PERKINS COIE
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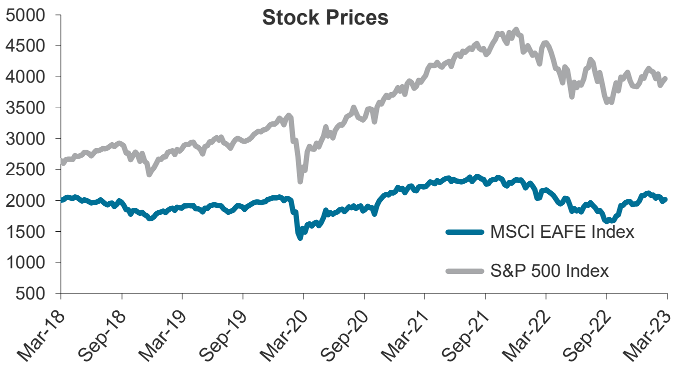
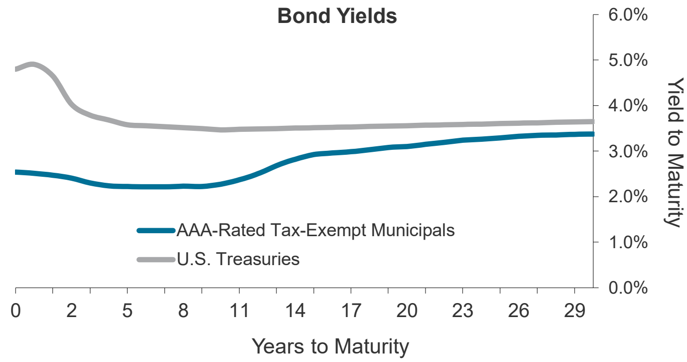
Quarterly Investment Update

WORTH KNOWING®

For the Quarter Ending March 31, 2023





Stock Market Commentary

U.S. stocks had a strong start to the year as investors celebrated signs of easing inflation and a loosening labor market in January. Those trends made a sharp reversal in February, however, followed by the second- and third-largest bank failures in U.S. history in March. Though there was plenty of news to roil the markets, the S&P 500 ultimately posted a 7.5% gain for the first quarter of 2023.

Financial stocks suffered after the collapses of Silicon Valley Bank and Signature Bank caused concerns about greater contagion in the banking system. By late March, fears had calmed as both failed banks found buyers and the Federal Reserve and U.S. Treasury acted quickly to extend emergency assistance. The sector lost 5.6% for the quarter. As investors looked for safety, large companies flush with cash were the primary beneficiaries, and the communications and technology sectors—where many of these companies are found—both returned over 20%.

European markets were also able to shake off negative headlines and turmoil surrounding two of their largest banks, Credit Suisse and Deutsche Bank. The MSCI EAFE Index, which tracks a broad range of companies in Europe, Australia, and Asia, ended up 8.6% for the quarter, outperforming its U.S. counterpart. Chinese stocks, particularly technology companies, were buoyed by signs of an improving corporate environment after recent regulatory crackdowns had weighed on Chinese markets.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	7.5%	-7.8%	18.6%
Russell 1000	7.4%	-8.4%	18.5%
Russell 1000 Growth	14.4%	-10.9%	18.6%
Russell 1000 Value	1.0%	-6.0%	17.9%
Medium and Small Stocks			
S&P 400 Midcap	3.8%	-5.2%	22.1%
Russell 2000	2.7%	-11.6%	17.5%
Russell 2000 Growth	6.1%	-10.6%	13.3%
Russell 2000 Value	-0.7%	-13.0%	21.0%
International Stocks			
MSCI Developed (EAFE)	8.6%	-0.8%	13.6%
MSCI Emerging Markets	4.0%	-10.7%	7.8%
Real Estate			
DJ Wilshire REIT Index	2.8%	-21.0%	11.3%

Bond Market Commentary

Bond markets had one of their sharpest sell-offs on record in 2022 as the Fed hiked interest rates to stamp out inflation. Bond prices rose the first quarter of 2023 on growing speculation that central banks might be nearing the end of their current cycle of rate hikes, with inflation continuing to ease and cracks in the banking system starting to show. The Bloomberg US Aggregate Bond Index, a benchmark that measures U.S. government and corporate bond returns, rose 3.0% after delivering negative returns of 12.3% in 2022.

Long before any banks failed, Fed watchers feared U.S. central bankers might do too much in their quest to defeat inflation and cause a recession. The inverted yield curve is an indicator that historically signals recession risk. The spread between the 10-year and 2-year Treasury yield stood at -0.6%. A negative spread (inversion) means bond investors think the Fed has tightened by so much that interest rates will be lower in the future, creating a favorable environment for bonds.

Yields are becoming attractive across the bond universe as investment-grade corporate bonds yielded 5%, riskier high-yield bonds were close to 8%, and short-term U.S. Treasury bonds, which are considered some of the safest fixed-income investments, yielded about 5%.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	3.0%	-4.8%	-2.8%
Intermediate Govt./Credit	2.3%	-1.7%	-1.3%
U.S. Government	3.0%	-4.4%	-4.1%
U.S. Credit	3.5%	-5.3%	-0.7%
High-Yield Bonds	3.6%	-3.3%	5.9%
Tax-Free Bonds			
3-Year Municipal	1.4%	1.5%	0.5%
5-Year Municipal	1.9%	1.8%	0.7%
10-Year Municipal	2.8%	2.4%	0.9%

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

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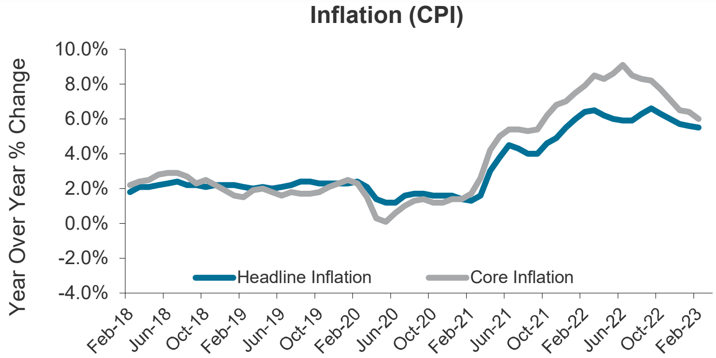

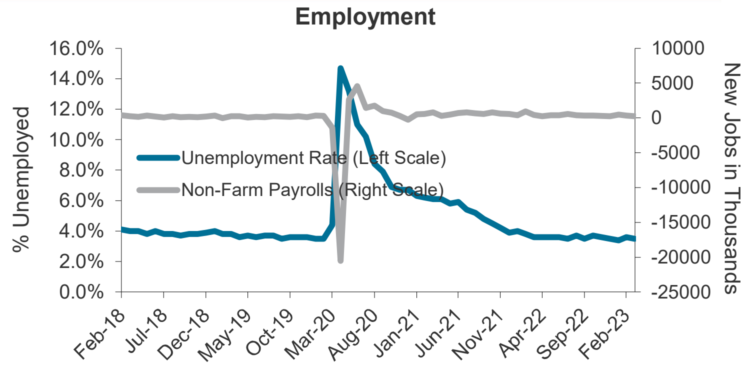

Economic Commentary

During the first quarter of 2023, the economic environment was characterized by mixed developments, including slowing inflation, higher interest rates, a robust labor market, lagging retail sales, bank failures, and a rebounding housing market.

To combat inflation, the Federal Reserve increased interest rates twice by 0.25% each time, which was a smaller percentage than the previous six hikes, indicating that the policy is nearing the end of the rate-hiking cycle and inflation is moderating. Currently, the Federal Funds Target Rate is at 5%, up substantially from the 0.5% rate of the previous year.

The higher interest rate environment triggered losses on bank balance sheets, eventually leading to a brief panic and a run on the deposits of Silicon Valley Bank and Signature Bank. The problems were halted when regulators stepped in to guarantee depositors and provide liquidity to other banks.

Retail sales declined in February, with figures falling to -0.4% while retail inventories continued to increase. Despite this, new vehicle sales grew as manufacturers worked to fulfill the backlog of demand. Used cars also experienced rising prices, despite the increasing costs of financing their purchase.

The housing market was a source of strength in the quarter. Mortgage applications resumed growth, existing home sales accelerated throughout the quarter, and new home permits and construction starts grew by 13.8% and 9.8%, respectively. While house prices continued to rise in the 20 largest cities, the pace was slower than the previous few years.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (4Q)	MAR	1.6%	3.2%	2.0%
Unemployment Rate	MAR	3.6%	3.5%	3.6%
Average Hourly Earnings (YoY)	MAR	4.3%	4.2%	4.6%
Change in Manufact. Payrolls	MAR	-4K	-1K	-1K
Change in Non-Farm Payrolls	MAR	230K	236K	326K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	MAR	5.1%	5.0%	6.0%
CPI Ex Food & Energy	MAR	5.6%	5.6%	5.5%
Producer Price Index	FEB	-	6.4%	8.7%
PPI Ex Food & Energy	FEB	-	6.8%	7.4%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	JAN	2.6%	2.6%	4.6%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	FEB	78.4%	78.0%	78.0%
Leading Indicators	FEB	-0.3%	-0.3%	-0.3%
GDP Annualized (4Q)	MAR	2.7%	2.6%	3.2%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (4Q)	MAR	2.5%	1.7%	1.4%
Industrial Production	FEB	0.2%	0.0%	0.3%

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.