

October 17, 2025

The Bridges Investment Fund had a total return of 5.5% in the third quarter of 2025, compared to an 8.1% total return for the S&P 500 over the same period.

For the twelve-month period ended September 30, 2025, the Fund had a total return of 12.21% versus 17.6% for the S&P 500. For the three-year period ended September 30, 2025, the Fund had an average annual total return of 25.93%, versus 24.94% for the S&P 500.

For the five-year period ended September 30, 2025, the Fund had an average annual total return of 13.98% versus 16.47% for the S&P 500. For the ten-year period ended September 30, 2025, the Fund had an average annual total return of 14.34% versus 15.3% for the S&P 500. The Fund's expense ratio is 0.71%.

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. The 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 Fund's performance has been helped in 2025 by strong performance of its holdings in the Technology and Communication Services sectors, particularly NVIDIA, Microsoft and Alphabet. Healthcare, Industrial and Consumer Discretionary holdings have been the biggest detractors YTD.

The S&P 500 finished the third quarter up 14% year-to-date, and nearly 35% from the April 8th bottom. From the lows in October 2022, the index has now doubled on a total return basis. Supported by the resilience of corporate earnings and the tailwind of artificial intelligence spending, investor sentiment appears to have shifted back to risk-on.

To this point, most of the capital deployed, or to be deployed, towards AI infrastructure has ostensibly come from the robust cash flow of mega-cap tech companies. During the quarter, leverage was added to the equation, following the seminal announcement from OpenAI and their debt-fueled partnership with Oracle. While accelerating capital spend is seen as a necessity by the various tech leaders to maintain or improve their competitive "moats", risks from excess spending, both private and public, appear to be increasing.

At some point, companies will need to justify the returns on these extraordinary investments to shareholders. Up until now, the largest technology companies have been widely viewed as capital light, cash-generative, suggesting the hurdle rate for returns will be that much higher. For now, they seem to be getting a free pass in funding what appears to be a race to super intelligence.

Corporate earnings have maintained their resilience, despite the uncertainty

around tariffs. Second quarter results for S&P 500 companies vastly exceeded expectations, with 12% growth vs. the 5% expected as of June 30th. While we have expected earnings and overall market breadth to improve, the majority of growth is still coming from the largest companies in the index, which has led to further concentration in the makeup of the S&P 500. As of September 30th, the top 10 companies comprised over 40% of the index.

From a valuation standpoint, the spectrum continues to widen. U.S. large cap stocks trade at a significant premium to small and mid, which is at least partly justified by relative earnings strength.

More recently, we have started to observe an increase in investor speculation, including the relative performance of non-profitable technology companies. Momentum stocks have also meaningfully outperformed those exhibiting both quality and value characteristics over the past year.

While we need to be mindful of such speculative activity, we prefer to focus on the quality and earnings durability of the businesses we own or are likely to own. For the most part, those companies have executed better than our expectations coming into the year. In our opinion, the bar seems to be higher as we look out into 2026, which is requiring us to act with additional diligence and patience.

A handwritten signature in black ink, appearing to read "Jack Holmes". The signature is fluid and cursive, with a prominent loop at the end.

Jack Holmes
Chief Investment Officer

Must be preceded or accompanied by a Prospectus.

The opinions expressed herein are those of Jack Holmes and are subject to change. They are not guaranteed and should not be considered investment advice.

Please click [here](#) for the Fund's top ten holdings as of 9/30/2025. Holdings are subject to change at any time.

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. You cannot invest directly in a specific index.

The price-to-earnings ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS). EPS is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.

Risk-on risk-off investing describes how changes in investor risk tolerance influence market activity, impacting asset prices and investment decisions.

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 Bridges Investment Fund is distributed by Quasar Distributors, LLC.