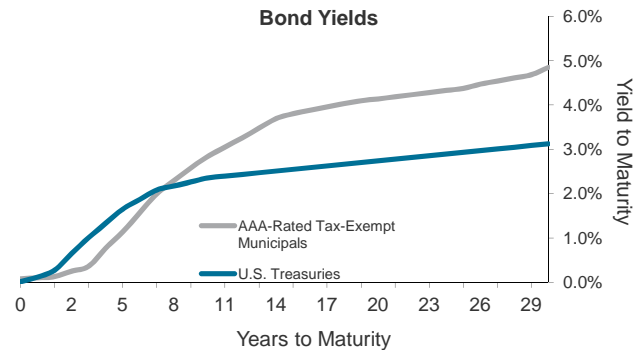
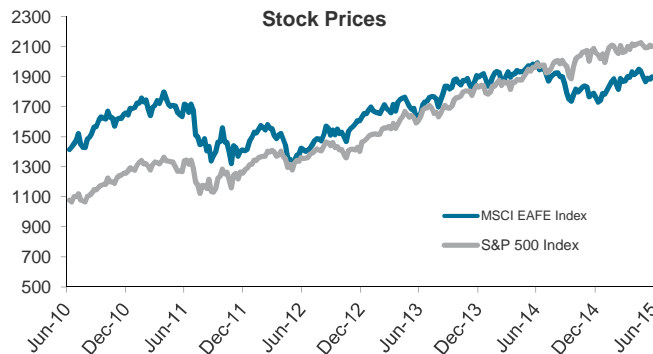


Quarterly Investment Update

WORTH KNOWING®

For the Quarter Ending June 30, 2015



Stock Market Commentary

Markets across the globe sold off in the final week of the quarter as the looming Greek debt default unnerved investors. The S&P 500 slid from its high in mid-May returning only 0.3% for the quarter and 1.2% year-to-date, including dividends. Other factors holding back the market have been slowing or negative earnings growth, particularly for energy-related industries, the strong dollar's impact on earnings of companies with foreign exposure and the anticipation of rate hikes. Relative sector performance continued the trend of the first quarter. Healthcare led again, up 2.8% in the quarter, boosted in part by the Supreme Court's decision to uphold the Affordable Care Act. Utilities, the worst performing sector, lost another 6%, as investors anticipating Fed rate hikes this year, shed the higher yielding stocks that make up a large part of this sector. One change from the first quarter was the positive return in the Financial sector as bank stocks rallied on the steepening of the yield curve. Large Growth and Value stocks tracked together but within Small Caps, Growth was favored with the Russell 2000 Growth Index gaining 2% vs. the Russell 2000 Value Index retreating by 1.2%.

Foreign stocks fared slightly better than domestic stocks with the MSCI Developed Index and the MSCI Emerging Markets Index rising 0.8% and 0.7%, respectively. The real estate sector suffered a relatively large correction during the quarter, down 10%, as measured by the DJ Wilshire REIT Index. REITS have pulled back in advance of higher rates, which could pressure margins for real estate companies.

STOCK MARKETS

	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	0.3%	7.4%	17.3%
Russell 1000	0.1%	7.4%	17.7%
Russell 1000 Growth	0.1%	10.6%	18.0%
Russell 1000 Value	0.1%	4.1%	17.3%
Medium and Small Stocks			
S&P 400 Midcap	-1.1%	6.4%	18.5%
Russell 2000	0.4%	6.5%	17.8%
Russell 2000 Growth	2.0%	12.3%	20.1%
Russell 2000 Value	-1.2%	0.8%	15.5%
International Stocks			
MSCI Developed (EAFE)	0.8%	-3.6%	12.7%
MSCI Emerging Markets	0.7%	-5.1%	3.7%
Real Estate			
DJ Wilshire REIT Index	-10.0%	5.2%	8.7%

Bond Market Commentary

Bond markets posted losses in the second quarter, a period marked by increased interest rate volatility. The 10-year Treasury yield jumped from 1.92% to 2.35% in the quarter and hit a high of nearly 2.5% in early June. Treasuries experienced their first quarterly fall since 2013 as investors prepared for an eventual hike in interest rates by the Federal Reserve. Government bonds issued by countries in the Eurozone fared even worse. German Bund yields fell as low as 5 basis points in April but later surged due to improving economic data and additional stimulus provided by the European Central Bank. Investors also pulled money from European bonds following the latest turmoil in Greece.

Municipal bonds outperformed the taxable market for the quarter and year to date. This outperformance is consistent with historical trends as tax-exempt bonds often lag the larger swings seen in the US Treasury market. High-yield bonds have outperformed during the three-month and three-year periods but underperformed over the past year due to their exposure to bonds issued by companies in the energy sector. Investment grade corporate bonds were the worst performers in the US market, falling 2.9% in Q2. Net outflows from corporate bond mutual funds combined with a relatively high level of new issues led to price declines.

BOND MARKETS

	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	-1.7%	1.9%	1.8%
Intermediate Govt./Credit	-0.6%	1.7%	1.6%
U.S. Government	-1.5%	2.3%	0.9%
U.S. Credit	-2.9%	0.9%	3.0%
High-Yield Bonds	0.0%	-0.4%	6.8%
Tax-Free Bonds			
3-Year Municipal	0.0%	0.6%	1.2%
5-Year Municipal	-0.2%	1.5%	1.9%
10-Year Municipal	-1.1%	3.0%	3.1%

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

TRUST AND ESTATE, INVESTMENT MANAGEMENT AND COMPREHENSIVE PLANNING SERVICES

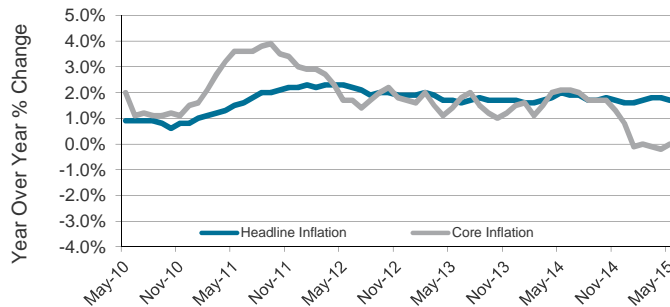
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Quarterly Investment Update

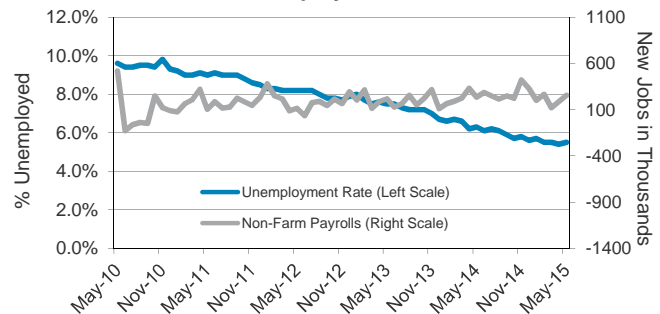
WORTH KNOWING®

For the Quarter Ending June 30, 2015

Inflation (CPI)



Employment



Economic Commentary

The global economy continues to move forward at a slow pace, with developed markets benefitting more than emerging markets from falling oil prices, cheaper non-US currencies, and lower bond yields. Within the US, several positive economic trends continued in the second quarter. The housing market was boosted by solid results in homebuilding and new and existing home sales. The number of pending home sales in the US in May achieved a level not seen since April of 2006. Some of the increase in home-buying activity can be traced to concern over rising mortgage rates. The US labor market added another 223,000 jobs in June and the unemployment rate fell to 5.3%. The pace of hiring has been strong but the decline in the unemployment rate is primarily due to a sizeable drop in the labor force participation rate. Average hourly earnings are up just 2% year over year. This rate of wage growth is consistent with economic expansion but not high enough to be an inflationary concern. Strength in housing and employment are key indicators that the US economy is getting back on track.

On July 5, Greece voted no to Europe's latest proposals for spending cuts and tax increases. Greece is now in uncharted territory and faces financial and political isolation within the Eurozone and a banking collapse if they don't receive additional aid. Avoiding a financial and economic meltdown in Greece will require a level of flexibility between Greek and Eurozone leaders that has not been observed in the past.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (1Q)	JUN	6.1%	6.7%	4.2%
Unemployment Rate	JUN	5.40%	5.30%	5.50%
Average Hourly Earnings (YoY)	JUN	2.3%	2.0%	2.3%
Change in Manufact. Payrolls	JUN	6K	4K	7K
Change in Non-Farm Payrolls	JUN	233K	223K	254K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	MAY	0.1%	0.0%	-0.2%
CPI Ex Food & Energy	MAY	1.8%	1.7%	1.8%
Producer Price Index	MAY	1.8%	1.8%	1.7%
PPI Ex Food & Energy	MAY	1.8%	1.8%	1.6%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	APR	5.5%	4.9%	5.0%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	MAY	78.3%	78.1%	78.3%
Leading Indicators	MAY	0.4%	0.7%	0.7%
GDP Annualized (1Q)	JUN	-0.2%	-0.2%	2.2%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (1Q)	JUN	-3.0%	-3.1%	-2.1%
Industrial Production	MAY	0.2%	-0.2%	-0.5%

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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