Below is our Market Commentary as of the quarter ending March 31, 2019.

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 2,940 (posted on September 21, 2018).

Midcap and small cap stocks represented by the S&P Midcap 400 and the S&P Smallcap 600 (+14.49% and +14.57%, respectively) were the best-performing segment of the U.S equity market during the first quarter; while growth stocks represented by the Russell 1000 Growth (+16.10%) outperformed value stocks represented by the Russell 1000 Value (+11.93%).

International equity returns lagged U.S. equity returns but were still strongly positive: developed international equities had a total return of +10.42%, and emerging market equities had a total return of +11.77%, as reflected by the MSCI ACWI ex USA and MSCI Emerging Market indexes, respectively.

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.

In assessing the strong performance in the quarter, it is apparent that equities responded favorably to three developments:

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.

As we look ahead, the most salient risk for investors is the fact that the strong price performance for stocks in the first quarter discounts, or assumes, a combination of 1) a benign Federal Reserve policy, 2) the achievement of an acceptable trade deal with China, and 3) continued solid corporate earnings growth over the course of 2019. Disappointing news regarding any of these factors would likely result in a material 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.

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 to 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 remain relatively more attractive than bonds.

Bond yields, as noted by the 10-Year U.S. Treasury, fell from 2.69% to 2.40% during the first quarter, as the Fed moderated its commentary around its policy given a slowing in U.S. and global economic conditions into the end of 2018.

At present, low nominal and real interest rates lead us to remain circumspect with respect to both bond weightings in portfolios, and the positioning of bonds within portfolios. We remain underweight bonds relative to targets and defensively positioned with respect to bond portfolio durations. That said, we have reduced our year-end target for the 10-year Treasury yield from 3.50% to 3.00%, given 1) the Fed's ostensibly more dovish stance and 2) signs of economic softening.

In sum, we expect the remainder of 2019 to be challenging and volatile, as the strong first quarter removes much of the undervaluation that existed at year-end.

Longer term, we believe equities remain attractive, albeit with implied forward nominal returns that are somewhat below historic levels. Low interest rates make bonds less attractive relative to stocks, in our view.

We appreciate your continued confidence in our Firm, and we encourage you to contact us if you would like to discuss the portfolio and/or our outlook in greater detail.

Thank you for the continued confidence and trust.

The Bridges Investment Management Team

The Fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company; any may be obtained by calling 1.866.934.4700 or by visiting www.bridgesfund.com. Read it carefully before investing.

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. Investing in value stocks presents the risk that value stocks may fall out of favor with investors and underperform other asset types during given periods. Equities, bonds, and other asset classes have different risk profiles, which should be considered when investing. All investments contain risk and may lose value.

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

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

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

The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general.

The S&P Midcap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap Index in existence.

The S&P 600 SmallCap Index measures the small cap segment of the U.S. equity market.

The term Russell 1000 Growth Index refers to a composite that includes large and mid-cap companies located in the United States that also exhibit a growth probability. The Russell 1000 Index is designed to be a measure of the large mid-sized capitalization companies in the United States equities market. The index is a composite of roughly 1,000 securities issued by the largest companies in the U.S. in terms of market capitalization. The Russell 1000 Growth Index is a subset of the securities found in the Russell 1000 Index. As of this writing, there were approximately 600 securities in the Russell 1000 Growth Index. The stocks included in the growth index are selected based on a "probability" of growth as measured by their Institutional Brokers' Estimate System (I/B/E/S) forecast of medium-term growth (2 year), and sales per share historical growth (5 year).

The term Russell 1000 Value Index refers to a composite of large and mid-cap companies located in the United States that also exhibit a value probability. The Russell 1000 Index is designed to be a measure of the large and mid-sized capitalization companies in the United States equities market. The index is a composite of roughly 1,000 securities issued by the largest companies in the U.S. in terms of market capitalization. The Russell 1000 Value Index is a subset of the securities found in the Russell 1000. As of this writing, there were approximately 700 securities in the Russell 1000 Value Index. The stocks included in the value index are selected based on a "probability" of value as measured by their relative book-to-price (B/P) ratio.

The MSCI World Index – ex U.S. is a stock market index of 1,643 'world' stocks. It is maintained by MSCI Inc., formerly Morgan Stanley Capital International, and is used as a common benchmark for 'world' or 'global' stock funds. The index includes a collection of stocks of all the developed markets in the world, as defined by MSCI.

The MSCI Emerging Markets Index is maintained by MSCI Inc. formerly Morgan Stanley Capital International and is an index used to measure equity market performance in global emerging markets.

The 10-year Treasury note is a debt obligation issued by the United States government with a maturity of 10 years upon initial issuance. A 10-year Treasury note pays interest at a fixed rate once every six months, and pays the face value to the holder at maturity.

Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. A bond's term is a linear measure of the years until repayment of the principal is due. It does not change with the interest rate environment.

It is not possible to invest directly in an index.