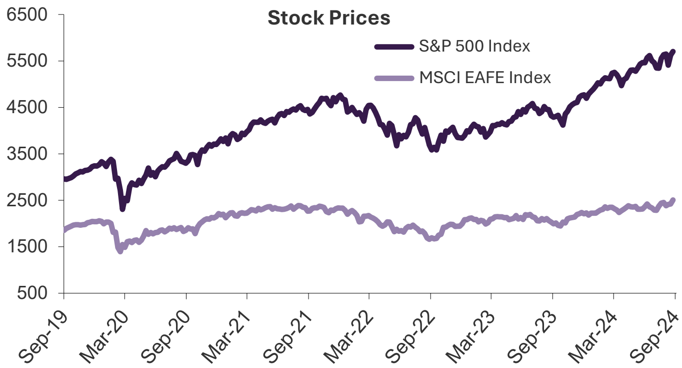
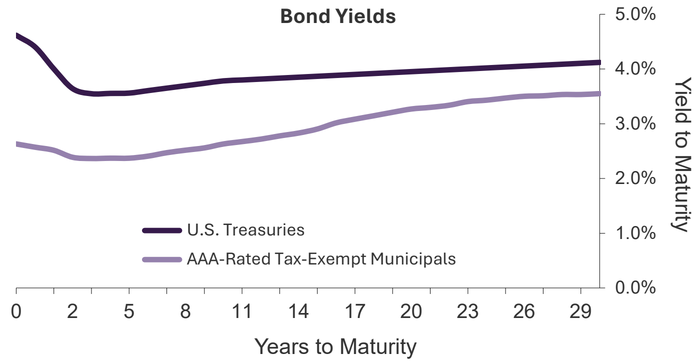
Perkins Coie Trust Company

Quarterly Investment Update

WORTH KNOWING®

For the Quarter Ending September 30, 2024





Stock Market Commentary

The third quarter saw the S&P 500 Index continuing its upward climb from Q2, rising 5.90%. Tech companies continued to increase their spending on artificial intelligence–related projects, and as a result, energy companies powering those activities performed well this quarter. With the Federal Reserve's interest rate cut of 50 basis points, sectors that are sensitive to interest rates, such as real estate and utilities, also did well. Markets seem confident in companies' earnings growth potential and are still baking in double-digit earnings growth for the year.

Developed international markets rose 7.35% as measured by the MSCI EAFE International Index, partially due to the economic recovery in Europe. Although Japan's stock market saw a second consecutive down quarter, with returns measured in yen down 4.20%, U.S.-based investors still saw positive returns there as the yen strengthened significantly against the U.S. dollar.

In emerging markets, all eyes were on China with the announcement of its new stimulus package, which included two stock market tools to bolster liquidity and share buybacks. The resulting effect was a 15.7% increase in the CSI 300 index of large Chinese companies that same week, the biggest single-week gain in almost 16 years.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	5.9%	36.3%	11.9%
Russell 1000	6.1%	35.7%	10.8%
Russell 1000 Growth	3.2%	42.2%	12.0%
Russell 1000 Value	9.4%	27.7%	9.0%
Medium and Small Stocks			
S&P 400 Midcap	6.9%	26.8%	7.4%
Russell 2000	9.3%	26.7%	1.8%
Russell 2000 Growth	8.4%	27.6%	-0.4%
Russell 2000 Value	10.1%	25.9%	3.7%
International Stocks			
MSCI Developed (EAFE)	7.4%	25.4%	6.1%
MSCI Emerging Markets	8.7%	26.1%	0.4%
Real Estate			
DJ Wilshire REIT Index	15.6%	33.7%	4.4%

Bond Market Commentary

Bond prices rose during the third quarter ahead of the Federal Reserve's long-awaited cut to its benchmark interest rate. The fed funds rate, which had been held at 5.25%-5.50% since July 2023, was reduced by 0.50% in September. Further, the Fed's outlook indicated more cuts by year-end. The expectation for lower rates caused investors to move capital to bonds. The Bloomberg US Aggregate Bond Index, a measure of U.S. corporate and government bond performance, returned 5.2% for the quarter.

Yields fell for most fixed-income investments. Money market funds, which have attracted significant amounts of capital in recent years, saw their yields fall after the Fed's cut. Other savings vehicles, such as CDs and high-yield savings accounts, also reduced their advertised rates.

For the last few years, the Fed has been focused on taming inflation but its aim is to restore price stability without triggering a sharp rise in unemployment. Unemployment has ticked up over the last quarter and the key for a soft landing will be keeping the labor market stable, which has historically been tough to do.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	5.2%	11.6%	-1.4%
Intermediate Govt./Credit	4.2%	9.4%	0.2%
U.S. Government	4.7%	9.7%	-1.7%
U.S. Credit	5.7%	13.8%	-1.1%
High-Yield Bonds	5.3%	15.7%	3.1%
Tax-Free Bonds			
3-Year Municipal	2.4%	6.2%	0.8%
5-Year Municipal	3.0%	7.6%	0.4%
10-Year Municipal	2.6%	8.6%	0.1%

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

Trust and Estate, Investment Management and Comprehensive Planning Services

Perkins Coie Trust Company LLC is a Washington state-chartered trust company.

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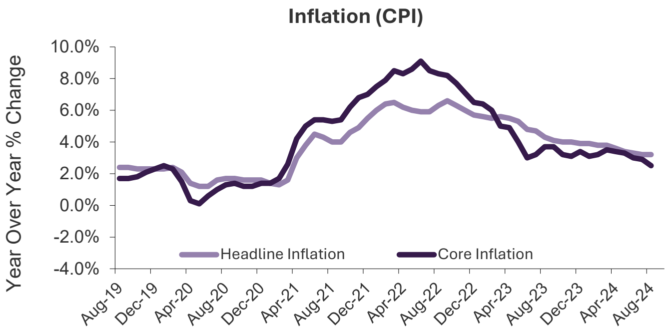

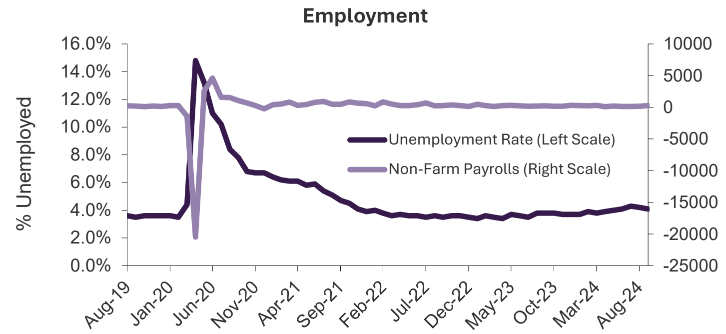

Economic Commentary

Driven by consumer spending, even with the recent rate cut, the U.S. economy remained strong in the third quarter of 2024. Inflation continued to decline during the quarter. The consumer price index (CPI), a measure focused on household out-of-pocket expenditures, slowed to 2.4% year-over-year by September, nearing the Federal Reserve's 2% target. The number was down from 3% in July and reached its lowest point since February 2021.

The U.S. labor market softened a little compared to a year ago. In September, the unemployment rate dropped slightly to 4.1%, though it remained higher than last September's rate of 3.8%. On the positive side, there are still more job openings than job seekers, with 1.1 job openings available for every 1 person seeking work. The labor force participation rate held steady at 62.7%, suggesting that little changed in the broader employment outlook.

Declining inflation and a cooling labor environment allowed the Fed to ease financial conditions. Globally, other central banks were doing the same. Canada, the European Union, Switzerland, and the United Kingdom all cut their benchmark rates in the third quarter. In September, China introduced its most aggressive stimulus measures since the pandemic—ranging from outsized rate cuts to fiscal support—in an attempt to shore up the country's ailing economy.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (2Q)	SEP	0.8%	0.4%	3.8%
Unemployment Rate	SEP	4.2%	4.1%	4.2%
Average Hourly Earnings (YoY)	SEP	3.8%	4.0%	3.9%
Change in Manufact. Payrolls	SEP	-8K	-7K	-27K
Change in Non-Farm Payrolls	SEP	150K	254K	159K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	SEP	2.3%	2.4%	2.5%
CPI Ex Food & Energy	SEP	3.2%	3.3%	3.2%
Producer Price Index	SEP	1.6%	1.8%	1.9%
PPI Ex Food & Energy	SEP	0.1%	0.0%	0.2%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	JULY	5.9%	5.9%	6.5%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	SEP	77.8%	77.5%	77.8%
Leading Indicators	SEP	-0.3%	-0.5%	-0.3%
GDP Annualized (2Q)	SEP	2.9%	3.0%	1.4%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (2Q)	SEP	0.1%	2.5%	0.4%
Industrial Production	SEP	-0.2%	-0.3%	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.