Becker Capital Management, Inc.
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PORTLAND, OREGON 97204
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Everett School Employee Benefit Tr.

Investment Summary

March 31, 2015

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EVERETT SCHOOL
MAY - 4 2015
EMPLOYEE BENEFIT TRUST

April 30, 2015

Everett School Employee Benefit Tr.
Darla Van Duren
PO Box 2098
Everett, Washington 98213

Dear Darla:

Enclosed is your first quarter, 2015 report including investment results, transactions, summary of investments, and a fee statement.

	QTD	1 Year	3 Years	5 Years	Incept. 09-03-09
Everett School Trust	**0.5%**	**0.9%**	**0.6%**	**1.2%**	**1.4%**
Fixed Income	0.6%	1.1%	0.7%	1.4%	1.6%
BAML 1 Yr Treasury Note	0.1%	0.2%	0.3%	0.4%	0.4%

Bonds provided decent returns in the first quarter of 2015. According to indices kept by Bank of America Merrill Lynch, the broad investment grade corporate and government bond market returned 1.90%. The intermediate portion of the market, consisting of bonds maturing in 1 to 10 years, returned 1.51%. For perspective, the average quarterly return for the longer index has been 1.85%.

The broad municipal market lagged with a 1.09% return, while the intermediate municipal market returned 0.64%.

The returns all came in January as the US growth rate appeared to slow and Europe initiated their version of "quantitative easing." The dollar appreciated making US assets attractive to foreign investors, at least as long as the trend continues. European rates are also much lower than comparable US rates.

Your portfolio performance was better than that of your benchmark. The portfolio benefited from its slightly longer maturity structure.

We are becoming increasingly concerned by the fragility of the bond market. Total return primarily comes from two sources; income and price. With yields low, the contribution that income makes to performance is also low. To provide decent returns, bonds are heavily relying on price appreciation. In the first quarter, price provided 61% of the total return. That's much higher than the 4.4% that price has contributed over the past 39 years making this last quarter extremely unusual. Keep in mind, bond prices can only go up when yields go down. At the beginning of the year, the yield on the Bank of America Merrill Lynch US Corporate & Government Index was 2.13%. At quarter end it was 1.90%. Clearly, this cannot go on forever.

At the same time, the Federal Reserve is indicating that they are going to raise rates sometime in 2015. The Federal Funds Rate has been pegged between 0.00% and 0.25% since December 2008. This "zero interest rate policy," along with "quantitative easing," was an emergency response to dire economic straits. The emergency has now passed. After more than six years, it is not known how the economy will respond to higher rates. The Federal Reserve will proceed with caution, but at this point moderately higher rates appear certain. Higher rates will eliminate price appreciation and bonds will be left with only their modest income to provide return.

We are cautious husbands of your fixed income assets.

And finally, our annual housekeeping items:

The Securities and Exchange Commission requires that we notify you annually of any material changes made to our Form ADV Part 2A. There have been no material changes since Becker Capital's last update on March 31, 2014. If you would like to receive a full copy of the Form ADV Part 2A, please contact Stephanie Moyer at smoyer@beckercap.com.

In keeping with requirements to provide you with a copy of our Privacy Disclosure annually, please note that we are enclosing that as well.

If you have any questions or comments, please do not hesitate to contact any of us at Becker Capital.

Sincerely,

Keene Satchwell