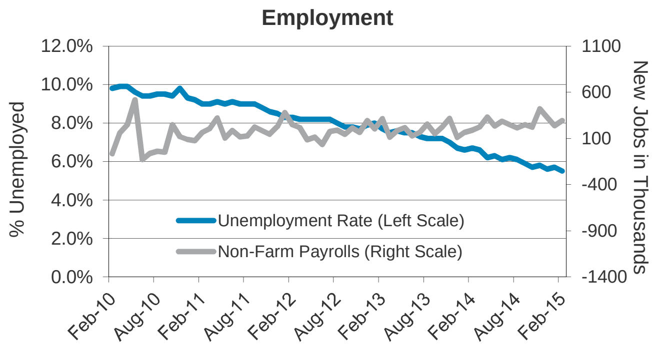

Economic Commentary

First quarter economic growth, when reported, is likely to be lower than the previous quarter's growth rate of 2.2%. The primary causes of slowing growth in Q1 included severe weather and the West Coast dock strike, both temporary. It is estimated that the over eight feet of snow that fell over Massachusetts cost the state's economy over $1 billion.

The Federal Reserve seems to be inching its way toward a path of higher interest rates. The Fed removed the word "patient" from its commentary on interest rate policy, though the tone of the statement implies that they are mindful of the impact of low wage growth, the strong dollar and collapsing oil prices. Inflation, a key data point for the Fed's stance on interest rates, remains in check. The year-over-year core Consumer Price Index, which excludes food and energy prices, rose just 1.7% in February. Low commodity prices and a strong dollar restrain inflation and should provide a tailwind for consumer spending.

On the other hand, the Fed's counterpart in Europe, the European Central Bank, is embarking on a new quantitative easing (QE) program to stimulate growth in Europe. In the United States, QE simply involved purchases of U.S. Treasuries. The ECB must coordinate purchases of government debt from all countries in the eurozone.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (4Q)	MAR	3.3%	4.1%	-2.3%
Unemployment Rate	MAR	5.50%	5.50%	5.50%
Average Hourly Earnings (YoY)	MAR	2.0%	2.1%	2.0%
Change in Manufact. Payrolls	MAR	10K	-1K	2K
Change in Non-Farm Payrolls	MAR	245K	126K	264K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	FEB	-0.1%	0.0%	-0.1%
CPI Ex Food & Energy	FEB	1.7%	1.7%	1.6%
Producer Price Index	MAR	1.8%	1.8%	1.7%
PPI Ex Food & Energy	MAR	1.8%	1.8%	1.6%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	JAN	4.6%	4.6%	4.4%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	FEB	79.5%	78.9%	79.1%
Leading Indicators	FEB	0.2%	0.2%	0.2%
GDP Annualized (4Q)	MAR	2.4%	2.2%	5.0%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (4Q)	MAR	-2.3%	-2.2%	3.7%
Industrial Production	FEB	0.2%	0.1%	-0.3%

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.