FRONT STREET CAPITAL
management inc.

To the shareholders of the Tarkio Fund:

We believe the low point the stock market reached in March of 2009 is in many ways comparable to the low point the market reached back in 1974.

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Ben Graham said that there will be times when the stocks will outperform their underlying businesses' and other times when the underlying businesses' will outperform their stocks. As you can see from the above chart, from 1974-2000 the S&P 500 ® Index (S&P 500) increased 13.77% compounded per year for twenty-five years.[1] Unfortunately, the businesses did not compound their net worth at that same pace during that extraordinary run. In fact, over time the average return on equity for the S&P 500 companies' is something just north of 10%. We believe if the majority of investors acted rationally rather than emotionally the S&P 500 index would increase by approximately that amount every year and the stock market would be a very boring place. As we know, nothing could be further from the truth and short term movements in stock prices are anything but boring. We believe from 1974-2000, the stocks represented in the S&P 500 outperformed their underlying businesses' by over 4% per year

[1] S&P 500 Index: October 3, 1974 low of $61.66 vs March 24, 2000 high of $1,552.87

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for a quarter of a century. Obviously that condition was unsustainable and the twenty-five year tailwind for stocks finally ended in a classic bubble in 2000.

What we believe is equally as interesting in this chart is that the low point in 2009 equaled the same value as back in 1996. In other words, if one would have invested one dollar in the index in 1996 it still would have been worth only one dollar 13 years later in 2009. Coincidently as you can see, there was a similar drought for equity investors in the 13 years leading up to the low point in 1974. Hence, while stocks went nowhere for the 13 years prior to 2009 and 1974, the underlying businesses' continued to compound their equity at approximately 10% during the same period. As such, we believe in both instances 1961-1974 and 1996-2009 the businesses' outperformed their underlying stocks by over 10% per year for 13 years. This condition, in our opinion, was equally as unsustainable. As a result, we believe the 13 year drought from 1961-1974 spawned a tailwind for stocks that lasted twenty-five years. We also believe the equivalent situation that began in 2009 is providing a similar tailwind that we may be enjoying for a similar multi-decade period of time.

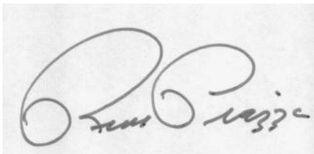
Sir John Templeton said, "Bull markets are born on pessimism; grow on skepticism, mature on optimism, and die on euphoria." Our belief is that after a 13 year drought for equity investors followed by a panic in stock prices of nearly biblical proportions; by definition 2009 and 1974 represented historical points of maximum pessimism. As time goes by, investors slowly start to warm up to owning common stocks, becoming just skeptical enough to trickle back in to the market, but they do so very apprehensively. As a result, with the slightest bit of negative news, we believe these skeptical investors quickly turn pessimistic and are easily frightened out again. This behavior, illustrated on the chart as short term volatility, is most pronounced from 1974-1996 during what we believe to be the most favorable part of the curve. We think this volatility is indicative of the fear that still controls investor's emotions. We strongly believe "fear is good" in securities markets as it provides a margin of safety in valuations for unexpected short term dislocations. We feel negative news is not so bad if it is built into expectations. Danger lurks in an environment where there is no fear. Just think about the fearless behavior at the top of the real estate market in 2007 when folks were borrowing sums of money they would have never considered at any other time to purchase property at prices that made absolutely no economic sense.

We think it is also interesting to notice on the above chart that there is a point in time when investors have the ability to clearly see in the rear view mirror that their fears were not warranted and if they would have just relaxed and enjoyed the ride from 1974-1996 they would compounded their capital at extraordinary rates. At this point, fear starts to moderate and investor's expectations for future returns rise commensurately. We think it is fascinating that as the fear subsides and expectations rise, volatility actually starts to go away. Notice the straight up move during the most dangerous part of the curve from 1996-2000. We believe as long as there is fear in the air as reflected by a healthy dose of short term volatility then we are working our trade in a favorable environment.

Finally, although the S&P 500 index rose 13.77 % for twenty-five years, not every year during that period was positive. In fact, four out of those twenty-five years were either flat (up less than 5%) to down. We view these pauses as healthy, enabling equity prices to digest recent gains potentially acting as springboards for a reacceleration in increases during ensuing years. After two very positive calendar years in 2012 and 2013 for both the index and our fund, as we speak, the S&P 500 index is up less than 6% for the year and the Tarkio Fund is down slightly. We will never know the short term movements of stock prices; however, if this year does turn out to be a year of modest to negative performance, in the middle of what we believe is a very favorable long term trend, than we welcome the breather and anxiously anticipate the potential for a reacceleration in returns in 2015 and beyond.

We thank you for your continued investment and confidence in the Tarkio Fund.

Respectfully,



Front Street Capital Management, Inc. serves as the Investment Adviser to the Tarkio Fund.

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. This and other important information about the Tarkio Fund is found in the Prospectus, a copy of which or current performance 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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