

BRIDGES

INVESTMENT FUND, INC.

Fifty-Fourth

Annual Shareholder Report

2016

(This Page Intentionally Left Blank.)

Contents of Report

Page 1	Shareholder Letter
Exhibit 1 Page 5	Portfolio Transactions During the Period from July 1, 2016 through December 31, 2016
Exhibit 2 Pages 6-7	Selected Historical Financial Information
Pages 8-9	Expense Example
Page 10	Allocation of Portfolio Holdings
Pages 11-25	Financial Statements and Report of Independent Registered Public Accounting Firm
Page 26	Privacy Policy
Pages 27-28	Additional Disclosures
MD&A 1 – 11	Management Discussion and Analysis

IMPORTANT NOTICES

Must be preceded or accompanied by a Prospectus.

Opinions expressed herein are those of Edson L. Bridges III and are subject to change. They are not guarantees and should not be considered investment advice.

The 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 is an unmanaged composite of stocks that measures the performance of the stocks of companies with higher price-to-book ratios and higher forecasted growth values from a universe of the 1,000 largest U.S. companies based on total market capitalization. You cannot invest directly in a specific index.

Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures. Free cash flow (FCF) represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base.

Cash Flow is the net amount of cash and cash-equivalents moving into and out of a business.

The Price-to-Earnings Ratio or P/E ratio is a ratio for valuing a company that measures its current share price relative to its per-share earnings.

Earnings growth for a Fund holding does not guarantee a corresponding increase in market value of the holding or the Fund.

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.

The Fund invests in foreign securities which involve political, economic and currency risks, greater volatility and differences in accounting methods.

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

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

BRIDGES

INVESTMENT FUND, INC.

January 24, 2017

Dear Shareholder

Performance

Bridges Investment Fund had a total return of 7.09% for the one year period ending December 31, 2016. By comparison, the S&P 500 had a total return of 11.96%, while the Russell 1000 Growth Index finished up 7.08% for the year. The Fund had total returns of 5.53%, 12.28%, and 6.18% for the 3, 5, and 10 year periods ending December 31, 2016, compared to total returns of 8.87%, 14.66%, and 6.95% for the S&P 500, and 8.55%, 14.50%, and 8.33% for the Russell 1000 Growth Index over the same periods of time. Three, five, and ten year periods are annualized. The Fund's gross expense ratio is 0.82%.

Performance data quoted represents past performance. Past performance 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. Current performance of the Fund may be lower or higher than the performance stated above. Performance data current to the most recent month end may be obtained by calling 866-934-4700.

Review of 2016 and Outlook for 2017

In 2016, U.S. equities provided solid total returns within the context of a choppy and volatile trading environment that was driven by concerns of recession in the first quarter, the surprising Brexit election in the second quarter, and the surprising election of Donald Trump in November. While these headlines created significant day-to-day stock price volatility, corporate earnings, outside of the energy sector, held together reasonably well over the course of the year and supported positive aggregate total returns for U.S. equities.

Key potential risks to our outlook for stocks include: 1) the onset of recession in the U.S. and/or worsening international economic conditions; 2) corporate earnings disappointments (which could result from persistent dollar strength), 3) a narrowing of stock valuations due to sharply higher interest rates, 4) the inability of the Trump Administration to make meaningful progress against their broad policy agenda, and 5) an escalation of global political instability and/or terrorism.

Despite the potential risks outlined above, we remain constructive on the outlook for stocks in 2017-18, and beyond, because we believe equity valuations remain close to our estimate of fair value, and because we believe corporate earnings will continue to grow on balance despite a continued challenging global economic environment. We believe that several factors that have been a headwind for U.S. corporate profits over the past eighteen months could moderate in 2017-18: commodity prices could continue their recovery, interest rates could rise, and the dollar's strength could moderate. Some combination of higher commodity prices, higher interest rates, and a flattening out of the dollar could benefit aggregate corporate earnings.

We have established a 2017 year-end fair value target range of 2350-2425 for the S&P 500 (about 18.0x estimated 2017 earnings of \$130-135), which implies upside of

roughly 7-8% from the S&P's 2016 year-end level of 2238. Our preliminary year-end 2018 fair value target range is 2500-2550 (18.0x estimated 2018 earnings of \$140-145).

We expect above average capital markets volatility in 2017, driven primarily by uncertainty surrounding the ability of President Trump to achieve success on his core policy initiatives in the areas of tax reform, government regulation reduction, health care reform, and international trade policy. The strong stock market rally since the November 8 election (the S&P 500 is up 5%+ since the election) implies that investors are already discounting material success for the Trump Administration. To the extent that Trump is unable to make quick and meaningful progress against his stated goals, stocks could give back some or all of their recent gains. Conversely, if Trump is able to work with Congress to achieve meaningful tax rate reductions, a decrease in business regulation, and health care reform, equities could respond favorably as those factors could result in higher corporate profitability over the next few years.

Longer term, we believe equities are currently priced to return between 6-9% annually over the next 5 to 10 years, assuming long term earnings growth of 5-7% and a P/E of 15-18x (versus a long historic average P/E of 16x for the S&P 500).

We continue to favor equities that have strong business franchises and an ability to grow revenues, cash flows, earnings, dividends, and underlying business value at solid rates despite a continued sluggish and highly competitive global economic environment. We believe that companies that are able to achieve solid growth in business value should be able to generate total returns for their shareholders that are commensurate with business value growth.

Our Portfolio

The Fund's portfolio continues to be comprised primarily of 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.

The following table summarizes the changes we made in the Fund in 2016:

BRIDGES INVESTMENT FUND CHANGES FOR 2016

<u>NEW BUYS:</u>	<u>ADDS:</u>	<u>TRIMS:</u>	<u>ELIMINATED:</u>
Ameriprise Financial	Chevron	Altria	Cerner
Amgen	Cognizant Technology Solutions	Biogen	iShares MSCI
Apache Corp	Continental Resources	Cognizant Technology Solutions	EAFE ETF
Cerner	Facebook	Davita	iShares Nasdaq
EOG Resources	Perrigo	Disney	Index Fund
Fedex		Eaton	Perrigo
Fiserv		Express Scripts	
Home Depot		Gilead Sciences	
Level 3 Communications		Lowe's	
Lowe's		Phillip Morris Int'l	
Thermo Fisher Scientific		Qualcomm	
		Roper	
		T Rowe Price Group	
		Union Pacific	

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

The companies that were the most additive to the Fund's return in 2016 included Apple, Berkshire Hathaway, Capital One Chevron, Continental Resources, Eaton, iShares Mid Cap ETF, iShares Small Cap ETF, J.P. Morgan, Qualcomm, and Union Pacific.

The companies that were the largest drag on performance in 2016 included Allergan, Celgene, Disney, Express Scripts, Gilead Sciences, Perrigo, and Starbucks.

Interestingly, many of the Fund's worst performers in 2015 were among the Fund's best performers in 2016, and vice versa.

In 2016, "value" outperformed "growth," and smaller companies generally outperformed larger companies. And, many of the commodity-related and economically-sensitive companies that performed poorly in 2015 enjoyed strong recoveries in 2016. Finally, health care stocks generally struggled in 2016 (extending a period of poor relative performance that dates to July, 2015). These factors all combined to contribute to the Fund's equities lagging the S&P 500 in 2016, following a better year of relative performance in 2015.

That said, we believe the Fund's holdings are both 1) well-positioned to grow their business value over the next several years, and 2) valued at levels that are attractive given our assessment of their business value growth potential.

We believe the Fund's holdings are attractively valued looking out over the next several years. At present, the Fund's portfolio trades at 24.9x estimated 2017 earnings and 25.0x estimated 2018 earnings, and have projected long term annual earnings growth of 12-13%. This compares with the 17.0x 2017 P/E, 15.4x 2018 P/E, and 5-7% long term annual earnings growth projected for the S&P 500.

We believe that the Fund's companies are well-positioned to grow shareholder value at attractive rates in the future. Our companies have strong balance sheets and business models that we believe should allow them to grow revenues, earnings, and free cash flow at attractive rates over the long run.

The Fund's investment process continues to emphasize the following core tenets:

1. A focus on high quality companies with good prospects for growing their business value over time
2. A strong valuation discipline
3. A long term approach to equity investing

Our investment management approach is based on the premise that over the long run, good businesses produce good investment returns for their shareholders. We seek to identify and own undervalued businesses that are growing business value for their shareholders at attractive rates.

Over time, we expect to benefit from our investment approach in two ways: 1) as our companies move from undervalued toward our estimate of fair value, and 2) from the growth in our companies' underlying business value over time.

We remain confident that our investment approach should be effective over the long run, as stock prices tend to track underlying changes in business value over time.

The Fund will hold its 54th annual meeting on March 28, 2017. Fund management will provide its outlook for the capital markets and the Fund for 2017 and beyond. We appreciate your continued investment in the Fund, and encourage all shareholders to attend this year's annual meeting.

Sincerely,

A handwritten signature in black ink that reads "Ted Bridges". The signature is written in a cursive, slightly slanted style.

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

Exhibit 1

BRIDGES INVESTMENT FUND, INC.

PORTFOLIO TRANSACTIONS
DURING THE PERIOD FROM
JULY 1, 2016 THROUGH DECEMBER 31, 2016
(Unaudited)

<u>Securities</u> Common Stock Unless Described Otherwise	<u>Bought or Received</u> \$1,000 Par Value (M) or Shares	<u>Held After Transactions</u> \$1,000 Par Value (M) or Shares
Ameriprise Financial, Inc.	2,000	12,000
Amgen, Inc.	5,000	10,000
Apache Corporation	20,000	20,000
Cerner Corporation	10,000	10,000
EOG Resources, Inc.	15,000	15,000
Facebook, Inc.	3,000	20,000
FedEx Corp.	2,000	7,000
Fiserv, Inc.	10,000	10,000
Home Depot, Inc.	5,000	5,000
Level 3 Communications, Inc.	10,000	20,000
Lowe's Companies, Inc.	17,000	17,000
Thermo Fisher Scientific, Inc.	3,000	3,000

<u>Securities</u> Common Stock Unless Described Otherwise	<u>Sold or Exchanged</u> \$1,000 Par Value (M) or Shares	<u>Held After Transactions</u> \$1,000 Par Value (M) or Shares
Biogen Inc.	1,500	3,500
Cerner Corporation	10,000	—
Cognizant Technology Solutions Corporation	8,000	10,000
DaVita Inc.	6,000	10,000
Disney, Walt Company	3,000	30,000
Express Scripts Holding Company	5,000	35,000
Gilead Sciences, Inc.	7,000	13,000
iShares MSCI EAFE ETF	30,000	—
Lowe's Companies, Inc.	10,000	7,000
Perrigo Company PLC	13,000	—
Union Pacific Corporation	17,000	35,000

Exhibit 2

BRIDGES INVESTMENT FUND, INC.

SELECTED HISTORICAL FINANCIAL INFORMATION

(Unaudited)

----- Year End Statistics -----

<u>Valuation Date</u>	<u>Net Assets</u>	<u>Shares Outstanding</u>	<u>Net Asset Value/Share</u>	<u>Dividend/Share</u>	<u>Capital Gains/Share</u>
07-01-63	\$ 109,000	10,900	\$10.00	\$ —	\$ —
12-31-63	159,187	15,510	10.13	.07	—
12-31-64	369,149	33,643	10.97	.28	—
12-31-65	621,241	51,607	12.04	.285	.028
12-31-66	651,282	59,365	10.97	.295	—
12-31-67	850,119	64,427	13.20	.295	—
12-31-68	1,103,734	74,502	14.81	.315	—
12-31-69	1,085,186	84,807	12.80	.36	—
12-31-70	1,054,162	90,941	11.59	.37	—
12-31-71	1,236,601	93,285	13.26	.37	—
12-31-72	1,272,570	93,673	13.59	.35	.08
12-31-73	1,025,521	100,282	10.23	.34	.07
12-31-74	757,545	106,909	7.09	.35	—
12-31-75	1,056,439	111,619	9.46	.35	—
12-31-76	1,402,661	124,264	11.29	.38	—
12-31-77	1,505,147	145,252	10.36	.428	.862
12-31-78	1,574,097	153,728	10.24	.481	.049
12-31-79	1,872,059	165,806	11.29	.474	.051
12-31-80	2,416,997	177,025	13.65	.55	.0525
12-31-81	2,315,441	185,009	12.52	.63	.0868
12-31-82	2,593,411	195,469	13.27	.78	.19123
12-31-83	3,345,988	229,238	14.60	.85	.25
12-31-84	3,727,899	278,241	13.40	.80	.50
12-31-85	4,962,325	318,589	15.58	.70	.68
12-31-86	6,701,786	407,265	16.46	.688	.86227
12-31-87	7,876,275	525,238	15.00	.656	1.03960
12-31-88	8,592,807	610,504	14.07	.85	1.10967
12-31-89	10,895,182	682,321	15.97	.67	.53769
12-31-90	11,283,448	744,734	15.15	.67	.40297
12-31-91	14,374,679	831,027	17.30	.66	.29292
12-31-92	17,006,789	971,502	17.51	.635	.15944
12-31-93	17,990,556	1,010,692	17.80	.6225	.17075
12-31-94	18,096,297	1,058,427	17.10	.59	.17874
12-31-95	24,052,746	1,116,620	21.54	.575	.19289
12-31-96	29,249,488	1,190,831	24.56	.55	.25730
12-31-97	36,647,535	1,262,818	29.02	.5075	.30571
12-31-98	48,433,113	1,413,731	34.26	.44	2.11648

Exhibit 2
(Continued)

BRIDGES INVESTMENT FUND, INC.

SELECTED HISTORICAL FINANCIAL INFORMATION
(Unaudited)

----- Year End Statistics -----

<u>Valuation Date</u>	<u>Net Assets</u>	<u>Shares Outstanding</u>	<u>Net Asset Value/Share</u>	<u>Dividend/Share</u>	<u>Capital Gains/Share</u>
12-31-99	\$ 69,735,684	1,508,154	\$46.24	\$.30	\$.91088
12-31-00	71,411,520	1,850,301	38.59	.40	.80880716
12-31-01	60,244,912	1,940,494	31.05	.26	—
12-31-02	45,854,541	1,989,769	23.05	.20	—
12-31-03	62,586,435	2,016,560	31.04	.24	—
12-31-04	74,281,648	2,230,038	33.31	.305	—
12-31-05	80,715,484	2,305,765	35.01	.2798	—
12-31-06	82,754,479	2,336,366	35.42	.2695	—
12-31-07	77,416,617	2,258,380	34.28	.2364	2.5735
12-31-08	49,448,417	2,257,410	21.91	.2603	—
12-31-09	67,435,343	2,303,377	29.28	.17	—
12-31-10	75,014,486	2,307,301	32.51	.126	—
12-31-11	73,779,028	2,266,478	32.55	.1586	—
12-31-12	83,361,384	2,256,216	36.95	.207	—
12-31-13	110,155,511	2,335,264	47.17	.2408	1.62945
12-31-14	122,102,388	2,463,893	49.56	.265	1.71490
12-31-15	116,368,311	2,378,851	48.92	.2725	.5244
12-31-16	122,877,447	2,381,534	51.60	.2929	.47505

BRIDGES INVESTMENT FUND, INC.

EXPENSE EXAMPLE

DECEMBER 31, 2016
(Unaudited)

As a shareholder of the Bridges Investment Fund, Inc., you incur ongoing costs, including management fees; services fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held the entire period (July 1, 2016 – December 31, 2016).

ACTUAL EXPENSES

The first line of the table below provides information about actual account values and actual expenses. Although the Fund charges no sales load or transactions fees, you will be assessed fees for outgoing wire transfers (including redemption requests), returned checks or stop payment orders at prevailing rates charged by U.S. Bancorp Fund Services, LLC, the Fund's transfer agent. To the extent that the Fund invests in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which a Fund invests in addition to the expenses of the Fund. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the example below. The example includes, but is not limited to, management fees, shareholder servicing fees, fund accounting, custody and transfer agent fees. However, the example below does not include portfolio trading commissions and related expenses, interest expense or dividends on short positions taken by the Fund and other extraordinary expenses as determined under generally accepted accounting principles. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratios and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), redemption fees, or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value <u>July 1, 2016</u>	Ending Account Value <u>December 31, 2016</u>	Expenses Paid During Period* July 1, 2016 – <u>December 31, 2016</u>
Actual	\$1,000	\$1,099.80	\$4.25
Hypothetical (5% annualized return before expenses)	\$1,000	\$1,021.09	\$4.09

* Expenses are equal to the Fund's annualized expense ratio of 0.81%, multiplied by the average account value over the period, multiplied by 184/366 to reflect the one-half year period.

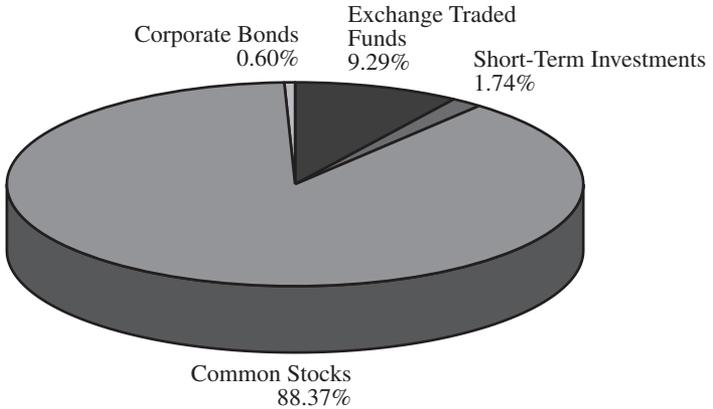
BRIDGES INVESTMENT FUND, INC.

ALLOCATION OF PORTFOLIO HOLDINGS

PERCENTAGE OF TOTAL INVESTMENTS

DECEMBER 31, 2016

(Unaudited)



COMPONENTS OF PORTFOLIO HOLDINGS

Common Stocks	\$108,694,354
Exchange Traded Funds	11,426,800
Corporate Bonds	745,262
Short-Term Investments	2,136,035
Total	<u><u>\$123,002,451</u></u>

BRIDGES INVESTMENT FUND, INC.

SCHEDULE OF INVESTMENTS

DECEMBER 31, 2016

<u>Title of Security</u>	<u>Shares</u>	<u>Cost</u>	<u>Value</u>
<u>COMMON STOCKS – 88.45%</u>			
<u>Administrative and Support Services – 1.12%</u>			
PayPal Holdings, Inc. (a)	35,000	\$ 871,561	\$ 1,381,450
<u>Ambulatory Health Care Services – 0.52%</u>			
DaVita HealthCare Partners, Inc. (a)	10,000	\$ 609,768	\$ 642,000
<u>Amusement, Gambling, and Recreation Industries – 2.54%</u>			
The Walt Disney Co.	30,000	\$ 1,588,580	\$ 3,126,600
<u>Beverage and Tobacco Product Manufacturing – 3.60%</u>			
Altria Group, Inc.	25,000	\$ 655,641	\$ 1,690,500
PepsiCo, Inc.	13,000	632,331	1,360,190
Philip Morris International, Inc.	15,000	640,580	1,372,350
		<u>\$ 1,928,552</u>	<u>\$ 4,423,040</u>
<u>Broadcasting (except Internet) – 1.69%</u>			
Comcast Corp. – Class A	30,000	\$ 1,381,050	\$ 2,071,500
<u>Building Material and Garden Equipment and Supplies Dealers – 0.96%</u>			
Home Depot, Inc.	5,000	\$ 614,711	\$ 670,400
Lowe’s Companies, Inc.	7,000	534,185	497,840
		<u>\$ 1,148,896</u>	<u>\$ 1,168,240</u>
<u>Chemical Manufacturing – 5.69%</u>			
Allergan Plc (a)	15,000	\$ 2,160,149	\$ 3,150,150
Ecolab, Inc.	15,000	1,436,988	1,758,300
Gilead Sciences, Inc.	13,000	1,054,391	930,930
Johnson & Johnson	10,000	866,300	1,152,100
		<u>\$ 5,517,828</u>	<u>\$ 6,991,480</u>
<u>Computer and Electronic Product Manufacturing – 8.79%</u>			
Apple, Inc.	70,000	\$ 1,181,978	\$ 8,107,400
QUALCOMM, Inc.	35,000	1,482,755	2,282,000
Thermo Fisher Scientific, Inc.	3,000	446,873	423,300
		<u>\$ 3,111,606</u>	<u>\$ 10,812,700</u>

See accompanying Notes to the Financial Statements.

Percentages are stated as a percent of net assets.

(a) Non Income Producing.

BRIDGES INVESTMENT FUND, INC.SCHEDULE OF INVESTMENTS

(Continued)

DECEMBER 31, 2016

<u>Title of Security</u>	<u>Shares</u>	<u>Cost</u>	<u>Value</u>
<u>COMMON STOCKS (Continued)</u>			
<u>Couriers and Messengers – 1.99%</u>			
FedEx Corp.	7,000	\$ 1,150,843	\$ 1,303,400
United Parcel Service, Inc. – Class B	10,000	985,007	1,146,400
		<u>\$ 2,135,850</u>	<u>\$ 2,449,800</u>
<u>Credit Intermediation and Related Activities – 8.82%</u>			
Ameriprise Financial, Inc.	12,000	\$ 1,167,077	\$ 1,331,280
Capital One Financial Corp.	35,000	1,042,098	3,053,400
JPMorgan Chase & Co.	30,000	1,721,192	2,588,700
Wells Fargo & Co.	70,000	1,821,947	3,857,700
		<u>\$ 5,752,314</u>	<u>\$ 10,831,080</u>
<u>Data Processing, Hosting and Related Services – 0.86%</u>			
Fiserv, Inc. (a)	10,000	\$ 971,166	\$ 1,062,800
<u>Food Services and Drinking Places – 1.36%</u>			
Starbucks Corp.	30,000	\$ 561,001	\$ 1,665,600
<u>Health and Personal Care Stores – 1.96%</u>			
Express Scripts Holding Co. (a)	35,000	\$ 1,132,703	\$ 2,407,650
<u>Insurance Carriers and Related Activities – 2.65%</u>			
Berkshire Hathaway, Inc. – Class B (a)	20,000	\$ 678,649	\$ 3,259,600
<u>Machinery Manufacturing – 1.19%</u>			
Roper Technologies, Inc.	8,000	\$ 335,931	\$ 1,464,640
<u>Nonstore Retailers – 3.04%</u>			
Amazon.com, Inc. (a)	5,000	\$ 1,231,664	\$ 3,749,350
<u>Oil and Gas Extraction – 4.15%</u>			
Apache Corp.	20,000	\$ 1,334,546	\$ 1,269,400
Continental Resources, Inc. (a)	45,000	1,294,799	2,319,300
EOG Resources, Inc.	15,000	1,564,500	1,516,500
		<u>\$ 4,193,845</u>	<u>\$ 5,105,200</u>
<u>Other Information Services – 6.97%</u>			
Alphabet, Inc. – Class A (a)	4,000	\$ 847,060	\$ 3,169,800
Alphabet, Inc. – Class C (a)	4,010	844,083	3,094,998

See accompanying Notes to the Financial Statements.

Percentages are stated as a percent of net assets.

(a) Non Income Producing.

BRIDGES INVESTMENT FUND, INC.

SCHEDULE OF INVESTMENTS

(Continued)

DECEMBER 31, 2016

<u>Title of Security</u>	<u>Shares</u>	<u>Cost</u>	<u>Value</u>
<u>COMMON STOCKS (Continued)</u>			
<u>Other Information Services (Continued)</u>			
Facebook, Inc. – Class A (a)	20,000	\$ 1,852,718	\$ 2,301,000
		<u>\$ 3,543,861</u>	<u>\$ 8,565,798</u>
<u>Petroleum and Coal</u>			
<u>Products Manufacturing – 2.11%</u>			
Chevron Corp.	22,000	\$ 1,206,019	\$ 2,589,400
<u>Professional, Scientific, and</u>			
<u>Technical Services – 19.52%</u>			
Amgen, Inc.	10,000	\$ 1,609,946	\$ 1,462,100
Biogen, Inc. (a)	3,500	821,427	992,530
Celgene Corp. (a)	48,000	2,357,821	5,556,000
Cognizant Technology			
Solutions Corp. – Class A (a)	10,000	545,270	560,300
MasterCard, Inc. – Class A	75,000	1,337,065	7,743,750
Priceline Group, Inc. (a)	3,100	1,807,092	4,544,786
Visa, Inc. – Class A	40,000	745,136	3,120,800
		<u>\$ 9,223,757</u>	<u>\$ 23,980,266</u>
<u>Rail Transportation – 2.96%</u>			
Union Pacific Corp.	35,000	\$ 986,034	\$ 3,628,800
<u>Securities, Commodity Contracts,</u>			
<u>and Other Financial Investments</u>			
<u>and Related Activities – 3.40%</u>			
BlackRock, Inc.	9,000	\$ 2,079,709	\$ 3,424,860
T. Rowe Price Group, Inc.	10,000	484,495	752,600
		<u>\$ 2,564,204</u>	<u>\$ 4,177,460</u>
<u>Telecommunications – 0.92%</u>			
Level 3 Communications, Inc. (a)	20,000	\$ 1,057,340	\$ 1,127,200
<u>Transportation Equipment</u>			
<u>Manufacturing – 1.64%</u>			
Eaton Corp. Plc	30,000	\$ 1,557,168	\$ 2,012,700
TOTAL COMMON STOCKS		<u>\$53,289,347</u>	<u>\$108,694,354</u>

See accompanying Notes to the Financial Statements.

Percentages are stated as a percent of net assets.

(a) Non Income Producing.

BRIDGES INVESTMENT FUND, INC.

SCHEDULE OF INVESTMENTS

(Continued)

DECEMBER 31, 2016

<u>Title of Security</u>	<u>Shares</u>	<u>Cost</u>	<u>Value</u>
<u>EXCHANGE TRADED FUNDS – 9.30%</u>			
<u>Funds, Trusts, and Other Financial Vehicles – 9.30%</u>			
iShares Core S&P Mid-Cap ETF	40,000	\$ 3,684,766	\$ 6,613,600
iShares Core S&P Small-Cap ETF	35,000	2,407,647	4,813,200
TOTAL EXCHANGE TRADED FUNDS		<u>\$ 6,092,413</u>	<u>\$ 11,426,800</u>
	<u>Principal Amount</u>	<u>Cost</u>	<u>Value</u>
<u>CORPORATE BONDS – 0.61%</u>			
<u>Broadcasting (except Internet) – 0.16%</u>			
Comcast Corp. 6.500%, 01/15/2017	\$200,000	\$ 199,592	\$ 200,281
<u>Funds, Trusts, and Other Financial Vehicles – 0.24%</u>			
Spectra Energy Capital, LLC 8.000%, 10/01/2019	250,000	\$ 256,979	\$ 284,349
<u>Machinery Manufacturing – 0.21%</u>			
Applied Materials, Inc. 7.125%, 10/15/2017	250,000	\$ 250,528	\$ 260,632
TOTAL CORPORATE BONDS		<u>\$ 707,099</u>	<u>\$ 745,262</u>
	<u>Shares</u>	<u>Cost</u>	<u>Value</u>
<u>SHORT-TERM INVESTMENTS – 1.74%</u>			
<u>Mutual Funds – 1.74%</u>			
SEI Daily Income Trust Treasury – Class A, 0.31% (b)	2,136,035	\$ 2,136,035	\$ 2,136,035
TOTAL SHORT TERM INVESTMENTS		<u>\$ 2,136,035</u>	<u>\$ 2,136,035</u>
TOTAL INVESTMENTS – 100.10%		<u>\$62,224,894</u>	<u>\$123,002,451</u>
LIABILITIES IN EXCESS OF OTHER ASSETS – (0.10)%			(125,004)
TOTAL NET ASSETS – 100.00%			<u>\$122,877,447</u>

See accompanying Notes to the Financial Statements.

Percentages are stated as a percent of net assets.

(a) Non Income Producing.

(b) Variable rate security; the rate shown is the effective rate as of December 31, 2016.

BRIDGES INVESTMENT FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 31, 2016

ASSETS:	
Investments in securities, at fair value (cost: \$62,224,894)	\$123,002,451
Receivables	
Fund shares issued	1,450
Dividends and interest	98,783
Prepaid expenses	<u>18,384</u>
TOTAL ASSETS:	<u>\$123,121,068</u>
LIABILITIES:	
Payables	
Distributions to shareholders	\$ 24,564
Payable for capital shares redeemed	1,000
Payable to Adviser	151,242
Accrued expenses	<u>66,815</u>
TOTAL LIABILITIES:	<u>\$ 243,621</u>
TOTAL NET ASSETS:	<u>\$122,877,447</u>
NET ASSETS CONSIST OF:	
Capital Stock	\$ 61,127,264
Accumulated undistributed net investment income	5,277
Accumulated undistributed net realized gain on investments	967,349
Unrealized appreciation on investments	<u>60,777,557</u>
TOTAL NET ASSETS:	<u>\$122,877,447</u>
SHARES OUTSTANDING	
(\$0.0001 par value; 100,000,000 shares authorized)	<u>2,381,534</u>
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE:	<u>\$ 51.60</u>

See accompanying Notes to the Financial Statements.

BRIDGES INVESTMENT FUND, INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

INVESTMENT INCOME:	
Dividend income	\$1,590,086
Interest income	<u>56,076</u>
Total investment income	<u>\$1,646,162</u>
EXPENSES:	
Advisory fees	\$ 580,324
Administration fees	123,176
Independent director's expenses and fees	54,500
Fund accounting fees	50,928
Dividend disbursing and transfer agent fees	47,520
Other	38,278
Professional services	27,394
Printing and supplies	13,959
Custody fees	13,885
Taxes and licenses	<u>1,554</u>
Total expenses	<u>\$ 951,518</u>
NET INVESTMENT INCOME:	<u>\$ 694,644</u>
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:	
Net realized gain on investments	2,092,279
Capital gain distribution from regulated investment company	494
Net change in unrealized appreciation of investments	<u>5,399,700</u>
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:	<u>7,492,473</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS:	<u><u>\$8,187,117</u></u>

See accompanying Notes to the Financial Statements.

BRIDGES INVESTMENT FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
OPERATIONS:		
Net investment income	\$ 694,644	\$ 653,622
Net realized gain on investments	2,092,279	1,626,485
Capital gain distribution from regulated investment company	494	—
Net increase/(decrease) in unrealized appreciation on investments	<u>5,399,700</u>	<u>(1,632,934)</u>
Net increase in net assets resulting from operations	<u>\$ 8,187,117</u>	<u>\$ 647,173</u>
Net equalization of debits/credits:	<u>(622)</u>	<u>(4,133)</u>
Distributions to shareholders:		
From net investment income	(695,169)	(649,468)
From net realized gains	<u>(1,125,424)</u>	<u>(1,234,385)</u>
Total distributions	<u>\$ (1,820,593)</u>	<u>\$ (1,883,853)</u>
Capital Share Transactions:		
Net increase/(decrease) in net assets from capital share transactions	<u>143,234</u>	<u>(4,493,264)</u>
Total Increase/(Decrease) in Net Assets	<u>\$ 6,509,136</u>	<u>\$ (5,734,077)</u>
NET ASSETS:		
Beginning of the Year	<u>\$116,368,311</u>	<u>\$122,102,388</u>
End of the Year (including undistributed net investment income of \$5,277 and \$5,802, respectively)	<u>\$122,877,447</u>	<u>\$116,368,311</u>

See accompanying Notes to the Financial Statements.

BRIDGES INVESTMENT FUND, INC.

FINANCIAL HIGHLIGHTS

For a Fund share outstanding throughout the year

	Years Ended December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net asset value, beginning of year	<u>\$48.92</u>	<u>\$49.56</u>	<u>\$47.17</u>	<u>\$36.95</u>	<u>\$32.55</u>
<u>Income from investment operations:</u>					
Net investment income ¹	0.29	0.27	0.26	0.24	0.21
Net realized and unrealized gain/(loss) on investments	<u>3.15</u>	<u>(0.12)</u>	<u>4.11</u>	<u>11.85</u>	<u>4.40</u>
Total from investment operations	<u>3.44</u>	<u>0.15</u>	<u>4.37</u>	<u>12.09</u>	<u>4.61</u>
<u>Less dividends and distributions:</u>					
Dividends from net investment income	(0.29)	(0.27)	(0.27)	(0.24)	(0.21)
Dividends from net realized gain	<u>(0.47)</u>	<u>(0.52)</u>	<u>(1.71)</u>	<u>(1.63)</u>	<u>—</u>
Total distributions	<u>(0.76)</u>	<u>(0.79)</u>	<u>(1.98)</u>	<u>(1.87)</u>	<u>(0.21)</u>
Net asset value, end of year	<u>\$51.60</u>	<u>\$48.92</u>	<u>\$49.56</u>	<u>\$47.17</u>	<u>\$36.95</u>
<u>Total return</u>	7.09%	0.33%	9.37%	32.99%	14.16%
<u>Supplemental data and ratios:</u>					
Net assets, end of year (in thousands)	\$122,877	\$116,368	\$122,102	\$110,156	\$83,361
Ratio of net expenses to average net assets:	0.82%	0.80%	0.80%	0.85%	0.88%
Ratio of net investment income to average net assets:	0.60%	0.54%	0.55%	0.57%	0.58%
Portfolio turnover rate	10.7%	13.2%	13.6%	12.0%	17.0%

See accompanying Notes to the Financial Statements.

¹ Net investment income per share is calculated using the ending balances prior to consideration or adjustment for permanent book-to-tax differences.

BRIDGES INVESTMENT FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bridges Investment Fund, Inc. (the “Fund”) is registered under the Investment Company Act of 1940 as a diversified, open-end management investment company. The primary investment objective of the Fund is long-term capital appreciation. In pursuit of that objective, the Fund invests primarily in common stocks. The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 Financial Services – Investment Companies.

A. Investments –

Security transactions are recorded on trade date. Dividend income is recognized on the ex-dividend date, and interest income is recognized on an accrual basis. Discount and premium on fixed income securities is accreted or amortized into interest income using the effective interest method. Withholding taxes on foreign dividends, if any, have been provided for in accordance with the Fund’s understanding of the applicable country’s tax rules and rates.

The net realized gain (loss) from the sales of securities is determined for income tax and accounting purposes on the basis of the cost of specific securities.

Securities owned are reflected in the accompanying Statement of Assets and Liabilities and the Schedule of Investments at fair value based on quoted market prices. Bonds and other fixed-income securities (other than repurchase agreements and demand notes) are valued using the bid price provided by an independent pricing service. Other securities traded on a national securities exchange are valued at the last reported sale price at the close of regular trading on each day the exchange is open for trading. Securities listed on the NASDAQ National Market System for which market quotations are readily available are valued using the NASDAQ Official Closing Price (“NOCP”). If no sales were reported on that day, quoted market price represents the closing bid price.

Investments in registered open-end management investment companies will be valued based upon the Net Asset Values (“NAVs”) of such investments and are categorized as Level 1 of the fair value hierarchy.

Securities for which prices are not readily available are valued by the Fund’s valuation committee (the “Valuation Committee”) at a fair value determined in good faith under procedures established by and under the general supervision of the Fund’s Board of Directors.

The Valuation Committee concludes that a price determined under the Fund’s valuation procedures is not readily available if, among other things, the Valuation

Committee believes that the value of the security might be materially affected by an intervening significant event. A significant event may be related to a single issuer, to an entire market sector, or to the entire market. These events may include, among other things: issuer-specific events including rating agency action, earnings announcements and corporate actions, significant fluctuations in domestic or foreign markets, natural disasters, armed conflicts, and government actions. In the event that the market quotations are not readily available, the fair value of such securities will be determined in good faith, taking into consideration: (i) fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces which influence the market in which these securities are purchased and sold. The members of the Valuation Committee shall continuously monitor for significant events that might necessitate the use of fair value procedures.

B. Federal Income Taxes –

It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to Regulated Investment Companies ("RICs") to distribute all of its taxable income to shareholders. Therefore, no Federal income tax provision for the Fund is required. Under applicable foreign tax law, a withholding tax may be imposed on interest, dividends, and capital gains earned on foreign securities.

The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. In addition, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the year that the income or realized gains or losses were recorded by the Fund. The Fund has reclassified the components of its capital accounts for the year ended December 31, 2016, by increasing accumulated undistributed net investment income by \$622 and decreasing capital stock by \$622.

The Fund has not recorded any liability for material unrecognized tax benefits as of December 31, 2016. It is the Fund's policy to recognize accrued interest and penalties related to uncertain benefits in income tax expense as appropriate.

C. Distribution To Shareholders –

The Fund records and pays dividends to shareholders on a quarterly basis on the ex-dividend date. Distribution of net realized gains, if any, are recorded and made on an annual basis to shareholders on the ex-dividend date.

D. Equalization –

The Fund uses the accounting practice of equalization by which a portion of the proceeds from sales and costs of redemption of capital shares, equivalent on a per share basis to the amount of undistributed net investment income on the date of the transactions, is credited or charged to undistributed income. As a result, undistributed net investment income per share is unaffected by sales or redemption of capital shares.

E. Use of Estimates –

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net

assets from operations during the reporting period. Actual results could differ from those estimates.

In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

F. Fair Value Measurements –

GAAP defines fair value as the price that each Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tier hierarchy is used to maximize the use of observable market data “inputs” and minimize the use of unobservable “inputs” and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below:

Level 1 – Unadjusted quoted prices in active markets for identical investments.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The valuation techniques used by the Fund to measure fair value for the year ended December 31, 2016 maximized the use of observable inputs and minimized the use of unobservable inputs. During the year ended December 31, 2016, no securities held by the Fund were deemed as Level 3.

The following is a summary of the inputs used as of December 31, 2016, in valuing the Fund's investments carried at fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Common Stock	\$108,694,354	\$ —	\$ —	\$108,694,354
Exchange Traded Funds	11,426,800	—	—	11,426,800
Corporate Bonds	—	745,262	—	745,262
Short-Term Investments	<u>2,136,035</u>	<u>—</u>	<u>—</u>	<u>2,136,035</u>
Total Investments				
in Securities	<u>\$122,257,189</u>	<u>\$ 745,262</u>	<u>\$ —</u>	<u>\$123,002,451</u>

There were no transfers between Levels 1 and 2 during the year ended December 31, 2016. Transfers between levels are recognized at the end of the reporting period. Refer to the Schedule of Investments for further information on the classification of investments.

(2) INVESTMENT ADVISORY CONTRACT AND OTHER TRANSACTIONS WITH AFFILIATES

Under an Investment Advisory Contract, Bridges Investment Management, Inc. (the "Investment Adviser") furnishes investment advisory services for the Fund. In return, the Fund has agreed to pay the Investment Adviser a management fee computed on a quarterly basis at the rate of 1/8 of 1% of the average month-end net asset value of the Fund during the quarter, equivalent to 1/2 of 1% per annum. Certain officers and directors of the Fund are also officers and directors of the Investment Adviser. These officers do not receive any compensation from the Fund other than that which is received indirectly through the Investment Adviser. For the year ended December 31, 2016, the Fund incurred \$580,324 in advisory fees.

The contract between the Fund and the Investment Adviser provides that total expenses of the Fund in any year, exclusive of taxes, but including fees paid to the Investment Adviser, shall not exceed, in total, a maximum of 1 and 1/2% of the average month end net asset value of the Fund for the year. Amounts, if any, expended in excess of this limitation are reimbursed by the Investment Adviser as specifically identified in the Investment Advisory Contract. There were no amounts reimbursed during the year ended December 31, 2016.

The Fund has entered into a Board-approved contract with the Investment Adviser in which the Investment Adviser acts as primary administrator to the Fund at an annual rate of \$42,000 and U.S. Bancorp Fund Services, LLC acts as sub-administrator to the Fund. These administrative expenses are shown as Administration fees on the Statement of Operations.

Quasar Distributors, LLC (the "Distributor"), a registered broker-dealer, acts as the Fund's principal underwriter in a continuous public offering of the Fund's shares. The Distributor is an affiliate of U.S. Bancorp Fund Services, LLC.

(3) SECURITY TRANSACTIONS

The cost of long-term investment purchases during the years ended December 31, 2016 and 2015, was:

	<u>2016</u>	<u>2015</u>
Non U.S. government securities	<u>\$13,375,903</u>	<u>\$15,392,638</u>

Net proceeds from sales of long-term investments during the years ended December 31, 2016 and 2015, were:

	<u>2016</u>	<u>2015</u>
Non U.S. government securities	<u>\$11,941,380</u>	<u>\$21,065,618</u>

There were no long-term U.S. government transactions for the years ended December 31, 2016 and 2015.

(4) NET ASSET VALUE

The net asset value per share represents the effective price for all subscriptions and redemptions.

(5) CAPITAL STOCK

Shares of capital stock issued and redeemed during the years ended December 31, 2016 and 2015, were as follows:

	<u>2016</u>	<u>2015</u>
Shares sold	38,411	43,849
Shares issued to shareholders in reinvestment of net investment income	<u>31,999</u>	<u>34,139</u>
	70,410	77,988
Shares redeemed	<u>(67,727)</u>	<u>(163,030)</u>
Net increase/(decrease)	<u>2,683</u>	<u>(85,042)</u>

Value of capital stock issued and redeemed during the years ended December 31, 2016 and 2015, was as follows:

	<u>2016</u>	<u>2015</u>
Net proceeds from shares sold	\$ 1,860,005	\$ 2,206,041
Reinvestment of distributions	<u>1,612,536</u>	<u>1,660,479</u>
	3,472,541	3,866,520
Cost of shares redeemed	<u>(3,329,307)</u>	<u>(8,359,784)</u>
Net increase/(decrease)	<u>\$ 143,234</u>	<u>\$(4,493,264)</u>

(6) DISTRIBUTIONS TO SHAREHOLDERS

On March 31, 2016, June 30, 2016, September 30, 2016 and December 30, 2016, cash distributions were declared from net investment income accrued through March 31, 2016, June 30, 2016, September 30, 2016, and December 31, 2016, respectively. These distributions were calculated as \$0.065, \$0.07, \$0.075, \$0.0829 per share. The dividends were paid on March 31, 2016, June 30, 2016, September 30, 2016 and December 30, 2016, to shareholders of record on March 30, 2016, June 29, 2016, September 29, 2016, and December 29, 2016.

Additionally, on December 2, 2016, the Fund declared and paid a long-term capital gain distribution of \$0.47505 per share. The long-term capital gain distribution was paid on December 2, 2016, to shareholders of record on December 1, 2016.

(7) FEDERAL INCOME TAX INFORMATION

The tax character of distributions during the years ended December 31, 2016 and 2015 were as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>
12/31/16	\$695,169	\$1,125,424
12/31/15	\$649,468	\$1,234,385

As of December 31, 2016, the components of the tax basis cost of investments and net unrealized appreciation were as follows:

Federal tax cost of investments	<u>\$62,224,894</u>
Unrealized appreciation	\$61,294,556
Unrealized depreciation	(516,999)
Net unrealized appreciation	<u>\$60,777,557</u>

As of December 31, 2016, the components of distributable earnings on a tax basis were as follows:

Net unrealized appreciation	<u>\$60,777,557</u>
Undistributed ordinary income	\$ 5,277
Undistributed long term gains	967,349
Distributable earnings	972,626
Other accumulated loss	—
Total accumulated capital earnings	<u>\$61,750,183</u>

As of December 31, 2016, the Fund did not have any capital loss carryovers.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Bridges Investment Fund, Inc.

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Bridges Investment Fund, Inc. (the "Fund") as of December 31, 2016, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2016, by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Bridges Investment Fund, Inc. as of December 31, 2016, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Cohen & Company Ltd.".

COHEN & COMPANY, LTD.
Cleveland, Ohio
February 22, 2017

PRIVACY POLICY NOTICE
(Unaudited)

Protecting your privacy is important to Bridges Investment Fund, Inc. and our employees. We want you to understand what information we collect and how we use it. In order to provide our shareholders with a broad range of financial products and services as effectively and conveniently as possible, we use technology to manage and maintain shareholder information. The following policy serves as a standard for all Bridges Investment Fund, Inc. employees for the collection, use, retention, and security of nonpublic personal information.

What Information We Collect

In order to serve you better, we may collect nonpublic personal information about you from the following sources:

- Information we receive from you in connection with opening an account or establishing and maintaining a shareholder relationship with us, whether in writing or oral;
- Information about your transactions with us or our affiliates; and
- Information we receive from third parties such as your accountants, attorneys, life insurance agents, family members, financial institutions, custodians, trustees and credit bureaus.

“Nonpublic personal information” is nonpublic information about you that we obtain in connection with providing a financial product or service to you. For example, nonpublic personal information includes the contents of your application, account balance, transaction history and the existence of a relationship with us.

What Information We Disclose

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. We are permitted to disclose nonpublic personal information about you to other third parties in certain circumstances. For example, we may disclose nonpublic personal information about you to third parties to assist us in servicing your account with us.

If you decide to close your account(s) or become an inactive shareholder, we will adhere to the privacy policies and practices as described in this notice.

Our Security Procedures

We also take steps to safeguard shareholder information. We restrict access to your personal and account information to those who need to know that information to provide products and services to you. Violators of these standards will be subject to disciplinary measures. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

ADDITIONAL DISCLOSURES

(Unaudited)

Investment Advisory Agreement Disclosure (Unaudited)

The Fund's investment advisory agreement with Bridges Investment Management, Inc. ("BIM") was approved by the independent members of the Board of Directors on November 15, 2016.

In approving the continuance of the investment advisory agreement, the independent directors of the Fund reviewed the financial resources of BIM, the investment performance record, types of securities purchased, and asset size of the Fund in comparison with funds of similar size and comparable investment objectives, the operating costs relative to other funds, and other factors including the quality of investment advice and other services set forth in a special study prepared annually for the Board by the investment manager. In addition, the independent Directors reviewed the expertise, personnel, and the resources BIM is willing to commit to the management of the Fund, its compliance program, the cost of comparable services and the benefits to be received by BIM.

With respect to BIM's financial resources, BIM provided the Fund's Board of Directors information showing (as of December 31, 2015) total assets of \$6,365,652, no long-term debt, and total shareholders' equity of \$5,822,332. with a current ratio (current assets to current liabilities) of 11.4x and an equity to total assets ratio of 91.46%.

The Directors reviewed and focused on the Fund's past performance and operations in their evaluation and decision. Based on information gathered from a leading mutual fund evaluator, the Fund directors compared the Fund's performance criteria to funds with similar investment objectives. The total fund comparison universe varied depending on the time frame of the comparison and other investment parameters included, but with respect to funds with a growth investment objective, the Fund ranked, on percentile terms, in the 74th percentile over a trailing 12-month period, 63rd over a 3-year period, 73rd over a 5-year period, and 81st over a 10-year period. (as of October 31, 2016)

The Fund Directors reviewed the asset allocation of the Fund, including the percentage of Fund assets invested in stocks (95.56% as of October 31, 2016) and bonds (0.46% as of October 31, 2016). They also reviewed a number of current ratios for the Fund's portfolio, including the current price/earnings ratio of Fund stocks (19.7x as of October 31, 2016) price/cash ratio (13.6x) and price/book ratio (3.1x), as well as the Fund's turnover ratio, which at 13% for the trailing twelve months, was still well below the average turnover ratio average of 63% for a comparison group of large cap growth funds. The Directors also reviewed the Fund's expense ratio, which was 0.82% for the period ending September 30, 2016, compared to an average of 1.41% for a peer group of funds selected as the comparison group.

The Fund Board also reviewed the extent to which economies of scale would be realized as the Fund grows, and the expected impact of any growth in Fund assets on the Fund's fee structure, including fees and expenses which are not directly related to the size of the Fund, and provisions in agreements with service providers which carry a lower basis charge if the Fund asset base increases.

With respect to the Fund's compliance program, the Fund Directors were provided information concerning both the historical practices to ensure compliance by Fund personnel, as well as current actions taken to strengthen the Fund compliance structure.

The Board of Directors noted that Edson L. Bridges III has more than 33 years of experience with the Fund's portfolio and thus is very familiar with the Fund's history and operations. The Board of Directors further noted that Edson L. Bridges III has been responsible for the day-to-day management of the Fund's portfolio since April 11, 1997, with Brian Kirkpatrick as the back-up person in this position.

At each Board of Directors meeting, the Board reviews the brokerage commissions and fees paid with respect to securities transactions undertaken for the Fund's portfolio during the prior three-month period for the cost efficiency of the services provided by the brokerage firms involved, all of which brokerage firms are non-affiliated with the Fund and BIM. The Fund's Board of Directors reviewed in May, 2016, an annual disclosure for 2015 on soft dollar commission arrangements of BIM and the benefits that BIM and its clients may receive from the Fund's portfolio transactions. The Board has regularly reviewed the brokerage commissions paid on each portfolio security transaction since 1995, and the actions taken by the management during the prior quarter with respect to portfolio transactions and commission levels have been approved by the Board of Directors.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Introduction

The following information is provided in response to Item 22 in the Form N-1A to be filed annually under the Investment Company Act of 1940 with the Securities and Exchange Commission in Washington, D.C. The Form N-1A prescribes certain information that is to be included in the Prospectus for the Fund.

Item 22(b)(3)

The Directors, as a group, were paid a total of \$54,500 by Bridges Investment Management, Inc. for their attendance at Audit Committee, Administration and Nominating Committee, and Board of Directors meetings during 2016. These fees were reimbursed by the Fund in the calendar quarter that followed the date such payment was made.

The Officers, as a group, were not paid any compensation by the Fund for their services during 2016. During the most recent fiscal year ended December 31, 2016, the Fund paid its investment adviser, Bridges Investment Management, Inc., \$580,324 in fees under the investment advisory contract.

Item 22(b)(5)

Officers and Directors

The Board is responsible for managing the Fund's business affairs and for exercising all the Fund's powers except those reserved for the shareholders. The following tables give information about each Board member and the senior officers of the Fund. Where required, the tables separately list Board members who are "interested persons" of the Fund (i.e., "Interested" Board members) and those who are not (i.e., "Independent" Board members). In addition, the Fund's Statement of Additional Information includes additional information about Fund directors and is available, from the Fund's website at <http://www.bridgesfund.com> or by calling 1.800.939.8401.

The determination of an interested person is based on the definition in Section 2(a)(19) of the Investment Company Act of 1940, and Securities and Exchange Commission Release (Release No. IC-24083, dated October 14, 1999), providing additional guidance to investment companies about the types of professional and business relationships that may be considered to be material for purposes of Section 2(a)(19). Interested persons include a director or officer of the Fund who has a significant or material business or professional relationship with the Fund's investment adviser, Bridges Investment Management, Inc. Those individuals who are not "interested persons" are disinterested persons for this disclosure. Bridges Investment Fund, Inc. considers these proposed Board members to be "independent directors" exercising care, diligence and good business judgment with respect to the governance of the Fund.

Disclosure Regarding Fund Trustees and Officers***Disinterested Persons**Also Known As Independent Directors***

<u>Name, Age, Position with Fund and Term of Office</u>	<u>Principal Occupation(s) and Directorships*</u>
Daniel J. Brabec Age: 58 Director (2015 – present)	Mr. Brabec has been a Director of Spectrum Financial Services, Inc. in Omaha, Nebraska since February 1999 and has served as Vice President, Secretary, and Treasurer since 2000. He has directly managed real estate and commercial credit assets for a number of affiliates of Spectrum Financial Services, Inc. since January 2009. Prior to that, he served as a Director of Great Western Bank, Omaha, Nebraska and was its Chief Executive Officer and President from 2001 until its sale in 2008, and served as Controller for Great Western Bancorporation in an interim role from 1999 to 2001. He began his career in banking in 1985 joining Pioneer Bank, St Louis, Missouri after three years with Control Data Corporation and served as Executive Vice President, Security Officer and Director of Rushmore Bank and Trust, Rapid City, South Dakota from 1993 to 1999. Mr. Brabec has been determined to be an “audit committee financial expert” within the meaning of the Sarbanes Oxley Act of 2002 and the regulations related thereto by the Fund’s Board of Directors.
Nathan Phillips Dodge III Age: 53 Director (2010 – present)	Mr. Dodge is the President of N.P. Dodge Company since April 2014, and prior to that position, served as the Executive Vice President. He has worked at N.P. Dodge Company since October, 1993. Mr. Dodge is also a principal officer and director of a number of subsidiary and affiliated companies in the property management, insurance, and real estate syndication fields. Mr. Dodge became a Director of Lauritzen Corp. in 2008 and of First State Bank of Loomis in 2003.
Adam M. Koslosky Age: 60 Director (2007 – present) Vice Chairman (2016 – present)	Mr. Koslosky was elected the Vice Chairman on October 14, 2016. He served as Vice Chairman of Magnolia Metal Corporation until 2015 and previously served as President and Chief Executive Officer. Magnolia Metal Corporation is a bronze bearing manufacturer located in Omaha, Nebraska. Mr. Koslosky commenced his career with Magnolia Metal Corporation in 1978. Mr. Koslosky also is a general partner of Mack Investments, Ltd. and Tax Matter Partner and Manager of TriStone Property Group, LLC, both privately held investment and development companies located in Omaha, Nebraska. He has been a Director of Nebraska Methodist Hospital Foundation since 1993. Mr. Koslosky has been determined to be an “audit committee financial expert” within the meaning of the Sarbanes Oxley Act of 2002 and the regulations related thereto by the Fund’s Board of Directors. Mr. Koslosky serves as the Chairman of the Fund’s Audit Committee.

Name, Age, Position with Fund and Term of Office	Principal Occupation(s) and Directorships*
Michael C. Meyer Age: 58 Director (2008 – 2016) Chairman (2012 – 2016)	Mr. Meyer was elected Chairman on April 10, 2012 and served in that position until his resignation from the Board on October 14, 2016. Mr. Meyer joined McCarthy Capital Corporation as Operating Partner during March 2013. McCarthy Capital is an Omaha based private equity firm focused on lower middle market companies. Mr. Meyer retired from Tenaska, Inc. during July 2014 after serving in various capacities since 1995. Tenaska is a privately held energy company located in Omaha, Nebraska. In his 30-plus years of financial and operations management experience in the banking and energy industries, Mr. Meyer has held positions with the United States Treasury Department’s Office of the Comptroller of the Currency, the Farm Credit System and the First National Bank of Omaha. Mr. Meyer is on the Board of Directors of the following privately held companies: Guild Mortgage Company, LLC in San Diego, California, a residential mortgage loan company, MarketSphere Consulting, LLC, in Omaha, Nebraska, an enterprise management and unclaimed property business and Environmental Planning Group, LLC in Phoenix, Arizona, an environmental consulting Group.
Robert Slezak Age: 59 Director (2008 – present) Chairman (2016 – present) Vice Chairman (2012 – 2016)	Mr. Slezak was elected Chairman on October 14, 2016, and prior to that time, served as Vice Chairman commencing April 10, 2012. Mr. Slezak is currently an independent management consultant, and has been since November 1999. Prior to that, Mr. Slezak served as Vice President, Chief Financial Officer and Treasurer of the Ameritrade Holding Corporation from January 1989 to November 1999 and as a director from October 1996 to September 2002. Mr. Slezak currently serves as a member of the board of directors of The Pegasus Companies, Inc. (formerly, Xanadoo Company), a developer of solar power projects. Mr. Slezak has been determined to be an “audit committee financial expert” within the meaning of the Sarbanes Oxley Act of 2002 and the regulations related thereto by the Fund’s Board of Directors. Mr. Slezak has been designated as the Lead Independent Director of the Fund.

Name, Age, Position with Fund and Term of Office	Principal Occupation(s) and Directorships*
Kelly A. Walters Age: 56 Director (2013 – present)	Kelly A. Walters is currently a partner with Kuehl Capital Holdings LLC and the Chief Executive Officer of Quarter Circle Capital, an affiliate of Kuehl Capital Holdings. Prior to those positions, Mr. Walters was Director, President and Chief Executive Officer of Condor Hospitality Trust, Inc. (formerly, Supertel Hospitality, Inc.), a NASDAQ listed hospitality real estate investment trust based in Norfolk, Nebraska (Condor), from April 2009 through February 2015. Prior to joining Condor, Mr. Walters was the Senior Vice President of Capital Markets at Investors Real Estate Trust from October 2006 to March 2009. Prior to IRET, Mr. Walters was a Senior Vice President and Chief Investment Officer of Magnum Resources, Inc., a privately held real estate investment and operating company, from 1996 to 2006. Prior to Magnum, Mr. Walters was a Deputy Manager of Brown Brothers Harriman from 1993 to 1996, an Investment Manager at Peter Kiewit Sons, Inc. from 1985 to 1993, and a stockbroker at Piper, Jaffrey and Hopwood from 1983 to 1985.
Lyn Wallin Ziegenbein Age: 64 Director (2013 – present)	Ms. Wallin Ziegenbein is an attorney and currently serves as the Executive Director Emerita of the Peter Kiewit Foundation, a private foundation awarding charitable grants throughout Nebraska and portions of Iowa and Wyoming, since April 2013 and served as the Executive Director of the Peter Kiewit Foundation since March, 1983. Ms. Wallin Ziegenbein has served on the Board of Directors of Assurity Life Insurance Company since 1984 and of Lamp Rynearson Engineering. Previously, Ms. Wallin Ziegenbein served on the Federal Reserve Bank of Kansas City's Omaha Branch Board of Directors from 2006 to 2011. Ms. Wallin Ziegenbein's prior experience also includes serving as a director of Norwest Bank Nebraska and Lincoln Telephone and Telegraph. Ms. Wallin Ziegenbein also served as an Assistant United States Attorney for Nebraska from 1978 to 1982.

* Except as otherwise indicated, each individual has held the position shown or other positions in the same company for the last five years.

The address for all Fund Directors is, 8401 West Dodge Road, Suite 256, Omaha, Nebraska 68114

Interested Person Directors and Officers

The following Directors and Officers are interested persons of the Fund. The determination of an interested person is based on the definition in Section 2(a)(19) of the Investment Company Act of 1940 and Securities and Exchange Commission Release (Release No. IC-24083, dated October 14, 1999), providing additional guidance to investment companies about the types of professional and business relationships that may be considered to be material for purposes of Section 2(a)(19).

Name, Age, Position with Fund and Term of Office	Principal Occupation(s) and Directorships*
Edson L. Bridges III, CFA Age: 58 President (1997 – present)	Since December 2000, Mr. Bridges has been President, Chief Executive Officer, and Director of Bridges Investment Management, Inc. Since August of 1983, Mr. Bridges was a full-time member of the professional staff of Bridges Investment Counsel, Inc. where he has served as Executive Vice President since 1993. Mr. Bridges is also a Director of that firm. Mr. Bridges has been responsible for securities research and the investment management for an expanding base of discretionary management accounts, including the Fund, for more than 15 years. Mr. Bridges was elected President of Bridges Investment Fund, Inc. on April 11, 1997, and he assumed the position of Portfolio Manager at the close of business on that date. Mr. Bridges became Chief Executive and Investment Officer of the Fund on April 13, 2004. Mr. Bridges is Chairman and a director of Bridges Investor Services, Inc. and Chairman of the Board and a director of Provident Trust Company. Mr. Bridges served as a Director of Stratus Fund, Inc., an open-end, regulated investment company located in Lincoln, Nebraska from 1990 to 2016, and was previously Chairman of the Audit Committee of the Stratus Fund.
Chief Executive Officer (2004 – present) Director (1991 – present)	Mr. Bridges is an Executive Director, Portfolio Manager, and Co-Head of Behavioral Finance at Sterling Capital Management LLC. Sterling Capital Management LLC, located in Charlotte, North Carolina, is an investment management company founded in 1970. Mr. Bridges commenced his career with Sterling Capital Management, LLC in 1996 and served in a variety of capacities including client service, systems integration, and compliance before assuming his current position in 2000. Mr. Bridges has been a Director of Bridges Investment Counsel, Inc. since December 2006, and a Director of Provident Trust Company since 2007. Prior to joining Sterling, Mr. Bridges served in accounting, research analysis and several other roles for Bridges Investment Counsel, Inc. for six years. Mr. Bridges earned his B.S. in Business from Wake Forest University, and became a CFA charter holder in 2003.
Robert W. Bridges, CFA Age: 51 Director (2007 – present)	

Additional Officers of the Fund

<u>Name, Age, Position with Fund and Term of Office</u>	<u>Principal Occupation(s) and Directorships*</u>
Edson L. Bridges II, CFA Age: 84 Chairman Emeritus (2006 – present) Vice-Chairman (2005 – 2006) Chairman (1997 – 2005) Chief Executive Officer (1997 – 2004) President (1970 – 1997) Director (1963 – 2007)	Mr. Bridges was elected Chairman Emeritus on April 15, 2006. Mr. Bridges had previously served as Chairman, Vice-Chairman, Chief Executive Officer, and President of the Fund. Mr. Bridges was replaced by Edson L. Bridges III as Chief Executive Officer of the Fund on April 13, 2004. Since December 2000, Mr. Bridges has served as a director of Bridges Investment Management, Inc. In September, 1959, Mr. Bridges became associated with the predecessor firm to Bridges Investment Counsel, Inc. and is presently the President, Director, CEO, and Chief Compliance Officer of Bridges Investment Counsel, Inc. Mr. Bridges is also President and Director of Bridges Investor Services, Inc., and is President, Director, and Chief Executive Officer of Provident Trust Company, chartered to conduct business on March 11, 1992.
Nancy K. Dodge Age: 55 Treasurer (1986 – present) Chief Compliance Officer (2006 – present)	Ms. Dodge has been an employee of Bridges Investment Management, Inc. since 1994, where she serves as a Senior Vice President. After joining Bridges Investment Counsel, Inc. in January of 1980, her career progressed through the accounting department of that Firm, to her present position as Senior Vice President of Investor Support and Fund Services. Ms. Dodge is the person primarily responsible for overseeing day to day operations for the Fund, and she is also the key person for handling relations with shareholders, the custodian bank, transfer agent, and the auditor. She was appointed Chief Compliance Officer of the Fund, as of November 21, 2006. Ms. Dodge is a Senior Vice President and Director of Bridges Investor Services, Inc., and a Senior Vice President and Trust Officer for Provident Trust Company.

Name, Age, Position with Fund and Term of Office	Principal Occupation(s) and Directorships*
Brian Kirkpatrick, CFA Age: 45	Mr. Kirkpatrick has been an employee of Bridges Investment Management since 1994. Mr. Kirkpatrick serves as a Senior Vice President, Director of Research, Chief Compliance Officer, and Director of Bridges Investment Management. Having joined Bridges Investment Counsel, Inc. on August 24, 1992, he is a Senior Vice President of Bridges Investment Counsel, and has been a full-time member of the professional staff of Bridges Investment Counsel, Inc., responsible for securities research, and the investment management for an expanding base of discretionary management accounts, including the Fund, for more than 15 years. Mr. Kirkpatrick was appointed Sub Portfolio Manager of the Fund on April 12, 2005.
Executive Vice President (2006 – present)	
Vice President (2000 – 2006)	
Mary Ann Mason Age: 65	Ms. Mason has been an employee of Bridges Investment Management since 1994, where she currently serves as Senior Vice President, Corporate Secretary, and Treasurer. She joined Bridges Investment Counsel, Inc. in June 1981, and currently is Senior Vice President, Corporate Secretary and Treasurer of such entity, and the Secretary, Treasurer and Director of Bridges Investor Services, Inc. Ms. Mason also acts as Vice President, Secretary and Treasurer for Provident Trust Company.
Secretary (1987 – present)	
Trinh Wu Age: 60	Ms. Wu has been an employee of Bridges Investment Management and has served Bridges Investment Counsel, Inc. since February 1, 1997. Ms. Wu has functioned as the lead accountant for the day to day operation of the Fund. Ms. Wu currently is the Senior Accountant of Bridges Investment Counsel, Inc. Prior to her employment at Bridges Investment Management, Inc., Ms. Wu performed operating and accounting activities for 17 years in the Estate and Trust Department of the predecessor institutions to U.S. Bank, N.A. Nebraska. Ms. Wu was elected to the position of Controller of the Fund at the October 16, 2001 meeting of the Board of Directors. Ms. Wu is also Vice President, Accounting and Internal Audits, for Provident Trust Company.
Controller (2001 – present)	

* Except as otherwise indicated, each individual has held the position shown or other positions in the same company for the last five years.

The address for all Fund Officers is, 8401 West Dodge Road, Suite 256, Omaha, Nebraska 68114

The Statement of Additional Information (SAI) includes additional information about Fund directors and is available at the Fund's website, www.bridgesfund.com, or by calling 1-800-939-8401.

Item 22(b)(7)(i)

This item requires a discussion of those factors, including relevant market conditions and the investment strategies and techniques pursued by the Fund's investment adviser that materially affected the performance of the Fund during the most recently completed fiscal year. The investment performance for 2016, the most recently completed fiscal year, was a 7.09% total return with cash and capital gain distributions reinvested in shares of capital stock in the Fund.

The relevant market conditions and the investment strategies pursued by the Fund's investment adviser that materially affected the performance of the Fund during the most recently completed fiscal year are fully described on pages one through three of the Shareholder Letter, which is a part of the Annual Report.

Item 22(b)(7)(ii)

The Fund is required to provide a line graph comparing the initial account value and subsequent account values at the end of each of the most recently completed ten fiscal years of the Fund, assuming a \$10,000 investment in the Fund at the beginning of the first fiscal year to the same investment over the same periods in an appropriate broad-based securities market index. In a table placed within or contiguous to the graph, the Fund's average annual total returns for the one, five, and ten-year periods ended on the last day of the most recent fiscal year, computed in accordance with applicable SEC regulations and guidelines, are provided.

This line graph appears on page MD&A-9. The information on the line graph is set forth without amplifying commentary. However, the interpretative discussion that precedes and follows in this section of the Annual Shareholder Report for 2016 is an integral part of the overall presentation concerning investment performance.

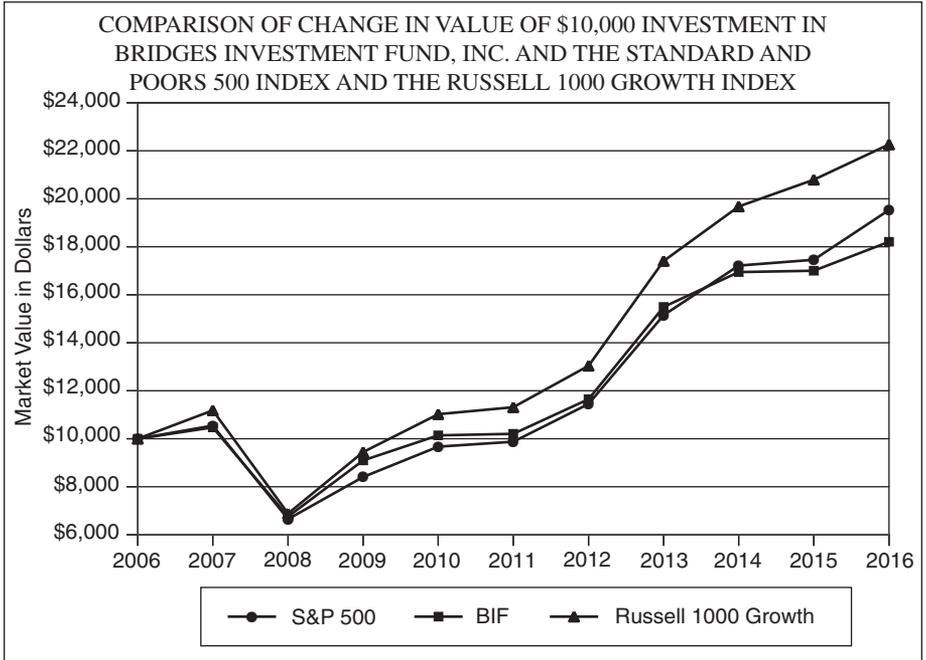
The assumptions for the preparation of data to compute performance for the Standard & Poor's 500 Composite Index, the Russell 1000 Growth Index, and for Bridges Investment Fund, Inc., along with other items of information and analysis, appear on pages MD&A-10.

The Standard & Poor's 500 Composite Stock Index was chosen as the appropriate broad-based market index for comparison with our Fund for the purpose of benchmarking the results of a 100% common stock investment as an alternative to an investment in our Fund. Common stocks have ranged between 87.3% to 98.3% of total market value in the Fund's portfolio over the last decade. This observation means that our Fund's investment record in the typical year is unlikely to match, exactly, results of a securities investment in the Standard & Poor's 500 Composite Index because the same degree of risk/reward has not been assumed by the Fund. Nevertheless, the S&P 500 has the best data for tracking the general price trends for large capitalization, widely owned stocks, a representative list of which is held by our Fund.

AVERAGE ANNUAL TOTAL RETURN

1 YEAR	5 YEAR	10 YEAR
7.09%	12.28%	6.18%

The Fund's past performance is not an indication of how the Fund will perform in the future. The performance information presented does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.



**INFORMATION SUPPORTING AND SETTING
QUALIFICATIONS FOR INVESTMENT RETURNS**

Assumptions

1. The initial investment was made at the public offering price last calculated on the business day before the first day of the first fiscal year.
2. The subsequent account values are based on the net asset values of the Fund last calculated on the last business day of the first and each subsequent fiscal year.
3. The calculation for the final account value assumes the account was closed and the redemption was at the price last calculated on the last business day of the most recent fiscal year.
4. All dividends and capital gains distributions by the Fund were reinvested at the price on the reinvestment dates. The dividend for the Standard & Poor's 500 Composite Index for the previous quarter was invested at the month-end price closest to the reinvestment date for the Fund. The Russell 1000 Growth Index is a total return index that reinvests dividends continuously as they are paid.

Appropriate Index

The Fund is to select an “appropriate broad-based securities market index” that is administered by an organization that is not an affiliated person of the Fund or its investment adviser. The securities index chosen must be adjusted to reflect reinvestment of dividends on securities in the index, but not the expenses of the Fund.

Use of Additional Indexes

In addition to the required comparison to a broadly-based index, mutual fund registrants with the Securities and Exchange Commission are encouraged to compare their performances to other more narrowly-based indexes that reflect the market sectors in which they invest. Management chose the Russell 1000 Growth Index as an additional index for comparison because the Fund’s Investment Manager invests primarily in large capitalization companies that have or are expected to have higher-than-average growth rates in revenues and earnings.

Item 22(d)(3)

The Fund files its complete schedule of portfolio holdings with the SEC for the First and Third Quarters of each fiscal year on Form N-Q, which is available on the SEC’s website at <http://www.sec.gov> or can be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. (information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.) These reports can also be obtained from the Fund by sending an e-mail to fund@bridgesinv.com or calling 1-800-939-8401.

Item 22(d)(4) & (5)

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and a report on how the Fund voted such proxies during the 12-month period ended June 30, 2016 can be obtained at the Fund’s website at www.bridgesfund.com or by calling 1-800-939-8401, or from the SEC’s website at <http://www.sec.gov>.

Additional Disclosures

Shareholder Notification of Federal Tax Status (Unaudited) – The Bridges Investment Fund designates 100% of dividends declared during the fiscal year ended December 31, 2016 as dividends qualifying for the dividends received deduction available to corporate shareholders.

The Bridges Investment Fund designates 100% of dividends declared from the net investment income during the fiscal year ended December 31, 2016 as qualified income under the Jobs and Growth Tax Relief Reconciliation Act of 2003.

The Bridges Investment Fund designates 0% of ordinary distributions as short-term gain distributions under Internal Revenue code Section 871(k)(2)(c).

Information to Be Filed in N-CSR Report – The Securities and Exchange Commission requires specific certifications by the Fund’s principal officers with every report on Form N-CSR. The Fund’s President, Executive Vice-President, and Chief Compliance Officer/Treasurer will provide his or her certification on a separate document, which certification will be filed as an exhibit to the Fund’s Form N-CSR. Form N-CSR includes certain additional items of information to be reported, including; Item 2. Code of Ethics; Item 3. Audit Committee Financial Expert; Item 4. Principal Accountant Fees and Services; Item 6.

Schedule of Investments; Item 10. Submission of Matters to Vote of Security Holders; Item 11. Controls and Procedures; and Item 12. Exhibits. The Fund's report on Form N-CSR is available, without charge, at the SEC's website at <http://sec.gov>, and is also available, without charge, upon request to the offices of the Fund at 1.800.939.8401.

Respectfully Submitted,

A handwritten signature in black ink that reads "Ted Bridges". The signature is written in a cursive, slightly slanted style.

Edson L. Bridges III
President and
Chief Executive and Investment Officer

BRIDGES INVESTMENT FUND, INC.

8401 West Dodge Road
Omaha, Nebraska 68114

Telephone 402-397-4700

Facsimile 402-397-8617

Directors

Daniel J. Brabec
Edson L. Bridges III
Robert W. Bridges
Nathan Phillips Dodge III

Adam M. Koslosky
Robert T. Slezak
Kelly A. Walters
Lyn Wallin Ziegenbein

Officers

Robert T. Slezak
Adam M. Koslosky
Edson L. Bridges II
Edson L. Bridges III

Brian M. Kirkpatrick
Mary Ann Mason
Nancy K. Dodge
Trinh Wu

Chairman and Lead Independent Director
Vice Chairman
Chairman Emeritus
President and Chief Executive and
Investment Officer
Executive Vice President
Secretary
Treasurer and Chief Compliance Officer
Controller

Independent Registered Public Accounting Firm

Cohen & Company, Ltd.
1350 Euclid Avenue, Suite 800
Cleveland, Ohio 44115

Corporate Counsel

Baird, Holm, LLP
Attorneys at Law
1500 Woodmen Tower
Omaha, Nebraska 68102

Counsel to Independent Directors

Koley Jessen P.C.
Attorneys at Law
One Pacific Place, Suite 800
1125 South 103 Street
Omaha, Nebraska 68124

Distributor

Quasar Distributors, LLC
615 East Michigan Street
Milwaukee, Wisconsin 53202