



2nd Quarter Shareholder Letter

July 8, 2010

Dear Shareholder,

Bridges Investment Fund had a total return of -13.40% in the second quarter of 2010, which lagged the 11.43% decline in the S&P 500 and 11.75% decline in the Russell 1000 Growth Index over the same period. For the twelve month period ended June 30, 2010, the Fund had a total return of 10.57% versus 14.43% for the S&P 500 and 13.62% for the Russell 1000 Growth Index. For the three year period ended June 30, 2010, the Fund had an average annual total return of -7.07% versus -9.81% for the S&P 500 and -6.91% for the Russell 1000 Growth Index. For the five year period ended June 30, 2010, the Fund had an average annual total return of -1.86% versus -0.79% for the S&P 500 and 0.38% for the Russell 1000 Growth Index. For the ten year period ended June 30, 2010, the Fund had an average annual total return of -2.98% versus -1.59% for the S&P 500 and -5.14% for the Russell 1000 Growth Index. The Fund's expense ratio is 1.03%.

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.

The stock market had its worst quarter since the fourth quarter of 2008, as investors reacted negatively to increasing economic problems in the European Union, the Gulf of Mexico oil spill, and as concerns regarding the sustainability of the economic recovery increased.

Ironically, the market's decline during the quarter began toward the end of April as the first quarter earnings season wound down. Earnings for the first quarter saw a fifth straight quarter of strong corporate profit improvement, as S&P 500 earnings grew 52% year over year, and 77.7% of S&P 500 companies reported positive earnings surprises.

We believe the pace and sustainability of the economic recovery that has been in place since early 2009 is the most significant risk facing investors for the remainder of 2010 and into 2011.

It appears that current equity market valuations are discounting either a double dip recession, or a material economic slowdown over the next several quarters.

At present, the S&P 500 trades at about 12-13x estimated 2010 earnings, well below the average of the past several decades. We anticipate continued earnings growth on balance over the next several years which in combination with a return to more normal valuation levels would drive satisfactory equity returns.

While we expect continued market volatility given the challenging nature of the current global economic situation, we believe the Fund's holdings remain attractively valued and are well positioned to show continued improvement in financial performance going forward.

Opinions expressed are those of Edson L. Bridges III and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Mutual fund investing involves risk. Principal loss is possible. 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 longer-term debt securities. Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

S&P 500 Index is a broadly based unmanaged composite of 500 stocks which is widely recognized as representative of price changes for the U.S. equity market in general. The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. It is not possible to invest directly in a specific index.

Fund holdings and sector allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security. As of 6/30/10, as a percentage of net assets, the funds top ten holdings were: [Click here for Top Ten Holdings](#) as of 6/30/10.

Must be preceded or accompanied by a current prospectus.

The Bridges Investment Fund is distributed by Quasar Distributors, LLC.

Sincerely,

Edson L. Bridges III, CFA
President and Chief Executive Officer