BRIDGES | INVESTMENT FUND, INC.

July 15, 2021

Bridges Investment Fund had a total return of 10.37% in the second quarter of 2021, which bettered the 8.55% advance in the S&P 500 over the same period. For the twelve-month period ended June 30, 2021, the Fund had a total return of 40.26% versus a 40.79% total return for the S&P 500. For the three-year period ended June 30, 2021, the Fund had an average annual total return of 20.20% versus 18.67% for the S&P 500. For the five-year period ended June 30, 2021, the Fund had an average annual total return of 19.68% versus 17.65% for the S&P 500. For the ten-year period ended June 30, 2021, the Fund had an average annual total return of 14.46% versus 14.84% for the S&P 500. The Fund's expense ratio is 0.78%.

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.

U.S equities posted strong gains in the second quarter of 2021, driven by economic recovery from the pandemic-driven recession, rising corporate profits, and continued low interest rates. The S&P had a total return of 15.24% during the first two quarters of the year, bringing its total return to 96.11% from March 23, 2020, the low point of the February-March 2020 equity market decline, and 43.90% since year-end 2019, immediately before the onset of the global Covid19 pandemic.

The strong advance in stock prices since the March 23, 2020, low has been driven by several important factors:

1. Economic activity has recovered more quickly, and at a faster pace, than many expected.

2. Corporate profitability has also recovered more quickly and at a stronger trajectory than consensus expectations implied a year ago.

3. The Fed has remained accommodative well into the recovery which has resulted in large amounts of liquidity, some of which has sought higher return assets in a very low interest rate environment.

4. Interest rates have remained very low by historic standards; very low interest rates support higher than normal valuations for stocks, all things equal.

While total returns for equities were positive in 2020 (the S&P 500 had a total return of 18.39% in 2020), stock prices have continued to advance during the first half of 2021; price gains for the S&P 500 to date in 2021 have approximated the increase in consensus earnings expectations for the S&P 500 for 2021 and 2022. In essence, equity valuations have not changed much; stock prices have closely tracked the increase in investor expectations around profit growth over the course of the first two quarters of the year.

Salient risks remain. Inflation data has heated up as the economy has recovered, and we believe that could lead to higher interest rates later in the year. The Biden Administration has proposed significant legislation regarding increased government spending and higher taxes. While the virus appears to be receding in the U.S., the Delta variant has led to a rebound in cases outside the U.S.

We expect higher levels of equity market volatility in the second half of the year. We expect that the global economy will continue to recover in coming quarters, although that recovery may be uneven at times, which could lead to capital markets disruptions.

Our focus remains on identifying and owning structurally advantaged businesses that are well-positioned to grow shareholder value over the long run.

We appreciate your investment in the Fund.

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 guaranteed 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. It is not possible to invest directly in an index.
Free Cash Flow is earnings before depreciation, amortization, and non-cash charges minus maintenance capital expenditures.

Fund holdings are subject to change and should not be considered a recommendation to buy or sell any security. For a complete list of Fund holdings, please refer to the Schedule of Investments in this report.

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