A No-Load Mutual Fund Managed by:
Front Street Capital Management, Inc.

TARKIO FUND

Dear fellow shareholders,

The second quarter of 2021 and the year-to-date results of the Tarkio Fund (the "Fund") have been positive so far. The Fund, from June 30th, 2020 to June 30th, 2021, had a total return more than double that of the S&P 500. (For compliance purposes, we are also required to disclose that, as of the end of the second quarter, the total average annual return of the Fund over 1-year was 80.74%, over 5 years was 17.09%, over 10 years was 12.73%)

The past performance shown here reflects reinvested distributions and does not guarantee future results. Shares will fluctuate in value and, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance cited. For the most recent month-end performance, call Mutual Shareholder Services at (866) 738-3629 or visit us on the web at www.tarkiofund.com. The fund's gross expense ratio as of the most recent prospectus is 1.00%.

The Fund's portfolio companies appear to have weathered the worst of the COVID pandemic, and we (as the Fund's advisor) believe these businesses have generally outpaced their peers since the recovery from the pandemic began. We believe the companies in our portfolio appear to be well positioned to take part in long-term growth, including trends revolving around the renewable energy transition, the rollout of 5G/the internet of things, a revamping of US infrastructure, and electric/autonomous vehicles.

This is all cause for optimism and supports our confidence that the Fund's portfolio of employee-empowered, continual improvement companies can continue to capitalize on these tailwinds, overcome obstacles and continually evolve in order to deliver long term value for decades. But we do not expect this year's level of performance to continue year after year consistently and linearly into the future. During these times of optimism, we like to reiterate that great, long-term results are never consistent and never linear. In fact, as many of the Fund's investors will no doubt remember, this current period of strong performance comes on the back of a two-year period (2018 to the start of 2020) during which the Fund returned -5.94% while the S&P 500 returned 9.54%. Ours was one of the worst performing funds in our category during that period.

In fact, for the top performing investment managers over the long term, there are several reasons why they typically spend a significant portion of the time at the bottom of the pack.[1] The most important reason is that we don't sell our great companies when other investors are heading for the exit. Basic principles of supply and demand cause prices to go down (especially in a downturn or a scare) when more people want to sell their holdings than the number of people who want to buy. During a market downturn, scare, or panic, we hold onto our great companies, confident that they will emerge stronger coming out the other side. Therefore, by definition, our performance is worse than anyone else while we hold these positions all the way to the bottom while others are selling to limit their losses. But by holding on, we actually fuel the Fund's performance when our companies rebound after the scare is over. Moreover, if we can actually BUY more of our favorite companies on the way down, our short-term negative performance is magnified as we acquire more and more of the positions that are dragging down our performance. But we are happy to hold (and to acquire more), since we have confidence in where our companies will end up on the other side. Therefore, a downturn represents an opportunity for us to reposition the Fund's portfolio to a place where we think we can show even stronger long-term performance going forward. When a company underperforms in the short term, but we believe it has a bright long-term future, we lean in and buy as much as we can, often causing the Fund's performance to fluctuate more than the market. We will say this again, you can expect our portfolio to underperform (and often drastically) about 1/3rd of the time. But we could not create strong long-term performance without these temporary periods.

It's no surprise, then, that we don't focus on these short-term periods, whether they constitute good or bad performance. As we reiterate in all our letters, we choose investments based on a unique, more qualitative criteria:

- Long-Term Focus
- Integrity of Management
- Employee Empowerment
- Teamwork and Cooperation
- Purpose and Passion
- Disciplined Capital Allocation

[1] Investor Joel Greenblatt famously points out that according to *Davis Advisors*' study of the top 25% of investment funds (based on total investment performance over a decade), every one of those managers spent at least one 3-year period in the bottom half of the performance rankings. And half of these "top quartile" managers spent at least 3 years in the bottom 10% of the performance rankings.

A company that successfully employs this type of management style over decades can develop a lasting culture of continuous improvement that builds success through a motivated, fulfilled workforce that becomes expert at solving problems and opportunistically takes advantage of market trends by providing the most value to their customers. So our research focuses on these criteria regardless of economic trends, industry type, or company size, because the lifespan of a great company is practically indefinite. With a long time horizon and an empowered workforce that isn't weighed down by management bureaucracy or ego, great companies can respond to evolving environments, continually delight their customers, and shift their business models as necessary in relatively short periods of time to take long-term advantage of ever changing market dynamics.

A great example of this is Cognex, the machine vision technology company that has been in our portfolios since 1992 (and in the Fund since its inception). When we first purchased Cognex, its largest market was machine vision systems for semiconductor manufacturing. Now, in 2021, this particular market constitutes less than 10% of its business (and shrinking), as Cognex has pivoted over and over to provide machine vision products that are used in everything from online fulfillment centers to automobile manufacturing to medical laboratories. Recently, with an eye to the future, Cognex is in the beginning stages of shifting focus more towards using artificial intelligence to solve previously unsolvable machine vision problems. Ask any manager at Cognex, however, and will likely tell you that their success and ability to remain nimble and adaptive is due to their "Work Hard, Play Hard, Move Fast" culture rather than any sort of hyper-intelligent management strategy. They simply follow the ideas of the employees closest to the customer and give them all the information needed to make informed decisions.

A common result of this qualitative approach is that the market performance of our companies will rarely line up with what we believe is a fair valuation of their businesses. On any given day, based on whatever the news of the day may be, the stock price of any of these companies might be either less or more than what we think is a reasonable price to pay for the business. For you as a client, this can be maddening. But when such dislocations occur, we see an opportunity to buy great companies at reasonable prices. Therefore, we encourage investors to view performance in chunks of at least five years for a more reasonable yardstick of how we are performing. In the meantime, we encourage everyone to follow our regular correspondence regarding what our companies are doing qualitatively. These letters can be found on the Fund's website at https://tarkiofund.com/shareholder-letters/. And please reach out with any specific questions you may have on any particular holding or aspect of our investment strategy. That way you can decide for yourself whether you think we continue to stick to our principles, avoid the short-term noise of the market, and may continue to have more periods of great performance than periods of poor performance long into the future.

Thank you for your continued support and long-term investment in the Fund.

Sincerely,

Russ Michele Ginger Dom

Dominic Piazza, Jeremy Brown, Michele Blood, Ginger Belker, and Russ Piazza

On September 30, 2021, CGNX was 11.5% of the Tarkio Fund Portfolio at a share price of $80.22a share.

The mention of any investments in this commentary should not be considered a recommendation to sell or purchase the security(ies) mentioned or similar investments. Please consult an investment professional on how the purchase or sale of such investments can be implemented to meet your particular investment objective or goals. Investments in securities and/or similar investments are subject to risks. It is important to obtain information about and understand these risks prior to investing.

Mutual Fund investing involves risk. Such risks associated with the Tarkio Fund (including but not limited to Small/Medium Capitalization Risks, Foreign Securities Risk, Fixed Income Securities Risk, Non-Diversification Risk, and New Fund/Adviser Risk) as well as applicable investment objectives, charges and expenses must be considered carefully before investing.

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. A prospectus containing this and other information may be obtained by visiting www.tarkiofund.com or by contacting 866-738-3629. We encourage you to read the prospectus before investing.

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