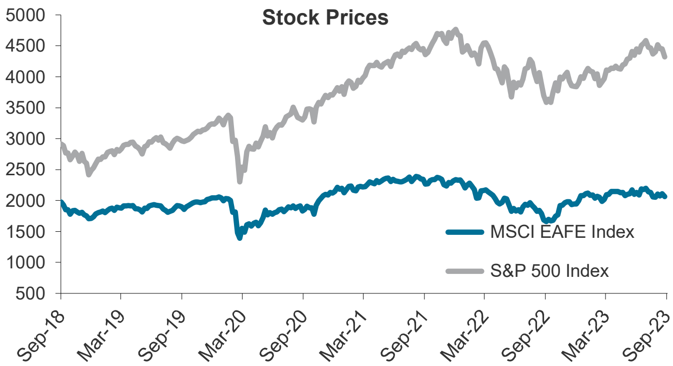
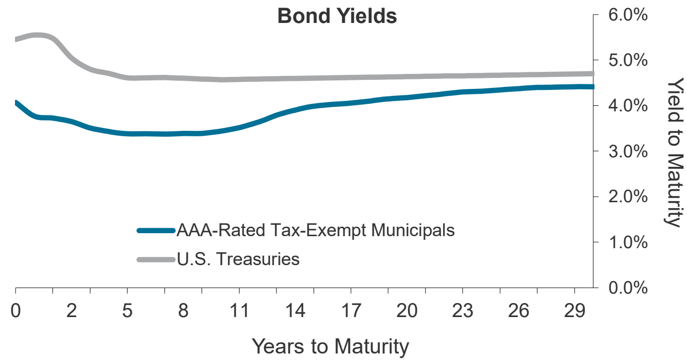
Quarterly Investment Update

WORTH KNOWING®

For the Quarter Ending September 30, 2023





Stock Market Commentary

The S&P 500 Index fell 3.30% during the third quarter of 2023, with growth stocks losing slightly less than value stocks. Interest rate–sensitive stocks in the utilities and real estate sectors fell the most as the Federal Reserve indicated rates may remain higher for longer to combat recent upticks in inflation. The energy sector rallied over 12.22% as oil prices climbed back above $93 during the quarter, contributing to the increasing inflation. The U.S. stock market remains highly concentrated, with returns centered around a narrow group of high-flying tech stocks. Just seven stocks contributed nearly 82% of the S&P's year-to-date return.

International markets fell 4.04% as measured by the MSCI EAFE Index, while emerging markets were down 2.93% as measured by the MSCI Emerging Markets Index. China continues to struggle to stabilize its faltering real estate market. Europe, Canada, and other developed markets are fighting their own battles against inflation and, in cases such as Germany and New Zealand, recession.

The S&P 500 is trading on a price-to-earnings multiple below its pre-pandemic levels while earnings per share have far surpassed the pre-pandemic highs, making for a reasonably attractive valuation.

STOCK MARKETS	3 Months	1 Year	3 Years*
Large Stocks			
S&P 500	-3.3%	21.6%	10.1%
Russell 1000	-3.1%	21.2%	9.5%
Russell 1000 Growth	-3.1%	27.7%	8.0%
Russell 1000 Value	-3.2%	14.4%	11.0%
Medium and Small Stocks			
S&P 400 Midcap	-4.2%	15.5%	12.0%
Russell 2000	-5.1%	8.9%	7.1%
Russell 2000 Growth	-7.3%	9.6%	1.1%
Russell 2000 Value	-3.0%	7.8%	13.3%
International Stocks			
MSCI Developed (EAFE)	-4.0%	26.4%	6.4%
MSCI Emerging Markets	-2.9%	11.7%	-1.7%
Real Estate			
DJ Wilshire REIT Index	-7.4%	2.6%	6.1%

Bond Market Commentary

Following the worst year for bonds ever in 2022, fixed-income markets largely normalized and rebounded somewhat in the first half of 2023 as higher yields helped generate positive returns. However, the Bloomberg U.S. Aggregate Bond Index, a benchmark that measures U.S. government and corporate bond performance, fell 3.23% for the third quarter as investors adjusted to expectations that inflation and interest rates will continue to remain high.

The Fed has been executing one of the most aggressive tightening campaigns in history and continued to telegraph that more moves are coming. The Federal Open Market Committee (FOMC) has slowed the pace of rate hikes, even choosing to skip a move at the June and September meetings; however, FOMC members have been united in professing a need for rates to remain elevated well into 2024 before they pivot toward lower rates. Their messaging is still quite "hawkish," leaving investors, the financial markets, and most of the world waiting to see how much impact the tightening campaign will have on inflation and the economy. As the federal funds rate has risen, other interest rates, including mortgage rates, have followed. The 30-year fixed-rate mortgage climbed to 7.83%, hitting its highest level in nearly 23 years.

BOND MARKETS	3 Months	1 Year	3 Years*
Taxable Bonds			
Aggregate	-3.2%	0.6%	-5.2%
Intermediate Govt./Credit	-0.8%	2.2%	-2.9%
U.S. Government	-3.0%	-0.7%	-5.7%
U.S. Credit	-3.0%	3.5%	-4.8%
High-Yield Bonds	0.5%	10.3%	1.8%
Tax-Free Bonds			
3-Year Municipal	-1.0%	1.9%	-1.0%
5-Year Municipal	-2.0%	2.2%	-1.7%
10-Year Municipal	-3.6%	2.9%	-1.9%

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

For more information, please visit Trust.PerkinsCoie.com

TRUST AND ESTATE, INVESTMENT MANAGEMENT AND COMPREHENSIVE PLANNING SERVICES

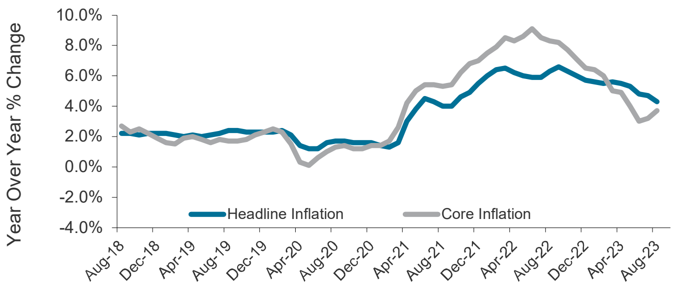
PERKINS COIE
TRUST COMPANY

Quarterly Investment Update

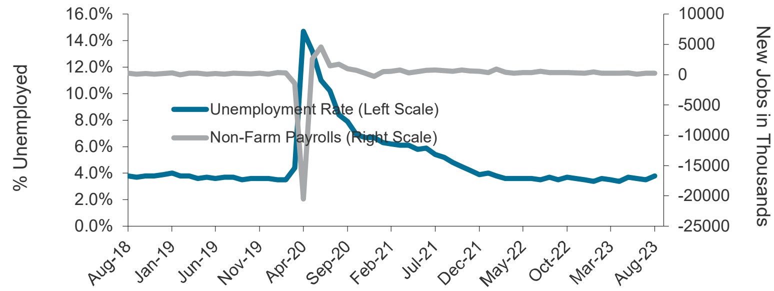
WORTH KNOWING®

For the Quarter Ending September 30, 2023

Inflation (CPI)



Employment



Economic Commentary

The Conference Board's Leading Economic Index (LEI) fell slightly less than expected in August but experienced its 17th consecutive monthly decline. The LEI is composed of indicators that tend to precede changes in the overall economy, such as initial unemployment claims, manufacturers' new orders, and new housing building permits. While the LEI has been warning of an approaching recession for over a year, one has not yet materialized as consumers and businesses have drawn on excess savings and fiscal stimulus such as the Inflation Reduction and CHIPS Acts.

Though unemployment experienced an uptick during the third quarter, the labor market remained strongly in favor of workers. In mid-September, the United Auto Workers initiated a strike against three large automakers. The targeted factories produce about 50% of the vehicles manufactured annually in the United States, accounting for 1.5% of gross domestic product.

Government stimulus, pandemic-related supply chain issues, and geopolitical tensions have increased incentives to onshore or near-shore U.S. manufacturing. Mexico has benefited from this shift and for the first time since 2003, monthly imports into the United States from Mexico exceeded those from China on a trailing 12-month basis. Since peaking at 21.5% in 2018, imports from China accounted for 14.4% of total imports over the last year compared to 14.8% from Mexico.

Key Economic Releases

EMPLOYMENT	As of	Expected	Actual	Prior
Unit Labor Costs (2Q)	SEP	1.9%	2.2%	3.3%
Unemployment Rate	SEP	3.7%	3.8%	3.8%
Average Hourly Earnings (YoY)	SEP	4.3%	4.2%	4.3%
Change in Manufact. Payrolls	SEP	5K	17K	11K
Change in Non-Farm Payrolls	SEP	170K	336K	227K
INFLATION (year over year)	**As of**	**Expected**	**Actual**	**Prior**
Consumer Price Index	SEP	3.6%	3.7%	3.7%
CPI Ex Food & Energy	SEP	4.1%	4.1%	4.3%
Producer Price Index	SEP	-	2.5%	2.1%
PPI Ex Food & Energy	SEP	-	3.4%	3.6%
HOME PRICES (year over year)	**As of**	**Expected**	**Actual**	**Prior**
S&P/Case Shiller Top 20 Mkts.	JULY	-0.1%	0.1%	-1.2%
MANUFACTURING ACTIVITY	**As of**	**Expected**	**Actual**	**Prior**
Capacity Utilization	AUG	79.3%	79.7%	79.5%
Leading Indicators	AUG	-0.5%	-0.4%	-0.4%
GDP Annualized (2Q)	SEP	2.2%	2.1%	2.0%
PRODUCTIVITY	**As of**	**Expected**	**Actual**	**Prior**
Non-Farm Productivity (2Q)	SEP	3.4%	3.5%	-1.2%
Industrial Production	AUG	0.1%	0.4%	0.7%

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.