QUARTERLY INVESTMENT UPDATE

For the Quarter Ending June 30, 2013

Perkins Coie Trust Company

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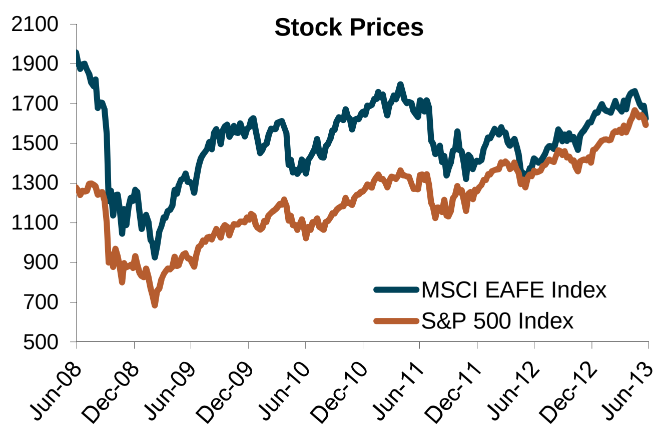

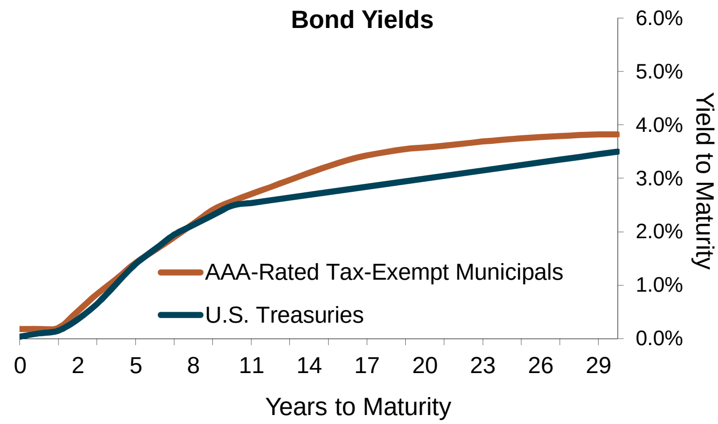

Stock Market Commentary

Upward momentum for domestic equities continued into June until "tapering" comments by Ben Bernanke rattled the markets. The S&P 500 suffered its first negative return in several months, down 1.3%, yet closed the quarter up 2.9% and rose 13.8% year-to-date. Financial stocks took the lead in the quarter, gaining 7.5%, as signs of an improving economy and an impending end to the Fed's QE program created a favorable backdrop for banks and insurance companies. After a strong start to the year, Utilities lagged the most, losing 2.7% for the quarter. This sector along with other high dividend payers, have lost some of their appeal due to richer valuations and expectations that bond yields will continue to rise.

International markets suffered a pullback in June with fears of a liquidity squeeze in China. For the quarter, the MSCI Developed EAFE Index receded 0.7% and the MSCI Emerging Markets Index fell 8.1%. The real estate sector also lost ground with the DJ Wilshire falling 1.3%.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	2.9%	20.7%	18.5%
Russell 1000	2.7%	21.3%	18.7%
Russell 1000 Growth	2.1%	17.1%	18.7%
Russell 1000 Value	3.2%	25.4%	18.5%
Medium and Small Stocks			
S&P 400 Midcap	1.0%	25.4%	19.6%
Russell 2000	3.1%	24.2%	18.7%
Russell 2000 Growth	3.7%	23.7%	20.0%
Russell 2000 Value	2.5%	24.8%	17.4%
International Stocks			
MSCI Developed (EAFE)	-0.7%	19.4%	10.8%
MSCI Emerging Markets	-8.1%	2.9%	3.4%
Real Estate			
DJ Wilshire REIT Index	-1.3%	7.7%	18.1%

Bond Market Commentary

Fixed income markets declined across the board in the second quarter. TIPS (Treasury Inflation Protected Securities) were especially hard hit due to both a rise in interest rates and lower inflation expectations. Foreign bonds suffered from the negative currency effect of the rising dollar. The yield on the benchmark 10-Year U.S. Treasury rose from 1.85% to 2.49%, the highest level since August of 2011.

In the tax-free sector, all of the categories were in negative territory but the greatest losses were in long-term bonds that are more sensitive to interest rate changes. The 10-Year Muni index lost 3.1% during the quarter while 3-Year bonds lost only 0.6%. Investors pulled a total of $13.5 billion from municipal bond mutual funds in the month of June, the second largest monthly outflow on record.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	-2.3%	-0.7%	3.5%
Intermediate Govt./Credit	-1.7%	0.3%	3.1%
U.S. Government	-1.9%	-1.5%	2.9%
U.S. Credit	-3.4%	0.8%	5.5%
High-Yield Bonds	-1.4%	9.5%	10.7%
Tax-Free Bonds			
3-Year Municipal	-0.6%	0.5%	1.8%
5-Year Municipal	-1.7%	0.2%	3.3%
10-Year Municipal	-3.1%	0.1%	4.9%

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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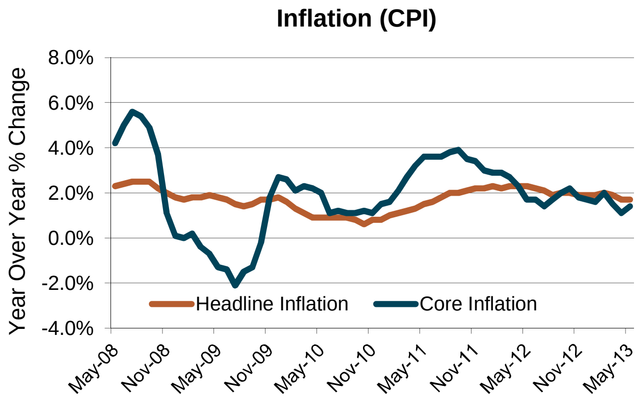

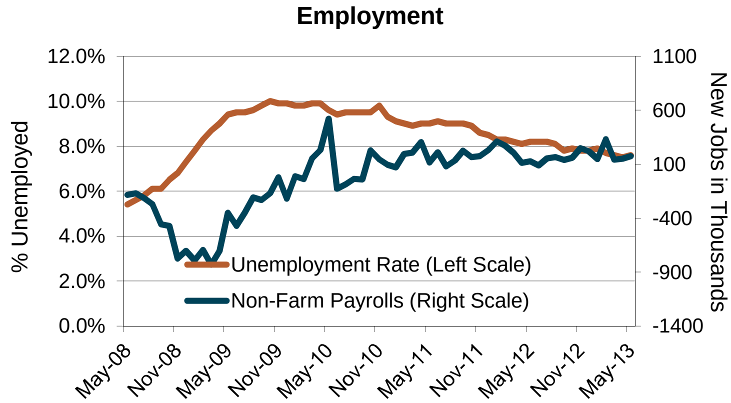

Economic Commentary

The jobs picture is improving in the United States and the economy is moving forward despite the negative effects of the government spending cuts known as sequestration. The release of the June employment report confirmed that the steady improvement in the labor market persisted in the first half of 2013. The 195,000 gain beat most economists' forecasts and provided further evidence that the economy might be strong enough to expand without continued support from the Federal Reserve. While the U.S. government considers ending, or "tapering", its economic simulus programs, the European Union expects to keep its interest rates at present or lower levels for an extended period of time. Portugal is the latest European country to signal that it may need additional financial aid to meet upcoming debt payments.

The housing market is also showing signs of strength, with improvement in pricing and sales levels. The Case-Shiller Home Price index showed that existing home prices were 12.1% higher in April than a year earlier.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (1Q)	JUN	0.5%	-4.3%	4.4%
Unemployment Rate	MAY	7.50%	7.60%	7.50%
Average Hourly Earnings (YoY)	MAY	2.1%	2.0%	2.0%
Change in Manufact. Payrolls	MAY	4K	-8K	-9K
Change in Non-Farm Payrolls	MAY	162.5K	175K	149K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	MAY	1.4%	1.4%	1.1%
CPI Ex Food & Energy	MAY	1.7%	1.7%	1.7%
Producer Price Index	MAY	1.4%	1.7%	0.6%
PPI Ex Food & Energy	MAY	1.7%	1.7%	1.7%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	APR	10.6%	12.1%	10.9%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	MAY	77.8%	77.6%	77.7%
Leading Indicators	MAY	0.2%	0.1%	0.8%
GDP Annualized (1Q)	JUN	2.4%	1.8%	0.4%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (1Q)	JUN	0.6%	0.5%	-1.7%
Industrial Production	MAY	0.2%	0.0%	-0.4%

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.