BRIDGES | INVESTMENT MANAGEMENT

October 16, 2026

The Bridges Investment Fund had a total return of 6.3% in the third quarter of 2026, compared to a 2.3% total return for the S&P 500 over the same period.

For the twelve-month period ended September 30, 2026, the Fund had a total return of 9.8% versus 15.74% for the S&P 500. For the three-year period ended September 30, 2026, the Fund had an average annual total return of 19.4%, versus 22.9% for the S&P 500.

For the five-year period ended September 30, 2026, the Fund had an average annual total return of 10.7% versus 13.8% for the S&P 500. For the ten-year period ended September 30, 2026, the Fund had an average annual total return of 14.4% 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 in 2026 has been negatively impacted by security selection within the technology sector, specifically the overweight to software and underweight to semiconductors. Healthcare and Financial holdings have also negatively impacted performance in the short-term. Consumer Staples and Communication Services were the largest contributors to relative performance.

Rising interest rates are reasserting themselves as a major theme in capital markets, altering both the risk premium afforded to equities and the returns available to bond investors. The 10-year Treasury yield recently reached its highest level since 2002, rising from 4.4% to 5.3% during the third quarter alone.

We believe there are both positive and negative explanations for higher rates. Persistent fiscal deficits and increased corporate debt issuance to finance artificial intelligence infrastructure are contributing to greater bond supply, while inflation remains above the Federal Reserve's 2% target. At the same time, economic activity has accelerated, with nominal GDP growing at an annualized rate of 8.5% during the second quarter. Stronger economic growth typically coincides with higher interest rates, making the recent increase in yields at least partially a reflection of better-than-expected economic fundamentals, in our view.

Business investment has been the engine of that acceleration, helping fuel corporate earnings that continue to exceed expectations. Consensus earnings growth estimates for the S&P 500 have increased significantly during 2026, with

current forecasts approaching 30% year-over-year growth, a significant increase given that they build on record earnings in 2025. These upward revisions have provided an important counterweight to rising rates and helped support equity markets even as valuation multiples have compressed. The S&P 500's forward price-to-earnings multiple has declined from 23x to 19x over the past year.

Artificial intelligence spending remains at the core of that earnings strength. Accelerating cloud revenues among the Hyperscalers continue to support further investment in AI infrastructure. Meanwhile, the market's response to AI disruption risk has become more nuanced. Cybersecurity stocks and other businesses demonstrating accelerating growth or potentially durable competitive advantages have begun to differentiate themselves following what we viewed as indiscriminate selling in software and other AI-exposed sectors earlier this year.

Dispersion extends beyond the technology sector. Earnings growth has broadened to include small-cap, mid-cap and international businesses, but performance remains uneven and highly correlated with exposure to the AI buildout. Rate-sensitive areas such as housing have faced pressure from higher borrowing costs, while persistent inflation has weighed more heavily on the lower-income consumer. By contrast, the higher-income consumer has remained relatively resilient, supported in part by the wealth effect of a strong equity market.

The combination of exceptionally strong index-level earnings growth and higher interest rates is also changing how investors value growth. Multiples have contracted meaningfully for many companies even where underlying fundamentals and long-term growth expectations remain stable. In our view, this reflects both higher rates and the perceived opportunity cost of short-term growth available elsewhere. For patient long-term investors, we believe this is creating opportunities among durable growth businesses, particularly if growth becomes less abundant over time.



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 top ten holdings as of 9/30/2026. 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.

Hyperscalers are cloud providers with the infrastructure and economies of scale to rapidly expand computing resources and deliver cloud services to millions of users worldwide.

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.