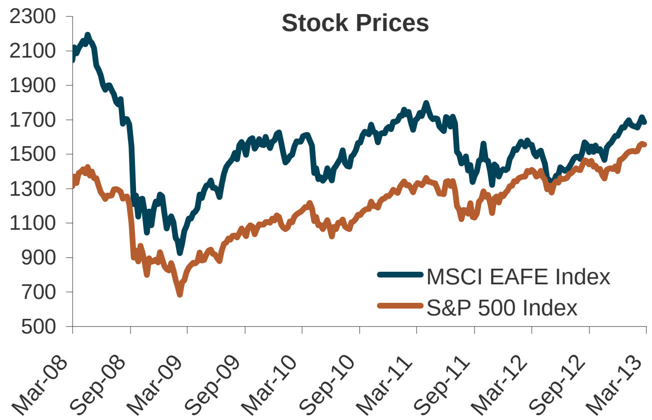
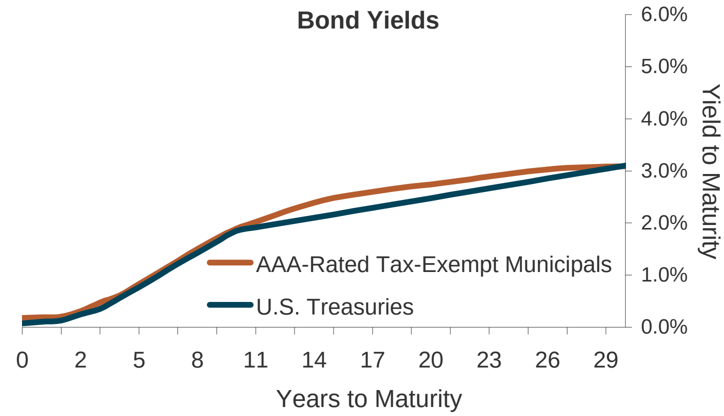
QUARTERLY INVESTMENT UPDATE

For the Quarter Ending March 31, 2013

WORTH KNOWING ™

Perkins Coie Trust Company





Stock Market Commentary

Renewed monetary support by the Federal Reserve and dissipation of fear over tax hikes drove U.S. equity markets to record levels in the first quarter. The S&P 500 rose 10.6%, closing the quarter at a high of 1,569; the S&P 400 Midcap index surged 13.5%; and the Russell 2000 climbed 12.4%. Foreign equities experienced downside volatility on the Cyprus bailout news, which reignited concerns over the Eurozone's economic troubles. The MSCI EAFE Index managed to return 5.3% by quarter-end, but the MSCI Emerging Markets Index fell 1.6%. Value stocks outperformed growth stocks, while all sectors of the U.S. market rose in the first quarter. Defensives led, with Healthcare returning 16% and Consumer Staples rising 14.6%. Technology and Materials lagged, up 4.6% and 4.8%, respectively. The Real Estate sector added another 7%, as measured by the DJ Wilshire REIT Index.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	10.6%	14.0%	12.7%
Russell 1000	11.0%	14.5%	13.0%
Russell 1000 Growth	9.5%	10.1%	13.1%
Russell 1000 Value	12.3%	18.8%	12.8%
Medium and Small Stocks			
S&P 400 Midcap	13.5%	17.8%	15.1%
Russell 2000	12.4%	16.3%	13.5%
Russell 2000 Growth	13.2%	14.5%	14.8%
Russell 2000 Value	11.6%	18.1%	12.1%
International Stocks			
MSCI Developed (EAFE)	5.3%	11.8%	5.6%
MSCI Emerging Markets	-1.6%	2.0%	3.3%
Real Estate			
DJ Wilshire REIT Index	7.0%	13.2%	17.0%

Bond Market Commentary

Interest rates rose modestly in the first quarter, leading to negative returns in the overall taxable bond market. The yield on the 10-year Treasury increased by 9 basis points to 1.85%, and the 30-year Treasury yield jumped to 3.11%. High-yield bonds had another strong quarter, gaining 2.9%. The 12-month default rate for high-yield bonds has been trending down from already low levels. Following a broad selloff in December 2012, the municipal bond market gained approximately 0.6% in the first quarter of 2013.

Most international markets underperformed the U.S. bond market due to a strengthening dollar. The appreciation of the U.S. dollar versus most major currencies during the quarter led to losses in the majority of foreign bond markets.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	-0.1%	3.8%	5.5%
Intermediate Govt./Credit	0.3%	3.5%	4.7%
U.S. Government	-0.2%	3.0%	5.0%
U.S. Credit	-0.2%	7.0%	7.9%
High-Yield Bonds	2.9%	13.1%	11.2%
Tax-Free Bonds			
3-Year Municipal	0.6%	1.7%	2.5%
5-Year Municipal	0.8%	3.2%	4.4%
10-Year Municipal	0.4%	5.5%	6.9%

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.

Perkins Coie Trust Company • 1201 Third Avenue, Suite 4900 • Seattle, Washington 98101 • 888.720.8382

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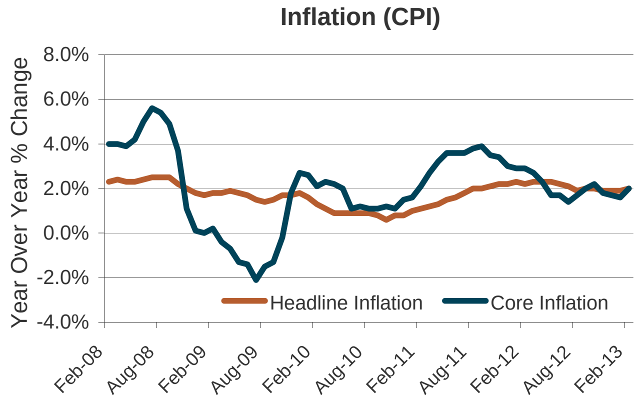

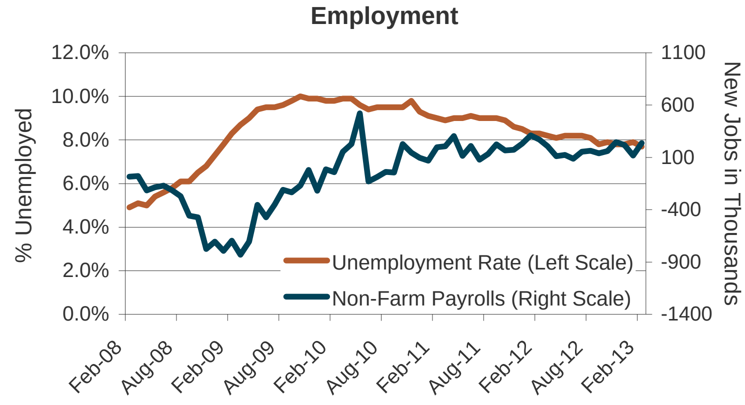

Economic Commentary

Consumers in the U.S. are supporting a struggling economy despite an increase in taxes and the lower growth of government expenditures (sequestration). Retail sales reached an all-time high of $421 billion in February, and home prices posted an 8.1% year-over-year increase in January – the strongest growth rate since June 2006. Also, new home sales are up 12.3% compared to a year ago. Extremely low mortgage rates, courtesy of the Federal Reserve's quantitative easing program, are providing a boost to the housing market.

The unemployment rate improved from 7.9% to 7.6% during the quarter. However, the latest monthly jobs report showed a disappointing increase of only 88,000 jobs, 100,000 less than economists predicted. Over the previous three months, the U.S. economy has added an average of 211,000 private and public jobs per month. The final fourth quarter GDP growth rate of 0.4% was the fourteenth consecutive quarterly increase.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (4Q)	MAR	4.3%	4.6%	-2.3%
Unemployment Rate	MAR	7.70%	7.60%	7.70%
Average Hourly Earnings (YoY)	MAR	2.0%	1.8%	2.1%
Change in Manufact. Payrolls	MAR	10K	-3K	19K
Change in Non-Farm Payrolls	MAR	190K	88K	268K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	FEB	1.9%	2.0%	1.6%
CPI Ex Food & Energy	FEB	2.0%	2.0%	1.9%
Producer Price Index	FEB	1.8%	1.7%	1.4%
PPI Ex Food & Energy	FEB	1.7%	1.7%	1.8%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	JAN	7.9%	8.1%	6.8%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	FEB	79.4%	79.6%	79.2%
Leading Indicators	FEB	0.4%	0.5%	0.5%
GDP Annualized (4Q)	MAR	0.5%	0.4%	3.1%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (4Q)	MAR	-1.6%	-1.9%	3.2%
Industrial Production	FEB	0.4%	0.7%	0.0%

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 evolving tax landscape. By diversifying portfolios and focusing on fundamentals, we strive to manage market risk, even as the markets hit all-time highs. 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) 359-6462.