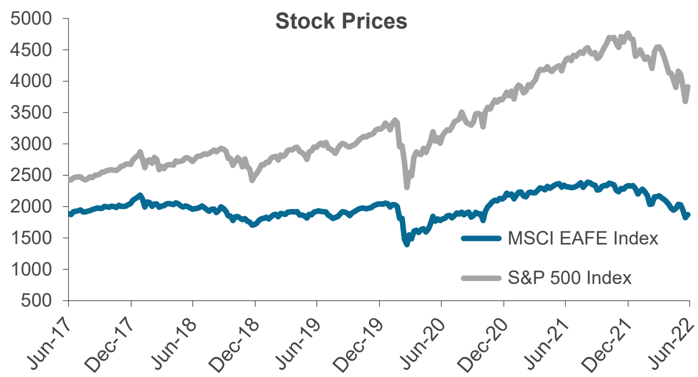
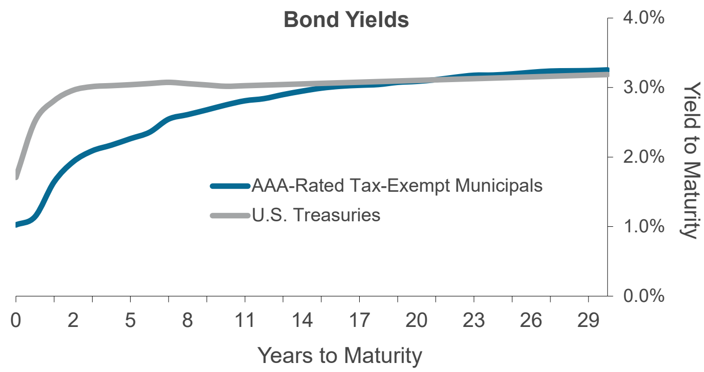
PERKINSCOIE
TRUST COMPANY

Quarterly Investment Update

WORTH KNOWING®

For the Quarter Ending June 30, 2022





Stock Market Commentary

Stocks struggled during the first half of 2022 as shifts in monetary policy, the war in Ukraine, an energy shock, and a worsening growth outlook in China unsettled markets. As of June 30th, the S&P 500 was down 20.6% for the year and officially entered bear market territory, defined as a 20% fall from the most recent highs.

In the United States, consumer staples stocks, which generally perform well during an economic downturn, and energy were the best-performing sectors, though they still finished the quarter with negative returns of 5.2% and 6.1%, respectively. Energy was the only sector with positive performance on a year-to-date basis, as sanctions on Russia sent oil prices soaring. The consumer discretionary sector performed the worst, down 26.3% as markets anticipated reduction in consumption due to inflation and a potential economic slowdown. Geopolitical uncertainty also struck foreign markets, and a strengthening U.S. dollar was a negative contributor to international returns. The MSCI Emerging Markets Index slid 11.4% and the MSCI EAFE Index dropped 14.3%.

With the high level of economic uncertainty in the markets, we continue to emphasize the importance of diversification, long-term investing, and periodic rebalancing.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	-16.1%	-10.6%	10.6%
Russell 1000	-16.7%	-13.1%	10.1%
Russell 1000 Growth	-20.9%	-18.8%	12.6%
Russell 1000 Value	-12.2%	-6.9%	6.8%
Medium and Small Stocks			
S&P 400 Midcap	-15.4%	-14.7%	6.8%
Russell 2000	-17.2%	-25.2%	4.2%
Russell 2000 Growth	-19.3%	-33.5%	1.4%
Russell 2000 Value	-15.3%	-16.3%	6.1%
International Stocks			
MSCI Developed (EAFE)	-14.3%	-17.3%	1.6%
MSCI Emerging Markets	-11.4%	-25.3%	0.6%
Real Estate			
DJ Wilshire REIT Index	-18.1%	-6.4%	2.5%

Bond Market Commentary

Bond markets continued to fall during the second quarter, losing 2.4% of their value as measured by the Bloomberg Intermediate Government Credit Index. Persistently high inflation and a more hawkish Federal Reserve convinced bond buyers to demand higher yields in exchange for lending money to both governments and corporations. At the end of June, 10-year U.S. treasury yields were 3.0%, nearly double the 1.51% yield at the beginning of the year.

The Fed continued its struggle to get ahead of inflation expectations before they become entrenched in consumer psychology. The federal funds target rate sat at 1.75% after a higher than anticipated 0.75% rate hike at the June 15 meeting. Another 0.75% hike is expected at the next meeting in late July, which would leave the federal funds rate around the long-term neutral rate—a level that neither boosts nor restrains the economy.

Municipal bonds were not spared during this decline, losing 2.9% as measured by the Bloomberg Municipal Bond Index. Spreads, or the measure of additional yield demanded by investors to buy corporate bonds, widened as concerns about an economic slowdown raised questions regarding the credit quality of borrowers. High-yield bonds sold off -9.8% during the quarter.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	-4.7%	-10.3%	-0.9%
Intermediate Govt./Credit	-2.4%	-7.3%	-0.2%
U.S. Government	-3.7%	-8.8%	-0.8%
U.S. Credit	-6.9%	-13.6%	-1.0%
High-Yield Bonds	-9.8%	-12.8%	0.2%
Tax-Free Bonds			
3-Year Municipal	0.1%	-3.5%	0.3%
5-Year Municipal	-0.4%	-5.3%	0.2%
10-Year Municipal	-2.2%	-7.9%	0.0%

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

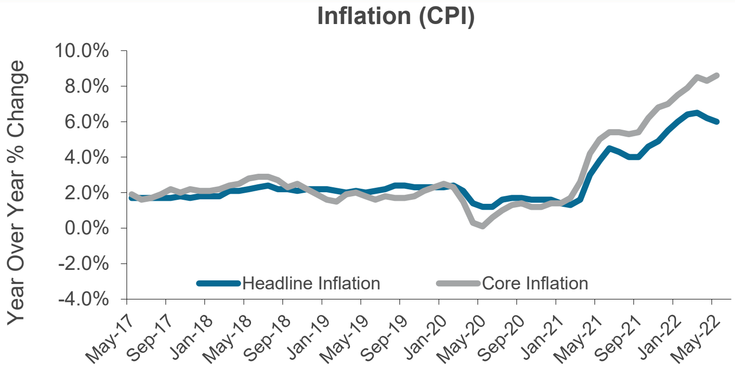
For more information, please visit Trust.PerkinsCoie.com

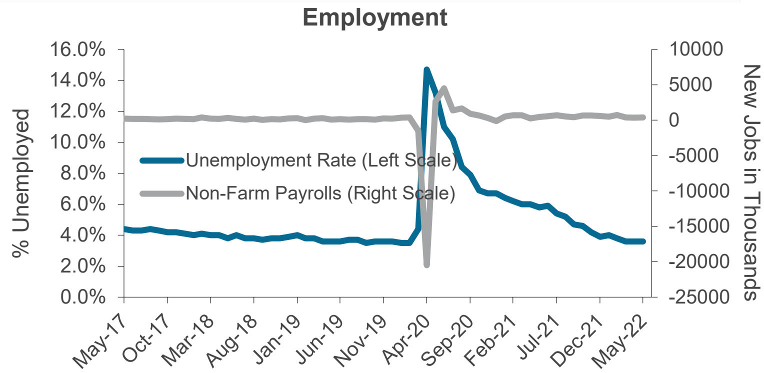
TRUST AND ESTATE, INVESTMENT MANAGEMENT AND COMPREHENSIVE PLANNING SERVICES

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

Quarterly Investment Update

WORTH KNOWING®





Economic Commentary

Rising prices roiled economies along with markets during the second quarter.

In April, the Commerce Department reported that the U.S. economy had shrunk the previous quarter. The unexpected decline in gross domestic product, at a -1.6% annualized pace, was an abrupt reversal from the 6.9% growth rate at the end of 2021. The decline was mainly a result of a widening trade deficit as imports rose and exports fell, reflecting a strong U.S. dollar and lingering supply chain constraints.

In May, inflation accelerated to a 40-year high as the U.S. Consumer Price Index rose 8.6% year-over-year. Energy costs led the way in escalating inflation, with the ongoing war in Ukraine worsening an already constrained energy market and prices for fuel oil, gasoline, and utility gas all rising significantly. This was particularly felt in Europe, where energy prices were nearly 40% higher than a year ago, as the region attempted to reduce its dependence on Russian oil in response to the war.

While remaining committed to stabilizing prices, the Fed raised its benchmark rate twice, but noted that factors outside its control will likely determine the chances of getting inflation down to the 2% target while maintaining a strong labor market. Though parts of the economy, like manufacturing and housing, showed indications of slowing, unemployment remained at a low 3.6% at the end of June. Historically, the U.S. economy hasn't gone into a recession without a weak labor market.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (1Q)	JUN	11.6%	12.6%	1.0%
Unemployment Rate	JUN	3.6%	3.6%	3.6%
Average Hourly Earnings (YoY)	JUN	5.0%	5.1%	5.3%
Change in Manufact. Payrolls	JUN	21K	29K	18K
Change in Non-Farm Payrolls	JUN	265K	372K	384K

INFLATION (year over year)	As of	Expected	Actual	Prior
Consumer Price Index	MAY	8.3%	8.6%	8.3%
CPI Ex Food & Energy	MAY	5.9%	6.0%	6.2%
Producer Price Index	MAY	-	16.7%	15.6%
PPI Ex Food & Energy	MAY	-	8.8%	8.6%

HOME PRICES (year over year)	As of	Expected	Actual	Prior
S&P/Case Shiller Top 20 Mkts.	APR	21.1%	21.2%	21.2%

MANUFACTURING ACTIVITY	As of	Expected	Actual	Prior
Capacity Utilization	MAY	79.2%	79.0%	78.9%
Leading Indicators	MAY	-0.4%	-0.4%	-0.4%
GDP Annualized (1Q)	JUN	-1.5%	-1.6%	6.9%

PRODUCTIVITY	As of	Expected	Actual	Prior
Non-Farm Productivity (1Q)	JUN	-7.5%	-7.3%	6.3%
Industrial Production	MAY	0.4%	0.2%	1.4%

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.