

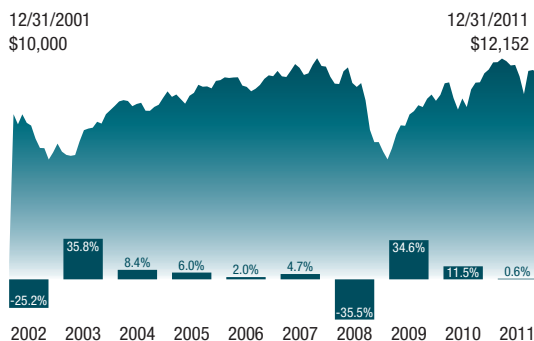
Investment Update

Fund Performance

	3 month	YTD	1 year	3 year**	5 year**	10 year**
Bridges Investment Fund	11.90%	0.62%	0.62%	14.73%	0.41%	1.97%
Russell 1000 Growth Index	10.61%	2.64%	2.64%	18.02%	2.50%	2.60%
S&P 500 Stock Index	11.82%	2.11%	2.11%	14.11%	-0.25%	2.92%

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Fund performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by calling 866-934-4700.
** Annualized Return

Growth of 10k and Annual Year Returns

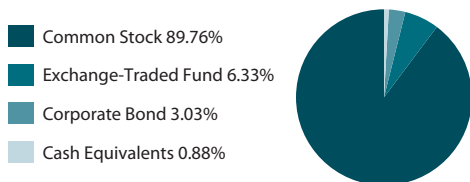


This chart illustrates the performance of a hypothetical \$10,000 investment made 10 years ago. Assumes reinvestment of capital gains and dividends, but does not reflect the effect of any applicable sales charges or redemption fees. This chart is not intended to imply any future performance and represents past performance

Top 10 Stock Holdings

APPLE INC	6.6%
MASTERCARD INC	5.6%
GOOGLE INC	3.9%
UNION PACIFIC CORP	3.6%
ISHARES S&P MIDCAP 400 INDEX FUND	3.6%
CHEVRON CORP	3.3%
QUALCOMM INC	3.0%
EATON CORP	3.0%
CAPITAL ONE FINANCIAL CORP	2.9%
CATERPILLAR INC	2.8%
Total	38.3%

Portfolio Statistics



Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. Current and future portfolio holdings are subject to risk.

Fund Facts

Symbol:	BRGIX
Cusip:	108439100
Dividend Policy:	Quarterly
Inception Date:	7/1/1963
Minimum Investment:	\$1,000.00
Manager Tenure:	14 Years
Total Fund Assets:	\$73.8 million
Total # of Stocks:	49
Total # Fixed Income:	9
Turnover Ratio:	26.56%
Expense Ratio:	0.91%
Sales Charge:	None
Redemption Fee:	None

Industry Allocation (Top 12) (% of stocks)

Computer & Elect. Product Mfg.	12.76%
Prof., Scientific & Tech. Services	9.67%
Credit Intermediation	7.51%
Oil and Gas Extraction	7.12%
Funds, Trusts, & Other Financials	6.76%
Machinery Manufacturing	5.92%
Bevg. & Tobacco Product Mfg.	4.82%
Chemical Manufacturing	4.52%
Other Information Services	3.94%
Rail Transport	3.59%
Petroleum & Coal Products Mfg.	3.31%
Food Services	2.97%
Total	72.89%

Stocks saw significant volatility in 2011, but ended the year little changed from where they started.

The S&P 500 finished the year with its smallest year-over-year change ever, closing at 1257.60 after starting 2011 at 1257.64. The index saw large volatility during 2011, reaching a high of 1370.58 in early May, and a low of 1074.77 in early October.

Corporate earnings in 2011 were well ahead of expectations, with the exception of the banking sector. At the outset of 2011, consensus earnings estimates for the S&P 500 for the year were \$92, which would have represented an 11% gain from the Index's 2010's earnings level of \$83.77. At the close of 2011, consensus earnings estimates for the S&P 500 are now \$97 for 2011, which would result in a 16% year-over-year advance.

Despite the strong corporate earnings performance in 2011, equity valuations continued to shrink, with the S&P 500's trailing P/E at 12.9x at year end, down from 15.0x at year end 2010. Essentially, strong corporate earnings in 2011 were offset by ongoing valuation compression, which has been in place since 1999, when the S&P 500 ended the year at 28.4x trailing earnings.

We are constructive on the outlook for equity returns going forward, and our positive stance is largely based on valuations.

The three primary risk factors of 2011 – a below trend U.S. economic recovery, the debt crisis in Europe, and deep political divisions in the U.S. – remain concerns for 2012.

That said, we believe the equity valuations largely discount many of the apparent risks facing investors at present.

The S&P 500 trades at 12.9x trailing 2011 earnings, and at 11.6x consensus 2012 estimated earnings of \$107, the lowest valuations for the Index since 1989.

We believe fair value for the S&P 500 in 2012 approximates 1500-1600, or about 14-15x consensus estimated 2012 earnings.

The Fund's portfolio continues to be comprised primarily with companies with strong balance sheets, high levels of profitability, and a demonstrated ability to grow business value over the long run despite periodically challenging economic conditions.

Overall, we believe the Fund's holdings are very attractively valued looking out over the next several years. At present, the Fund's portfolio trades at 13.0x estimated 2012 earnings and 11.3x estimated 2013 earnings, and have projected long term earnings growth of 11-13%. This compares favorably with the 12.8x 2012 P/E and 6-7% earnings growth projected for the S&P 500.

We believe that the Fund's companies should be well positioned to grow shareholder value at attractive rates in the future. The Fund's holdings have strong balance sheets, long track records of generating above average financial performance for shareholders, attractive valuation characteristics, and good prospects for growing their business value over time.

Bridges Investment Fund, Inc.

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256 Durham Plaza
Omaha, NE 68114
www.bridgesfund.com

■ Ticker Symbols BRGIX

■ Cusip number: 108439100 ■ Toll free number: 866-934-4700

Investment Strategy

The Bridges Investment Fund, Inc. is a general equity fund whose primary investment objective is long-term growth of capital.

The Fund's equity investment process focuses on identifying companies which have superior revenue, earnings, dividend, and free cash flow growth and above-average profit margins, profitability and balance sheet quality.

Historically, the Fund has tended to primarily own larger companies, although at any time, the Fund may own small, medium, or large capitalization companies.

Normally, equity securities of U.S. companies will represent 60% or more of the Fund's assets. The Fund's secondary investment objective is the generation of a moderate amount of investment income.

The Fund may acquire investment grade corporate bonds, debentures, U.S. Treasury bonds and notes, and preferred stocks. Normally, such fixed-income securities will not constitute more than 40% of the Fund's portfolio.



Fund Management



Edson (Ted) L. Bridges III

Edson (Ted) L. Bridges III, CFA is the portfolio manager of the Bridges Investment Fund, Inc. Mr. Bridges has been responsible for the day-to-day management of the Fund's portfolio since April 11, 1997, when he was elected President of the Fund. He is also President and CEO of Bridges Investment Management, Inc., the Fund's investment adviser. He graduated from Dartmouth College and earned a J.D. degree from the University of Nebraska Law School. Mr. Bridges joined Bridges Investment Counsel, Inc. in 1983 and has been responsible for the Firm's securities research and portfolio management.

Fund Objective

The Bridges Investment Fund's primary investment objective is long-term capital growth with a secondary objective of generation of a moderate amount of investment income.

Investor Profile

This multi-cap fund may be suitable core holding for an investor's overall portfolio should that investor desire to invest in the broad U.S. equity markets.

The Bridges Advantage

Focused - Emphasis on identifying companies with superior growth and profitability metrics, and attractive long-term market valuations.

Experienced - The portfolio manager has over 28 years of investment experience and has been managing the Fund for over 14 years.

Independent - The portfolio manager is supported by a team of seasoned financial analysts who conduct independent fundamental research.

Cost Efficient - The expense ratio is lower than the equity mutual fund universe average.* The fund's low portfolio turnover minimizes transaction expenses.
**Source: Morningstar*

Committed - The portfolio manager and other Fund officers invest their own money in the Fund.

Proven - The Fund has a long track record of performance.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and may be obtained by calling 1-866-934-4700 or visiting www.bridgesfund.com. Read carefully before investing.

The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index.

Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Mutual fund investing involves risk; principal loss is possible. The Fund invests in foreign securities which involve political, economic and currency risks, greater volatility and differences in accounting methods.

Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

Small and medium capitalization companies tend to have limited liquidity and greater price volatility than large capitalization companies. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for long-term debt securities.

• **Cash Flow:** Measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

• **VIX:** The VIX is a widely used measure of market risk and is often referred to as the "investor fear gauge". VIX is the ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility.

• **Price/Earnings:** the ratio of a firm's closing stock price and its trailing 12 months' earnings/share.

While the fund is no-load, management fees and other expenses still apply.

Earnings per share is calculated by taking the total earnings divided by the number of shares outstanding.

Earnings Growth Rate is not a measure of the Fund's future performance.

Opinions expressed are those of Bridges Investment Fund and are not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Quasar Distributors, LLC, distributor

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