BRIDGES | INVESTMENT FUND, INC.

October 18, 2021

Bridges Investment Fund had a total return of 0.80% in the third quarter of 2021, which bettered the 0.58% total return for the S&P 500 over the same period. For the twelve-month period ended September 30, 2021, the Fund had a total return of 27.23% versus 30.00% for the S&P 500. For the three-year period ended September 30, 2021, the Fund had an average annual total return of 17.25% versus 15.99% for the S&P 500. For the five-year period ended September 30, 2021, the Fund had an average annual total return of 18.36% versus 16.90% for the S&P 500. For the ten-year period ended September 30, 2021, the Fund had an average annual total return of 16.21% versus 16.63% 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.

Purchases in the portfolio during the quarter included Aptar, BWX Technologies, Cable One, Chemed, Progressive, Terminix, and Transunion. Cable One and Chemed were new positions, and the other purchases were additions to existing holdings.

Sales in the portfolio during the quarter included Booking Holdings, Disney, Eaton and Ecolab.

U.S. equities posted a positive performance during the third quarter, but gave back some gains during September. The S&P 500 reached an all-time high of 4,445 on September 2 before closing the quarter at 4,307, down 5% from the high. That decline represented the first 5% pullback for the S&P 500 since September of 2020, one of the longest stretches without a 5% decline on record. The S&P 500 finished the third quarter with a 15.91% total return.

The S&P 500's positive performance during the first three quarters of the year follows its 18% total return in 2020, and a trailing five year compounded annualized total return of 16.87%. The S&P 500 ended the quarter up 92% from the March 23, 2020, low.

In our view, the strong performance for U.S. equities in recent years has been driven by several important factors: 1) strong profit performance, particularly in some of the larger technology platform companies; 2) persistently low interest rates, which have allowed for some expansion of equity valuations; 3) a sharp recovery from the economic impact of the pandemic in the second half of 2020 and the first three quarters of 2021; and 4) an extremely expansive Fed policy response throughout the pandemic, which has provided significant liquidity to the U.S. economy.

We believe future gains for stocks will be harder to come by, given the strong returns in recent years, and the expansion of equity valuations. That said, the performance of the S&P 500 during 2021 has been fairly closely correlated to increased expectations for corporate earnings in 2021 and 2022: stock prices have followed earnings, and earnings expectations higher over the course of the year, such that aggregate equity valuations, as represented by the S&P 500, are little changed since the beginning of the year.

Third quarter earnings season is off to a good start. Positive earnings surprises remain strong. We believe earnings are likely to continue to show growth over the next several quarters, which should provide support to stock prices.

Significant risks remain. Stock valuations could be under pressure if and as interest rates resolve higher. While equities longer term should remain attractive if the 10-year Treasury yield works above 2%, higher growth equities may be pressured as investors recalibrate their valuation assumptions.

Inflation continues to track higher, but bond yields suggest that the consensus expects an eventual moderation of the current inflation data. We expect supply chains to eventually be repaired, which should ease some of the current concerns around inflation.

Covid-19 remains a material risk, although we believe that over time, the effects of the pandemic will moderate, and we expect a return to more normal conditions over the next several years as vaccinations broaden across the globe.

Fed policy also remains a source of risk. Equity investors may balk if the Fed tapers, and/or tightens sooner or faster than current consensus expectations.

Equities may also be at risk in the intermediate term if the current economic expansion slows materially or falters. We do not see this as an immediate risk, but we remain vigilant regarding economic conditions going forward. A slowing economy may favor companies that have more consistent earnings growth characteristics, while more economically sensitive businesses may be more at risk as the trajectory of the economy flattens out or slows significantly.

We believe the portfolio is well-positioned for the long term.

We own very high-quality companies with strong balance sheets and operating models that we believe should deliver acceptable results over the long run. Our companies generally have large and growing addressable markets, offering potential for business value growth over the next five to ten years. Valuations for our companies remain reasonable given our long-term investment horizon.

We would expect to add to the best positioned companies in the event of a broad equity market decline.

Please note that online access to your Bridges Fund account is available by visiting the Fund's website at www.bridgesfund.com. Click on "Account Access" and then click "Register".

Beginning November 1, 2021 through this same online portal you will be able to opt in to receive your statements and tax forms electronically. If you need assistance with setting up online access or opting in to receive statements and/or tax forms electronically, please contact Shareholder Services at 866.934.4700

We appreciate the support of our shareholders, and we will continue to endeavor to identify and own superior quality businesses that we believe are well-positioned to deliver attractive long-term returns.

Ted Bridges

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 click here and for the Top Ten Holdings List please click here.