April 20, 2018

Bridges Investment Fund had a total return of 0.86% in the first quarter of 2018, compared to a -0.76% decline in the S&P 500, and a 1.42% rise in the Russell 1000 Growth Index over that same period. For the twelve month period ended March 31, 2018, the Fund had a total return of 15.07% versus a 13.99% total return for the S&P 500 and a 21.25% total return for the Russell 1000 Growth Index. For the three year period ended March 31, 2018, the Fund had an average annual total return of 9.09% versus 10.78% for the S&P 500 and 12.90% for the Russell 1000 Growth Index. For the five year period ended March 31, 2018, the Fund had an average annual total return of 12.16% versus 13.31% for the S&P 500 and 15.53% for the Russell 1000 Growth Index. For the ten year period ended March 31, 2018, the Fund had an average annual total return of 8.82% versus 9.49% for the S&P 500 and 11.34% for the Russell 1000 Growth Index. The Fund's gross expense ratio is 0.80%.

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 2018 was marked by significantly higher levels of stock and bond price volatility.

The S&P 500 rallied +8% during the first four weeks of the year, reaching an all-time high of 2,875 on January 26. Stocks then declined -12% in the next eight trading days and spent the rest of the quarter trading in very wide intra-day and intra-week swings, ultimately ending the first quarter down slightly from year-end 2017 levels.

During March the U.S. equity market passed the ninth anniversary of the current bull market, which began on March 9, 2009. The S&P 500 had declined -55% from October 2007 through March 9, 2009; from there, the S&P 500's total return was +372% or +19% compounded annually, through March 31, 2018. Peak-to-peak (October 2007 through March 31, 2018), the S&P 500 returned +112% or +7.43% annually.

In our view, the strong move in U.S. equities has taken stocks from extremely undervalued in early 2009, to somewhat undervalued at the lows of February 2016, and now close to our estimate of fair market value. From current valuation levels, our expectation would be that stock prices should more or less track the rate of earnings, cash flow, and dividend growth going forward.

Going forward, we believe the most important factor affecting stocks remains the level and trajectory of corporate earnings. U.S. corporate earnings have shown solid improvement over the past eight quarters, and we expect that trend to continue as 1) the global economy has synchronized, driving solid earnings growth both in the U.S. and abroad, and 2) corporate tax cuts enacted at the end of 2017 begin to benefit the bottom line for U.S. companies.

The cut in the corporate income tax rate has positively impacted the outlook for corporate earnings in 2018. The consensus estimate for S&P 500 earnings per share in 2018 has increased from $145 per share at year-end to $158 per share at the end of the first quarter. Our year-end 2018 fair value estimate for the S&P 500 is 3,000 ($158 per share earnings times a year-end trailing price/earnings ratio (P/E) of 19x, and/or $175 estimated per share earnings for 2019 times a forward P/E of 17x). Our 2018 year-end fair value estimate for the S&P 500 implies roughly 10% returns for the rest of the year.

We expect capital market volatility to remain high during the remainder of 2018, as investors weigh the impact of continued earnings growth (positive) and higher interest rates (negative) and the risk of trade tariffs (negative). We would not be surprised if the S&P 500 traded as low as 2,200 or as high as 3,200 this year (the index closed the first quarter at 2,641). Price volatility is not bad per se: stock price volatility provides opportunities to position capital at favorable valuation levels.

We expect the remainder of 2018 to be challenging, but we will continue to focus on identifying and owning high quality companies, an approach which should serve us well if/when stock prices correct. We will look for opportunities to add to portfolio holdings at attractive valuation levels during periods of material stock market weakness.

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.

The Bridges Investment Fund is distributed by Quasar Distributors, LLC