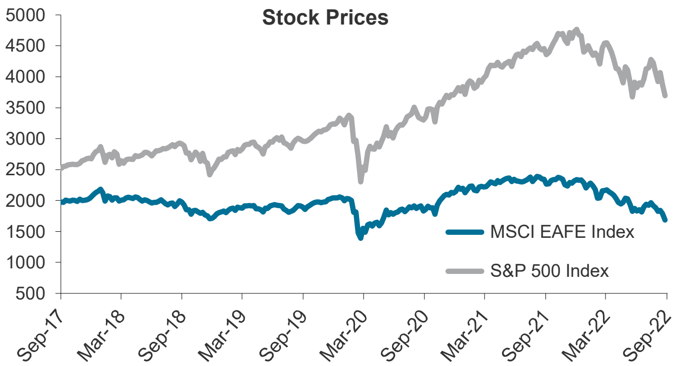
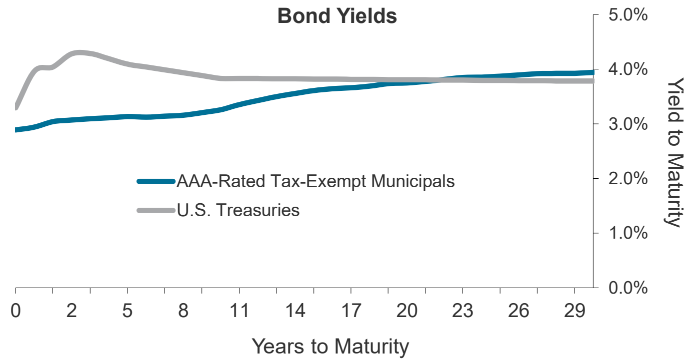
PERKINS COIE
TRUST COMPANY

Quarterly Investment Update

WORTH KNOWING®

For the Quarter Ending September 30, 2022





Stock Market Commentary

After a rally in July, U.S. stocks fell again and posted their third negative quarter this year. As employment and inflation data continued to indicate more rate hikes yet to come from the Federal Reserve, investors grappled with what that may mean for future economic growth. As of September 30, the S&P 500 was down 23.88% YTD.

International markets were not spared as concerns about inflation, energy prices, geopolitics, and a worsening economic outlook sent stocks tumbling abroad. The U.S. dollar gained strength rapidly as global risk-off sentiment took hold and was a further negative contributor to international returns. The MSCI EAFE Index dropped 9.26% and the MSCI Emerging Markets Index fell 11.57% during the third quarter.

In the United States, utilities, which tend to be considered defensive given their stable income and low but consistent growth, remained one of the best-performing sectors. The strong dollar negatively impacted the earnings of many multinational corporations but was less problematic for sectors like utilities that operate domestically.

Adding to volatility are the upcoming U.S. midterm elections. Markets, as we have seen this year, dislike uncertainty and since 1980, the S&P 500 has averaged a -1.2% return during the third quarter of midterm election years. However, markets have historically responded positively post-election, regardless of who wins, as the direction of the government for the next two years becomes clearer.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	-4.9%	-15.5%	8.1%
Russell 1000	-4.6%	-17.2%	7.9%
Russell 1000 Growth	-3.6%	-22.6%	10.7%
Russell 1000 Value	-5.6%	-11.4%	4.3%
Medium and Small Stocks			
S&P 400 Midcap	-2.5%	-15.3%	6.0%
Russell 2000	-2.2%	-23.5%	4.3%
Russell 2000 Growth	0.2%	-29.3%	2.9%
Russell 2000 Value	-4.6%	-17.7%	4.7%
International Stocks			
MSCI Developed (EAFE)	-9.3%	-24.7%	-1.3%
MSCI Emerging Markets	-11.6%	-28.1%	-2.1%
Real Estate			
DJ Wilshire REIT Index	-10.4%	-17.2%	-3.3%

Bond Market Commentary

Volatility continued to roil bond markets in the third quarter. Inflation failed to moderate as expected, with the United States and the euro area both running in excess of 8%. Central bankers around the globe have been hiking rates all year. In the U.S., there is inevitably a worry that if the Fed raises rates too high, the economy will be pushed firmly into a recession.

Fed Chair Jerome Powell's speech in Jackson Hole, Wyoming, dispelled expectations that the central bank was "pivoting" to an easier policy stance due to weakness in the financial markets. He reiterated that fighting inflation is the Fed's number one concern and that policy-tightening will continue until inflation is closer to its 2% target.

The U.S. yield curve continued its march upward in response to increasingly hawkish Fed policy, with the 2-year treasury yield ending at 4.28%. The 10-year treasury yield rose to 3.83% at the end of the quarter. The Bloomberg U.S. Aggregate Bond Index, a benchmark that measures U.S. government and corporate bond performance, returned -4.75% for the quarter. Bank loans outperformed the broader market, returning 1.29%, while high yield suffered more, with the Bloomberg U.S. Corporate High Yield Index posting -.65% for the quarter.

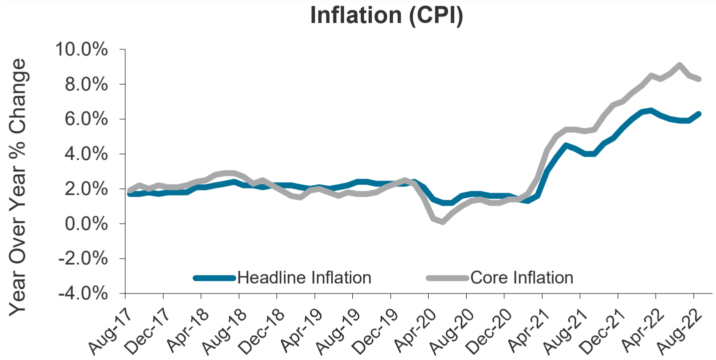
BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	-4.8%	-14.6%	-3.3%
Intermediate Govt./Credit	-3.1%	-10.1%	-1.6%
U.S. Government	-4.3%	-12.8%	-3.0%
U.S. Credit	-4.9%	-17.9%	-3.6%
High-Yield Bonds	-0.6%	-14.1%	-0.5%
Tax-Free Bonds			
3-Year Municipal	-2.0%	-5.5%	-0.4%
5-Year Municipal	-2.7%	-8.0%	-0.9%
10-Year Municipal	-2.5%	-10.1%	-1.3%

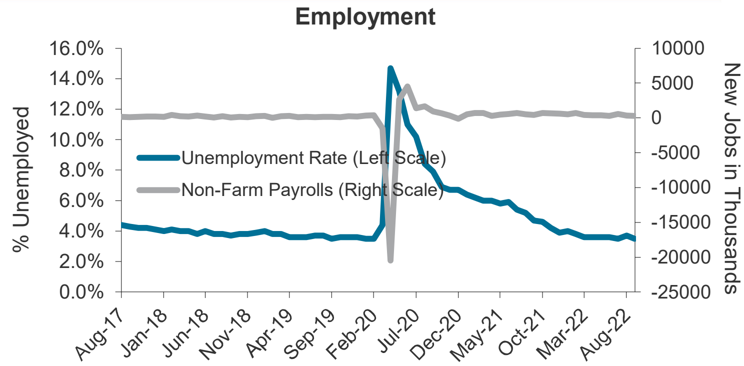
Source: Bloomberg.
The bond indexes above are produced by Bloomberg.
Returns include the reinvestment of interest and dividends.
**Returns are annualized.*

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 PCTCInvestments@perkinscoie.com

Quarterly Investment Update

WORTH KNOWING®





Economic Commentary

The Federal Reserve continued to focus on reducing inflation during the third quarter with two additional rate rises of 0.75% each, bringing the target federal funds rate to 3.25%.

In July, the Commerce Department reported that for the second consecutive quarter the economy had shrunk despite a persistently strong job market, increasing wages, a steady housing market, and robust nominal consumer spending. Progressing through the third quarter, only housing appears to show any signs of weakness as mortgage rates shot up past 6% and transaction volumes slowed.

Inflation reaccelerated during August to 8.3%, forcing the Fed to acknowledge the need to weaken both the labor and housing markets as a necessary component of stabilizing prices. Globally, central banks have also been raising rates to combat their own inflationary pressures. Despite this, the U.S. dollar continues to strengthen, putting additional pressures on foreign governments' budgets and ability to combat inflation. The crescendo of pressure forced the Bank of England, in the face of new government stimulus, a rapidly devaluing currency, and a collapsing pension industry, to resume buying bonds to stabilize interest rates.

Commodity markets continue to fall as lower growth globally slows demand. Europe faces a unique situation this winter with gas supplies dropping and prices increasing due to the recent suspected sabotage of the Nord Stream pipelines and the ongoing conflict in Ukraine.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (2Q)	SEP	10.5%	10.2%	12.7%
Unemployment Rate	SEP	3.7%	3.5%	3.7%
Average Hourly Earnings (YoY)	SEP	5.0%	5.0%	5.2%
Change in Manufact. Payrolls	SEP	20K	22K	27K
Change in Non-Farm Payrolls	SEP	255K	263K	315K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	SEP	8.1%	8.2%	8.3%
CPI Ex Food & Energy	SEP	6.5%	6.6%	6.3%
Producer Price Index	SEP	-	11.5%	12.8%
PPI Ex Food & Energy	SEP	-	8.4%	8.8%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	JULY	17.1%	16.1%	18.7%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	AUG	80.2%	80.0%	80.2%
Leading Indicators	AUG	-0.1%	-0.3%	-0.5%
GDP Annualized (2Q)	SEP	-0.6%	-0.6%	-1.6%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (2Q)	SEP	-4.3%	-4.1%	-7.4%
Industrial Production	AUG	0.0%	-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.