PERKINS COIE
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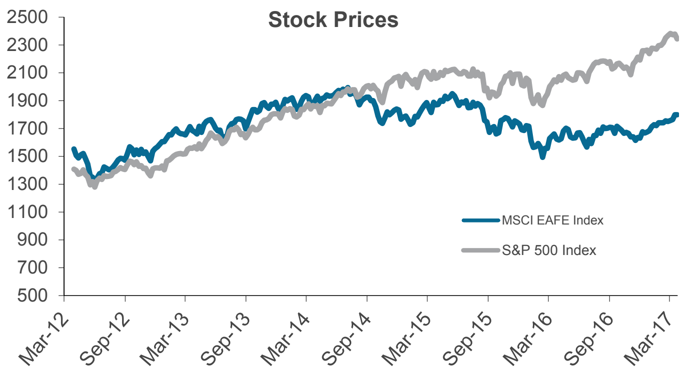
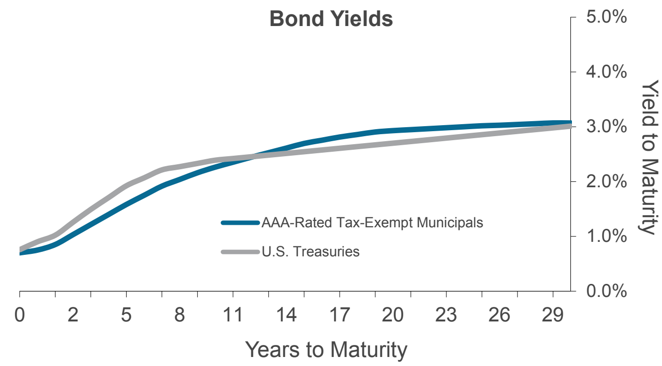
Quarterly Investment Update

WORTH KNOWING®

For the Quarter Ending March 31, 2017





Stock Market Commentary

Despite the realization that a number of Trump's fiscal policy changes, including tax reform, could face many roadblocks, investors welcomed reports of firming economic fundamentals, providing a boost of 6.1% for the S&P 500 in the first quarter of 2017. The focus shifted away from "Trump trade" stocks such as Financials and Industrials and back toward Growth shares. The Russell 1000 Growth index rallied strongly, up 8.9%, while its Value counterpart rose just 3.3%.

As the earnings outlook for many technology companies brightened, the Technology sector led the market with a robust 12.6% return. Healthcare and Consumer Discretionary sectors were up 8.5%, while Industrials and Financials had limited returns of 4.6% and 2.5%, respectively. The worst-performing sector was Energy, with shares sinking 6.7% due to falling oil prices. As optimism by consumers and businesses reached new highs, volatility fell to levels not seen since 1995, as the S&P 500's daily downward movements were less than 1% for 109 straight days.

After the fourth-quarter surge in small cap stocks, the Russell 2000 returned a modest 2.5% for the quarter. Improving economies in Europe, along with a weakening US dollar, lifted returns for developed international stocks, with the MSCI EAFE gaining 7.4%. The MSCI Emerging Markets index soared 11.4%, as fears subsided over trade policies and rising rates. The DJ Wilshire REIT index fell 0.3% for the quarter, keeping valuations in check as the Fed continued on its tightening path.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	6.1%	17.2%	10.4%
Russell 1000	6.0%	17.4%	10.0%
Russell 1000 Growth	8.9%	15.8%	11.3%
Russell 1000 Value	3.3%	19.2%	8.7%
Medium and Small Stocks			
S&P 400 Midcap	3.9%	20.9%	9.3%
Russell 2000	2.5%	26.2%	7.2%
Russell 2000 Growth	5.3%	23.0%	6.7%
Russell 2000 Value	-0.1%	29.3%	7.6%
International Stocks			
MSCI Developed (EAFE)	7.4%	12.3%	1.1%
MSCI Emerging Markets	11.4%	17.2%	1.2%
Real Estate			
DJ Wilshire REIT Index	-0.3%	1.2%	9.9%

Bond Market Commentary

Tax-exempt municipal bonds had the strongest quarter in nine months, as the Federal Reserve telegraphed its plan to raise interest rates gradually. The Barclays Capital Ten-Year Muni index gained 1.8% for the quarter, the most since the 2.5% return of the second quarter of 2016. The quarterly gain erased some of the losses from the last three months of 2016, when President Trump's surprise victory triggered a fixed-income selloff over speculation that his plan to boost spending on infrastructure and lower tax rates would compel the Fed to tighten monetary policy more aggressively. Municipal bonds outperformed Treasuries during the quarter, suggesting that the market sees a smaller chance of legislative changes that would reduce the appeal of tax-exempt interest. For a 33% federal marginal tax rate, the top rate proposed under both the Trump and Republican plans, the yield on a 10-year AAA-rated muni is 65 basis points higher than the after-tax yield on a 10-year Treasury.

The Federal Reserve's rate hike in mid-March was effective in driving short-term interest rates higher but it had little influence on longer-term rates. For example, one-month T-bill rates rose 31 basis points, to 0.73%, during the quarter, while 10-year Treasury bond yields fell 6 basis points, to 2.38%.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	0.8%	0.4%	2.7%
Intermediate Govt./Credit	0.8%	0.4%	2.0%
U.S. Government	0.7%	-1.3%	2.0%
U.S. Credit	1.3%	3.0%	3.5%
High-Yield Bonds	2.7%	16.4%	4.6%
Tax-Free Bonds			
3-Year Municipal	1.3%	0.6%	1.1%
5-Year Municipal	1.9%	0.4%	2.0%
10-Year Municipal	1.8%	-0.2%	3.6%

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 .

For more information, please visit Trust.PerkinsCoie.com

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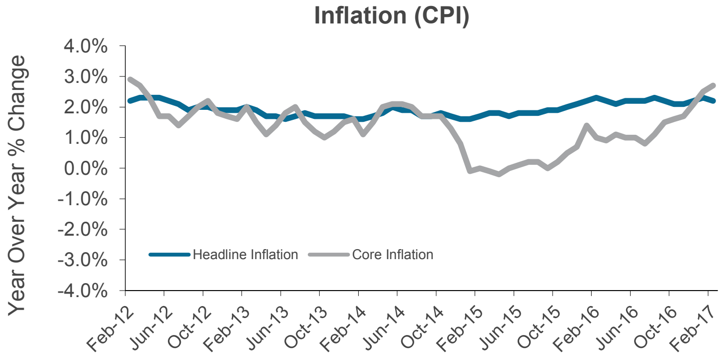

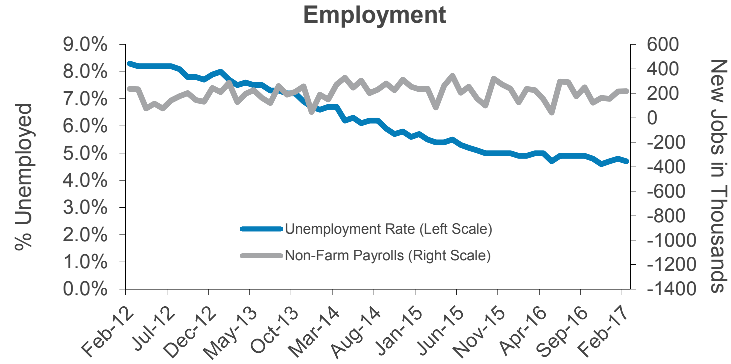

Economic Commentary

The Conference Board's Consumer Confidence Index hit a 16-year high in March. The Conference Board tries to gauge consumers' feelings about the overall state of the economy and their own personal financial situation by focusing on their spending and saving intentions. The public remains optimistic due to rising home values and better job opportunities. US home prices rose 5.7% year-over-year in January, according to the Case-Shiller US National Home Price index. This series, which measures all nine US census divisions, reached a 31-month high. Three of the nation's 20 largest cities, Seattle, Portland, and Denver, recorded all-time highs in home prices.

The US economy added 98,000 jobs in March and the unemployment rate dropped to 4.5%, a rate that many would consider close to full employment. A robust labor market has led to an increase in average hourly earnings and an uptick in general inflation levels. After reaching a low of a 1.5% increase in October 2012, average hourly earnings rose 2.8% in February and the Core CPI index rose 2.2% year-over-year, slightly above the Fed's target rate of 2%.

After pricing in a "reflation trade" following the Trump election, where the markets prepared for a quick ramp up in growth, inflation, wages, and investment gains, the markets are now more skeptical of faster economic growth. First quarter GDP is expected to be just 1.8% following the 2.1% growth rate of the fourth quarter of 2016 and 3.5% in the third quarter.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (4Q)	MAR	1.6%	1.7%	0.2%
Unemployment Rate	MAR	4.7%	4.5%	4.7%
Average Hourly Earnings (YoY)	MAR	2.7%	2.7%	2.8%
Change in Manufact. Payrolls	MAR	17K	11K	26K
Change in Non-Farm Payrolls	MAR	180K	98K	219K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	FEB	2.7%	2.7%	2.5%
CPI Ex Food & Energy	FEB	2.2%	2.2%	2.3%
Producer Price Index	FEB	1.8%	1.8%	1.7%
PPI Ex Food & Energy	FEB	1.8%	1.8%	1.6%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	JAN	5.6%	5.7%	5.5%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	FEB	75.5%	75.4%	75.5%
Leading Indicators	FEB	0.5%	0.6%	0.6%
GDP Annualized (4Q)	MAR	2.0%	2.1%	3.5%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (4Q)	MAR	1.5%	1.3%	3.5%
Industrial Production	FEB	0.2%	0.0%	-0.1%

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.