BRIDGES | INVESTMENT FUND, INC.

April 15, 2019

Bridges Investment Fund had a total return of 13.68% in the first quarter of 2019, which bettered the 13.65% advance in the S&P 500, and trailed the 16.10% rise in the Russell 1000 Growth Index over that same period. For the twelve-month period ended March 31, 2019, the Fund had a total return of 8.48% versus a 9.50% total return for the S&P 500 and a 12.75% total return for the Russell 1000 Growth Index. For the three-year period ended March 31, 2019, the Fund had an average annual total return of 13.39% versus 13.51% for the S&P 500 and 16.53% for the Russell 1000 Growth Index. For the five-year period ended March 31, 2019, the Fund had an average annual total return of 9.21% versus 10.91% for the S&P 500 and 13.50% for the Russell 1000 Growth Index. For the ten-year period ended March 31, 2019, the Fund had an average annual total return of 14.19% versus 15.92% for the S&P 500 and 17.52% for the Russell 1000 Growth Index. The Fund's expense ratio is 0.79%.

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.

The first quarter of 2019 was the best quarter for U.S. equity returns since the third quarter of 2009.

U.S. equities rallied sharply throughout the quarter. The S&P 500 posted a total return of 13.65%, and ended the quarter 20.56% above its December 24, 2018 close, which marked the low point of 2018, and 3.61% below its all-time high level of 2940 (posted on September 21, 2018).

March 9 marked the tenth anniversary of the current bull market for U.S. stocks. Since March 9, 2009, the S&P 500 has a total return of 416.80%, or 17.73% annualized.

Stocks responded favorably to three key factors in the first quarter:

1. The Fed communicated a less hawkish tone early in January, in response to softer economic data released during the fourth quarter.

2. There was progress made in the trade discussions/negotiations with China.

3. Fourth quarter corporate earnings were somewhat better than implied by the sharp downdraft in equity prices in December.

These three factors remain salient risks for equity investors. In our view, the strong price performance for stocks in the first quarter discounts, or assumes, a combination of benign Federal Reserve policy, the achievement of an acceptable trade deal with China, and continued solid corporate earnings growth over the course of 2019.

Disappointing news regarding any of the three factors would likely result in material (5-10%) pullback in stock prices; disappointing news on all three factors would likely result in a retest of the late December 2018 lows, at around 2,350 on the S&P 500 Index.

We expect that stock price volatility will remain elevated for the duration of 2019.

While stock prices moved appreciably higher during the first quarter, aggregate valuations for stocks, as measured by the S&P 500, remain somewhat below our estimate of fair value for year-end 2019. At present, the consensus earnings estimate for the S&P 500 for 2019 is $166 per share (down from $178 at the end of the third quarter of 2018), and $185 per share for year-end 2020.

We believe the S&P 500 is fairly valued at 16x forward earnings, which would imply a fair value estimate of 3,000 for the Index at year-end 2019, about 6% above current levels (the Index closed the first quarter at 2,834).

Longer-term, we believe equities are priced to provide total returns of 7-9% from current levels, which is reasonably attractive relative to the current 10-year Treasury yield of 2.40%. The current equity risk premium – the earnings yield of the S&P 500 relative to the 10-year Treasury yield – is 3.5%, somewhat above its historic average level, implying that stocks are relatively more attractive than bonds.

During the quarter, we established a new position in Adobe, and added to our positions in Blackrock, Boeing, Booking Holdings, Continental Resources, EOG resources, FedEx, Home Depot, Iqvia, Lowes, Microsoft, Old Dominion, S&P Global, and United Health Group.

We also trimmed positions in Apple, Celgene, and MasterCard.

We will continue to look for opportunities to upgrade the Fund's portfolio during periods of equity market volatility.

Our focus remains on identifying and owning strong business franchises that are well-managed, have attractive opportunities for long-term business value growth, and that trade at sensible valuations.

We appreciate your continued investment in the Fund.

Ted Bridges

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

Must be preceded or accompanied by a Prospectus.

Earnings growth is not representative of the Fund’s future performance.

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.

Earnings per share is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.

The price-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings.