

October 20, 2017

Bridges Investment Fund had a total return of 4.78% in the third quarter of 2017, which bettered the 4.48% total return for the S&P 500 and trailed the 5.90% total return for the Russell 1000 Growth Index over the same period. For the twelve month period ended September 30, 2017, the Fund had a total return of 19.19% versus 18.61% for the S&P 500 and 21.94% for the Russell 1000 Growth Index. For the three year period ended September 30, 2017, the Fund had an average annual total return of 8.54% versus 10.81% for the S&P 500 and 12.69% for the Russell 1000 Growth Index. For the five year period ended September 30, 2017, the Fund had an average annual total return of 12.24% versus 14.22% for the S&P 500 and 15.26% for the Russell 1000 Growth Index. For the ten year period ended September 30, 2017, the Fund had an average annual total return of 7.12% versus 7.44% for the S&P 500 and 9.08% for the Russell 1000 Growth Index. The Fund's gross expense ratio is 0.84%.

Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of the 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.

During the third quarter, we trimmed our holding in Capital One, and eliminated our holdings in Apache, Goldman Sachs, and Level 3.

Stocks posted very solid gains in the third quarter, continuing the rally that has been in place since the mid-February 2016 stock market lows. From February 15, 2016, through September 30, 2017, the S&P 500 has a total return of 40%.

In our view, corporate earnings growth remains the primary driver of the positive stock price performance to date in 2017, as earnings results have generally beaten consensus expectations on both the top line (revenues) and the bottom line (net income). We believe that the level and trajectory of corporate earnings remains the single most important factor affecting stock returns for the remainder of 2017 and into 2018.

U.S. stocks remain close to our estimate of "fair value," and we believe equities are currently priced to provide mid-to-high single digit returns from current levels over the next several years, albeit with the likelihood of increased levels of stock price volatility. Our fair value target for year-end 2018 for the S&P 500 is 2700, versus the current level of 2550. We define "fair value" as the valuation level from which future changes in stock prices would be expected to track changes in underlying earnings, free cash flow, and intrinsic business value.

A meaningful stock market correction (a decline of 10% or more) is probably overdue, but the combination of solid corporate earnings growth and very low interest rates has supported the equity market's continued advance over the past six quarters.

For perspective, we think it is important to consider the recent stock market advance within a longer term context: the S&P 500 has returned 349% since its March 2009 low, a compound annual rate of return of 19.15%. Over the past ten years (which coincides with the October 2007 stock market high), the S&P 500 has returned 103%, or 7.32% annually.

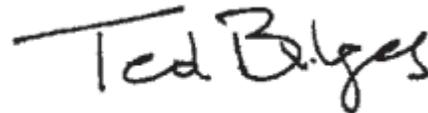
We believe that equity returns are ultimately, and over the long run, a function of four primary drivers: 1) the level of corporate earnings, 2) the estimated growth of corporate earnings, 3) the level of interest rates, and 4) the valuation multiple that investors are willing to accord companies based on the first three variables.

Looking forward: 1) the level of corporate profitability is at all-time highs, and company profit margins are also high relative to history; 2) earnings growth has shown improvement in recent quarters, and might be expected to range in the mid-single digits over the next several years; 3) interest rates are near historic lows (lower interest rates support higher valuations, because the value of a future dollar of earnings is higher when the interest rate used to discount that dollar of earnings is low); and 4) current valuation metrics are near the high end of “average” or the low end of “high”.

The combination of these variables suggests to us that stocks could continue to work higher if earnings performance remains solid, but in our view, current valuations allow little room for earnings disappointments or significantly higher interest rates.

It would not surprise us to see stocks 15-20% lower, 15-20% higher, or both, over the next 12-18 months. We believe that a material stock price decline from current levels would improve implied long-term returns for equities, assuming no material degradation of the long-term outlook for earnings growth.

While we expect continued elevated levels of stock price volatility going forward, we remain constructive on the longer term outlook for both U.S. stocks in general and the Fund's portfolio, and we remain focused on identifying companies that are well-positioned to generate acceptable returns for shareholders over the long-run based on the strength of their business franchises, their growth prospects, and their valuations.

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

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.

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.

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 earnings before depreciation, amortization, and non-cash charges minus maintenance capital expenditures.

Fund holdings are subject to change and should not be considered a recommendation to buy or sell any security. Please [click here](#) for Fund holdings.

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

Earnings growth is not representative of the fund's future performance.