



August 5, 2020

## A Letter of Hope

2020 has been a year like no other. Each of us (literally every person on this planet) has had our lives disrupted in a manner that was unthinkable just a few months ago. We all have had to adjust our lives and our routines in order to protect ourselves, our loved ones and our livelihoods. Disruption is stressful. These have been stressful times, for sure.

That said, we think there are two events on the horizon that can improve as we enter 2021, just months away, and a third that could have longer-term positive implications.

First, there are more and more indications that we will either have a working COVID vaccine or an effective set of therapeutics by the end of this year or early 2021. I understand that could be optimistic, but the odds appear quite high that we will have some medical resolution to the COVID crisis within months, rather than years. In my professional world, the world of investing, we believe our advantage is that we are used to taking a longer-term view of how the future may unfold than most investors. Typically, investors are measured by their performance over a quarter or two, so most investors make their decisions based on predictions of what will happen in the next days or weeks (and sometimes months). But we continually evaluate the future in multiple year periods (and sometimes decades) rather than in quarters. We view merely a quarter or two quarters as not much more than a rounding error in our thought process. A common complaint I hear from people is that time goes by too quickly. We not only will be reestablishing our (new) normal lives before you know it, but when that occurs, we believe the entire global population will have a greater appreciation of life as a result of this experience. I know I will.

As if dealing with the stress of a global pandemic isn't enough, the world – and particularly the United States – has been dealing with a polarizing and contentious political environment the likes of which we probably have not seen since the 1960's. But 2020 is an election year, and the polarization and animosity often simmer down after an election. If, after the election, our society can reduce at least some of the tensions that have been pulling this country apart, we believe it will make a positive impact on all our lives.

Finally, there is another sea change on the horizon that will take longer than the next few months and is potentially very significant. If indeed we are at the nascent stage of a conversion from internal combustion vehicles to electric transportation, the implications for the planet and all its inhabitants are enormous. During the quarantine, the world got a glimpse of what the planet could look like without the pollution emitted from our existing transportation system. It became apparent that our planet has the ability to regenerate itself quickly under proper conditions. We believe the electrification of our transportation system can be a transformative event on many levels. We also believe that the conversion away from fossil fuels can create an economic stimulus for global economies on the same scale as the conversion to fossil fuels did in the beginning of the twentieth century. Just think about the scope of this conversion in the form of the massive investment it will take to retool an entire

industry's manufacturing base and upgrading an aging, outdated electric grid infrastructure. We believe this could provide an organic global economic stimulus for decades to come.

I understand that a hopeful outlook is currently not en vogue. That said, alleviating some of the tensions in our political system, converting our transportation system to a cleaner alternative and putting the major portion of the COVID health risk behind us with an effective vaccine and/or therapeutic are, we believe, bona fide reasons to be optimistic. All we need to do is to survive the next few months so we can experience a better 2021 and beyond. Please do what you need to do in order be careful and to stay safe so we can all enjoy a brighter future together.

Warm regards,

Russ and the entire Tarkio team

Michele, Ginger, Dominic and Jeremy

The image shows four handwritten signatures in blue ink. From left to right, they are: 'Russ' (a stylized cursive signature), 'Michele' (a cursive signature), 'Ginger' (a cursive signature), and 'Dom' (a simple cursive signature).

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