



Ticker: BRGIX

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## STATEMENT OF ADDITIONAL INFORMATION

This Statement of Additional Information (“SAI”) dated January 3, 2023 is not a Prospectus. It should be read in conjunction with the prospectus of the Bridges Investment Fund (the “Fund”), a series of Professionally Managed Portfolios (the “Trust”) dated January 3, 2023 (the “Prospectus”). The Fund is the successor to the Bridges Investment Fund, Inc. (the “Predecessor Fund”). This SAI is incorporated by reference into the Prospectus. In other words, it is legally part of the Prospectus. The audited financial statements for the Predecessor Fund for the year ended December 31, 2021, are herein incorporated by reference to the Predecessor Fund’s [Annual Report](#) to shareholders dated December 31, 2021. To receive a copy of the Prospectus or Predecessor Fund’s Annual or Semi-Annual Reports to shareholders, without charge, visit the “Resource Documents & Forms” page of the Fund’s website at [www.bridgesfund.com](http://www.bridgesfund.com), or write or call the Fund at the address or telephone number written above.

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## **THE TRUST**

The Trust is a Massachusetts business trust organized on February 24, 1987 and is registered with the SEC as an open-end management investment company. Prior to May 1991, the Trust was known as the Avondale Investment Trust. The Trust's Agreement and Declaration of Trust (the "Declaration of Trust") permits the Trust's Board of Trustees (the "Board") to issue an unlimited number of full and fractional shares of beneficial interest, without par value, which may be issued in any number of series. The Trust consists of various series that represent separate investment portfolios. The Board may from time to time issue other series, the assets and liabilities of which will be separate and distinct from any other series. This SAI relates only to the Fund.

The shareholders of a Massachusetts business trust could, under certain circumstances, be held personally liable as partners for its obligations. However, the Declaration of Trust contains an express disclaimer of shareholder liability for acts or obligations of the Trust.

The Declaration of Trust also provides for indemnification and reimbursement of expenses out of Fund assets for any shareholder held personally liable for obligations of the Fund or the Trust. The Declaration of Trust provides that the Trust shall, upon request, assume the defense of any claim made against any shareholder for any act or obligation of the Fund or the Trust and satisfy any judgment thereon. All such rights are limited to the assets of the Fund. The Declaration of Trust further provides that the Trust may maintain appropriate insurance (for example, fidelity bonding and errors and omissions insurance) for the protection of the Trust, its shareholders, trustees, officers, employees and agents to cover possible tort and other liabilities. However, the activities of the Trust as an investment company would not likely give rise to liabilities in excess of the Trust's total assets. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which both inadequate insurance exists and the Fund themselves are unable to meet their obligations.

The Fund is a series of the Trust and its assets and liabilities are separate and distinct from other series issued by the Trust. Effective after the close of business on December 30, 2022, the Predecessor Fund commenced the reorganization process pursuant to which the Predecessor Fund was reorganized into the Fund (the "Reorganization"). The Predecessor Fund remained a stand-alone fund through December 31, 2022. The Fund commenced operations on January 3, 2023, on which date the shares of the Predecessor Fund were converted into shares of the Fund. Pursuant to the Reorganization, the Fund acquired all of the assets of the Predecessor Fund in exchange for shares of the Fund and assumption by the Fund of all liabilities of the Predecessor Fund. Prior to the Reorganization, the Fund was a "shell" fund with no assets and had not commenced operations. The Fund has the same investment objectives and investment strategies as the Predecessor Fund. The Predecessor Fund is a Nebraska corporation organized on March 20, 1963 and registered with the SEC as an open-end, diversified investment management company under the Investment Company Act of 1940, as amended (the "1940 Act"). The Predecessor Fund commenced investment operations on July 1, 1963, and shares of capital stock were first sold to the general public on December 7, 1963. The Predecessor Fund has conducted its business continuously since that year. Following the Reorganization, the Predecessor Fund ceased its operations as an investment company and intends to wind down all operations.

The Fund is managed by Bridges Investment Management, Inc. ("BIM" or the "Adviser"). BIM was organized as a Nebraska corporation in 1994 and registered with the SEC as an investment adviser in December 1999 and has served as investment adviser to the Predecessor Fund since 2004.

## **INVESTMENT POLICIES, STRATEGIES AND RISKS**

The following information supplements the discussion of the Fund's investment objective and principal investment strategies as set forth in the Prospectus. There can be no assurance the Fund will

achieve its investment objective. The Fund may invest in the following types of investments as indicated, each of which is subject to certain risks, as discussed below.

The Fund is diversified. This means that for 75% of its total assets, the Fund may not invest more than 5% of its total assets in securities of a single issuer or hold more than 10% of the outstanding voting shares of a single issuer. Under applicable federal securities laws, the diversification of a mutual fund's holdings is measured at the time a fund purchases a security. However, if a fund purchases a security and holds it for a period of time, the security may become a larger percentage of the fund's total assets due to changes or fluctuations in the financial markets. If the market affects several securities held by a fund, the fund may have a greater percentage of its assets invested in securities of fewer issuers. Accordingly, a fund would be subject to the risk that its performance may be disproportionately impacted by the poor performance of relatively few securities despite the fund qualifying as a diversified fund under applicable federal securities laws.

The sections below describe, in greater detail than in the Prospectus, some of the different types of investments which may be made by the Fund and the different investment practices in which the Fund may engage.

### ***Market and Regulatory Risk***

Events in the financial markets and economy may cause volatility and uncertainty and affect performance. Such adverse effect on performance could include a decline in the value and liquidity of securities held by the Fund, unusually high and unanticipated levels of redemptions, an increase in portfolio turnover, a decrease in net asset value ("NAV"), and an increase in Fund expenses. It may also be unusually difficult to identify both investment risks and opportunities, in which case investment objectives may not be met. Market events may affect a single issuer, industry, sector, or the market as a whole. Traditionally liquid investments may experience periods of diminished liquidity. During a general downturn in the financial markets, multiple asset classes may decline in value and the Fund may lose value. It is impossible to predict whether or for how long such market events will continue, particularly if they are unprecedented, unforeseen or widespread events or conditions, pandemics, epidemics and other similar circumstances in one or more countries or regions. Therefore it is important to understand that the value of your investment may fall, sometimes sharply and for extended periods, and you could lose money.

Governmental and regulatory actions, including tax law changes, may also impair portfolio management and have unexpected or adverse consequences on particular markets, strategies, or investments. Policy and legislative changes in the United States and in other countries are affecting many aspects of financial regulation, and may in some instances contribute to decreased liquidity and increased volatility in the financial markets. The impact of these changes on the markets, and the practical implications for market participants, may not be fully known for some time. In addition, economies and financial markets throughout the world are becoming increasingly interconnected. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to countries experiencing economic and financial difficulties, the value and liquidity of the Fund's investments may be negatively affected.

### ***Special Risks Related to Cyber Security***

The Fund and its service providers are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Fund and its service providers use to service the Fund's operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Fund and its service providers. Cyber-attacks against or security breakdowns of the Fund or

its service providers may adversely impact the Fund and its shareholders, potentially resulting in, among other things, financial losses; the inability of Fund shareholders to transact business and the Fund to process transactions; inability to calculate the Fund's NAV; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Fund may incur additional costs for cyber security risk management and remediation purposes. In addition, cyber security risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investment in such issuers to lose value. There can be no assurance that the Fund or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

## ***Equities***

### **Common Stocks**

The Fund may invest in common stocks. Common stocks represent the residual ownership interest in the issuer and are entitled to the income and increase in the value of the assets and business of the entity after all of its obligations and preferred stock are satisfied. Common stocks generally have voting rights. Common stocks fluctuate in price in response to many factors including historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

### **Convertible Securities**

The Fund may invest in convertible securities. Convertible securities include corporate bonds, notes and preferred stock that can be converted into or exchanged for a prescribed amount of common stock of the same or a different issue within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest paid or accrued on debt or dividends paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. While no securities investment is without some risk, investments in convertible securities generally entail less risk than the issuer's common stock, although the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed income security. The market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. While convertible securities generally offer lower interest or dividend yields than nonconvertible debt securities of similar quality, they do enable the investor to benefit from increases in the market price of the underlying common stock. Convertible securities are accorded the status of equities by the Fund because they may be converted into common stock at the election of the holder.

### ***Fixed-Income Securities***

The Fund may invest in a wide range of fixed-income securities.

The Fund may invest in investment grade corporate bonds, debentures, U.S. Treasury bonds and notes, and preferred stocks. Investment grade securities are those rated BBB or better by S&P Global Ratings ("S&P<sup>®</sup>"), or Baa or better by Moody's Investors Service<sup>®</sup>, Inc. ("Moody's"). Subject to the limitation below, the Fund may also invest in lower-rated or high yield debt securities (commonly known as "junk bonds"), and the Fund may purchase bonds, debentures, and preferred stocks which have one or more interest or dividend payments in arrears, but, nevertheless, offer prospects of resuming the payment of the arrearage plus the current income rate. Such securities may offer a significant price improvement from a depressed level, thereby creating a capital gain potential similar to the advancement possible for common stock selections. The risk of owning this type of security is that income payments will not be resumed or that the principal will never be repaid.

## Corporate Debt Securities

Corporate debt securities are fixed-income securities issued by businesses to finance their operations, although corporate debt instruments may also include bank loans to companies. Notes, bonds, debentures and commercial paper are the most common types of corporate debt securities, with the primary difference being their maturities and secured or unsecured status. Commercial paper has the shortest term and is usually unsecured. The broad category of corporate debt securities includes debt issued by domestic companies of all kinds, including those with small-, mid- and large-capitalizations. Corporate debt may be rated investment grade or below investment grade and may carry variable or floating rates of interest.

Because of the wide range of types and maturities of corporate debt securities, as well as the range of creditworthiness of its issuers, corporate debt securities have widely varying potentials for return and risk profiles. For example, commercial paper issued by a large established domestic corporation that is rated investment grade may have a modest return on principal, but carries relatively limited risk. On the other hand, a long-term corporate note issued by a small foreign corporation from an emerging market country that has not been rated may have the potential for relatively large returns on principal, but carries a relatively high degree of risk.

Corporate debt securities carry both credit risk and interest rate risk. Credit risk is the risk that the Fund could lose money if the issuer of a corporate debt security is unable to pay interest or repay principal when it is due. Some corporate debt securities that are rated below investment grade are generally considered speculative because they present a greater risk of loss, including default, than higher quality debt securities. The credit risk of a particular issuer's debt security may vary based on its priority for repayment. For example, higher-ranking (senior) debt securities have a higher priority than lower ranking (subordinated) securities. This means that the issuer might not make payments on subordinated securities while continuing to make payments on senior securities. In addition, in the event of bankruptcy, holders of higher-ranking senior securities may receive amounts otherwise payable to the holders of more junior securities. Interest rate risk is the risk that the value of certain corporate debt securities will tend to fall when interest rates rise. In general, corporate debt securities with longer terms tend to fall more in value when interest rates rise than corporate debt securities with shorter terms.

## Junk Bonds

"Junk Bonds" generally offer a higher current yield than that available for higher-grade issues. However, lower-rated securities involve higher risks, in that they are especially subject to adverse changes in general economic conditions and in the industries in which the issuers are engaged, to changes in the financial condition of the issuers and to price fluctuations in response to changes in interest rates. During periods of economic downturn or rising interest rates, highly leveraged issuers may experience financial stress that could adversely affect their ability to make payments of interest and principal and increase the possibility of default. At times in recent years, the prices of many lower-rated debt securities declined substantially, reflecting an expectation that many issuers of such securities might experience financial difficulties. As a result, the yields on lower-rated debt securities rose dramatically, but such higher yields did not reflect the value of the income stream that holders of such securities expected, but rather, the risk that holders of such securities could lose a substantial portion of their value as a result of the issuers' financial restructuring or default. There can be no assurance that such declines will not recur. The market for lower-rated debt issues generally is thinner and less active than that for higher quality securities, which may limit the Fund's ability to sell such securities at fair value in response to changes in the economy or financial markets. Adverse publicity and investor perceptions may also decrease the values and liquidity of lower-rated securities, especially in a thinly traded market. Changes by recognized rating services in their rating of a fixed-income security may affect the value of these investments. The

Fund will not necessarily dispose of a security when its rating is reduced below the rating it carried at the time of purchase.

The Fund will not purchase junk bonds that have a credit quality rating lower than CC/Ca2 by either S&P<sup>®</sup> or Moody's, respectively, at the time of their acquisition for the Fund's portfolio. The Fund will limit its investments in junk bonds to no more than 5% of its assets, determined at the time of purchase.

The purchase of junk bonds is not a principal strategy of the Fund.

#### Payment-In-Kind Securities and Strips

Payment-in-kind securities allow the issuer, at its option, to make current interest payments on the bonds either in cash or in bonds. Both zero-coupon securities and payment-in-kind securities allow an issuer to avoid the need to generate cash to meet current interest payments. Even though such securities do not pay current interest in cash, the Fund nonetheless is required to accrue interest income on these investments and to distribute the interest income at least annually to shareholders. Thus, the Fund could be required at times to liquidate other investments to satisfy distribution requirements. The Fund may also invest in strips, which are debt securities whose interest coupons are taken out and traded separately after the securities are issued but otherwise are comparable to zero-coupon securities. Like zero-coupon securities and payment-in-kind securities, strips are generally more sensitive to interest rate fluctuations than interest paying securities of comparable term and quality.

#### Preferred Stock

The Fund may invest in preferred stock. A preferred stock blends the characteristics of a bond and common stock. It can offer the higher yield of a bond and has priority over common stock in equity ownership but does not have the seniority of a bond, and its participation in the issuer's growth may be limited. Preferred stock has preference over common stock in the receipt of dividends and in any residual assets after payment to creditors if the issuer is dissolved. Although the dividend is set at a fixed annual rate, in some circumstances it can be changed or omitted by the issuer.

#### U.S. Government Securities

U.S. government securities are high-quality instruments issued or guaranteed as to principal or interest by the U.S. Treasury or by an agency or instrumentality of the U.S. government. Not all U.S. government securities are backed by the full faith and credit of the United States. Some are backed by the right of the issuer to borrow from the U.S. Treasury; others are backed by discretionary authority of the U.S. government to purchase the agencies' obligations; while others are supported only by the credit of the instrumentality. In the case of securities not backed by the full faith and credit of the United States, the investor must look principally to the agency issuing or guaranteeing the obligation for ultimate repayment.

U.S. government securities include Treasury Bills (which mature within one year of the date they are issued), Treasury Notes (which have maturities of one to ten years), Treasury Bonds (which generally have maturities of more than 10 years) and U.S. agency securities (which have a variety of maturities). All U.S. Treasury securities are backed by the full faith and credit of the United States, whereas U.S. agency securities are not always supported by the full faith and credit of the United States. While the Fund may invest in U.S. government securities of any type, the Fund primarily invests in Treasury securities.

Yields on short-, intermediate- and long-term U.S. government securities are dependent on a variety of factors, including the general conditions of the money and bond markets, the size of a particular offering and the maturity of the obligation. Debt securities with longer maturities tend to produce higher capital appreciation and depreciation than obligations with shorter maturities and lower yields. The market value of U.S. government securities generally varies inversely with changes in the market interest

rates. An increase in interest rates, therefore, generally would reduce the market value of the Fund's portfolio investments in U.S. government securities, while a decline in interest rates generally would increase the market value of the Fund's portfolio investments in these securities.

### Zero-Coupon Securities

Zero-coupon securities make no periodic interest payments, but are sold at a deep discount from their face value. The buyer recognizes a rate of return determined by the gradual appreciation of the security, which is redeemed at face value on a specified maturity date. The discount varies depending on the time remaining until maturity, as well as market interest rates, liquidity of the security, and the issuer's perceived credit quality. If the issuer defaults, the Fund may not receive any return on its investment. Because zero-coupon securities bear no interest and compound semiannually at the rate fixed at the time of issuance, their value generally is more volatile than the value of other fixed-income securities. Since zero-coupon bondholders do not receive interest payments, when interest rates rise, zero-coupon securities fall more dramatically in value than bonds paying interest on a current basis. When interest rates fall, zero-coupon securities rise more rapidly in value because the bonds reflect a fixed rate of return. An investment in zero-coupon and delayed interest securities may cause the Fund to recognize income and make distributions to shareholders before it receives any cash payments on its investment.

### ***Foreign Securities***

The Fund may invest in U.S. dollar-denominated securities of foreign issuers which are traded on U.S. exchanges, provided that the market value of such securities will not exceed 15% of the Fund's total assets, determined at the time of purchase. Foreign issuers are issuers organized and doing business principally outside the United States. Securities of foreign issuers in the form of American Depositary Receipts ("ADRs") that are regularly traded on recognized U.S. exchanges or in the U.S. over-the-counter market are not considered foreign securities for purposes of these limitations. The Fund, however, will not invest more than 20% of its total assets in such ADRs and will only invest in ADRs that are issuer sponsored. Although most ADRs are denominated in U.S. dollars, they are subject to the risk of fluctuation in the currency exchange rate if, as is often the case, the underlying securities are denominated in foreign currency. Issuers of the securities underlying sponsored ADRs, but not unsponsored ADRs, are contractually obligated to disclose material information in the United States.

While investments in foreign securities are intended to reduce risk by providing further diversification, such investments involve sovereign and other risks, in addition to the credit and market risks normally associated with domestic securities. Although the Fund intends to invest in securities of foreign issuers domiciled in nations which the Fund's investment adviser considers as having stable and mature governments, these additional risks include: the possibility of adverse political and economic developments (including political or social instability, nationalization, expropriation or confiscatory taxation); the potentially adverse effects of unavailability of public information regarding issuers, reduced liquidity and the lack of uniform accounting, auditing and financial reporting standards or the application of standards that are different or less stringent than applied in the United States; and possibly limited access to the courts to enforce the Fund's rights as an investor.

### ***Brexit Risk***

Uncertainties surrounding the sovereign debt of a number of EU countries and the viability of the EU have disrupted and may in the future disrupt markets in the United States and around the world. If one or more countries leave the EU or the EU dissolves, the world's securities markets likely will be significantly disrupted. On January 31, 2020, the UK left the EU (commonly known as "Brexit"). An agreement between the UK and the EU governing their future trade relationship became effective January 1, 2021, but critical aspects of the relationship remain unresolved and subject to further negotiation and agreement. Brexit has resulted in volatility in European and global markets and could have negative long-



term impacts on financial markets in the UK and throughout Europe. There is still considerable uncertainty relating to the potential consequences of the exit, how the negotiations for new trade agreements will be conducted, and whether the UK's exit will increase the likelihood of other countries also departing the EU. During this period of uncertainty, the negative impact on not only the UK and European economies, but the broader global economy, could be significant, potentially resulting in increased market volatility and illiquidity, political, economic, and legal uncertainty, and lower economic growth for companies that rely significantly on Europe for their business activities and revenues.

### ***Investments in Other Investment Companies***

The Fund may invest in the securities of other registered investment companies, including money market mutual funds, subject to the limitations set forth in the 1940 Act. Investments in the securities of other investment companies will likely result in the duplication of advisory fees and certain other expenses. By investing in another investment company, the Fund becomes a shareholder of that investment company. As a result, Fund shareholders indirectly will bear the Fund's proportionate share of the fees and expenses paid by shareholders of the other investment company, in addition to the fees and expenses Fund shareholders directly bear in connection with the Fund's own operations.

Section 12(d)(1) of the 1940 Act restricts investments by registered investment companies in securities of other registered investment companies. The acquisition of shares by the Fund in other registered investment companies is therefore subject to the restrictions of Section 12(d)(1) of the 1940 Act, except as may be permitted by Rule and/or an exemptive order obtained by the other registered investment companies that permits the Fund to invest those other registered investment companies beyond the limits of Section 12(d)(1), subject to certain terms and conditions, including that the Fund enter into an agreement with those other registered investment companies regarding the terms of the investment.

In accordance with Section 12(d)(1)(F) and Rule 12d1-3 of the 1940 Act, the provisions of Section 12(d)(1) shall not apply to securities purchased or otherwise acquired by a fund if (i) immediately after such purchase or acquisition not more than 3% of the total outstanding stock of such registered investment company is owned by a fund and all affiliated persons of a fund; and (ii) a fund is not proposing to offer or sell any security issued by it through a principal underwriter or otherwise at a public or offering price including a sales load or service fee that exceeds the limits set forth in Rule 2341 of the Conduct Rules of the Financial Industry Regulatory Authority ("FINRA") applicable to a fund of funds (e.g., 8.5%).

The SEC recently adopted revisions to the rules permitting funds to invest in other investment companies to streamline and enhance the regulatory framework applicable to fund of funds arrangements. While new Rule 12d1-4 permits more types of fund of fund arrangements without an exemptive order, it imposes new conditions, including limits on control and voting of acquired funds' shares, evaluations and findings by investment advisers, fund investment agreements, and limits on most three-tier fund structures.

The investment in other investment companies is not a principal strategy of the Fund.

### ***Exchange-Traded Funds***

The Fund, may also invest in exchange traded funds ("ETFs"), the performance of which is intended to correspond to the performance of a designated benchmark index (such as the S&P 500<sup>®</sup> Index), as a hedge against market volatility and significant market decrease. ETFs are typically open-end investment companies that are bought and sold on a national securities exchange and may be actively managed or index-based. An ETF is similar to a traditional mutual fund, but trades at different prices

during the day on a security exchange like a stock. Similar to investments in other investment companies discussed above, the Fund's investments in ETFs will involve duplication of advisory fees and other expenses since the Fund will be investing in another investment company. In addition, the Fund's investment in ETFs is also subject to its limitations on investments in investment companies discussed above. To the extent the Fund invests in ETFs that focus on a particular market segment or industry, the Fund will also be subject to the risks associated with investing in those sectors or industries. The shares of the ETFs in which the Fund will invest will be listed on a national securities exchange and the Fund will purchase or sell these shares on the secondary market at its current market price, which may be more or less than its NAV. Investors in the Fund should be aware that ETFs that seek to replicate a particular benchmark index are subject to "tracking risk," which is the risk that an ETF will not be able to replicate exactly the performance of the index it tracks.

As a purchaser of ETF shares on the secondary market, the Fund will be subject to the market risk associated with owning any security whose value is based on market price. ETF shares historically have tended to trade at or near their NAV, but there is no guarantee that they will continue to do so. Unlike traditional mutual funds, shares of an ETF may be purchased and redeemed directly from the ETFs only in large blocks and only through participating organizations that have entered into contractual agreements with the ETF. The Fund does not expect to enter into such agreements and therefore will not be able to purchase and redeem their ETF shares directly from the ETF.

To the extent the Fund invests in inverse and/or leveraged ETFs, it could be subject to the following additional risks in addition to those listed above: leveraging risk; swap counterparty credit risk; tracking error risk and trading risk. Increased brokerage fees related to the use of inverse and/or leveraged ETFs will not be reflected in the Fund's Fees and Expenses table in the Prospectus and the Fund's portfolio turnover rate would be understated as a result since these specific types of trades are carved out of the portfolio turnover. ETFs are subject to the limitations on investment in investment company securities discussed below.

The investment in ETFs is not a principal strategy of the Fund.

### ***Use of Derivatives, Hedging and Income Transactions***

The Fund is prohibited from investing in derivatives, excluding certain currency and interest rate hedging transactions. This restriction is not fundamental and may be changed by the fund without a shareholder vote. If the Fund does determine to invest in derivatives in the future, they will comply with Rule 18f-4 under the 1940 Act.

### ***Other Investment Policies, Strategies, and Risks***

#### **Temporary Defensive Positions**

Under unusual economic or financial market circumstances, the Fund may significantly increase the portion of Fund assets held in cash or U.S. government securities for temporary defensive purposes, and as a result may not achieve its investment objectives. The Fund may maintain positions in cash or U.S. government securities (generally U.S. Treasury securities) for as long as such unusual market conditions exist and the normal limitation that not more than 40% of the Fund's assets be invested in fixed income securities will not apply. In addition, in such circumstances the Fund may invest in certain ETFs, the performance of which is intended to correspond, either positively or negatively, to the performance of a designated benchmark index (such as the S&P 500<sup>®</sup> Index), as a hedge against market volatility and significant decrease or increase.

## Turnover

Turnover measures the percentage of a fund's total portfolio market value that was purchased or sold during the period. A fund's turnover rate provides an indication of how transaction costs (which are not included in a fund's expenses), may affect a fund's performance. Also, funds with a high turnover may be more likely to distribute capital gains that may be taxable to shareholders.

Generally, the Fund makes each investment with the expectation that the security acquired will be held for the long term. The Fund will not purchase securities with a view towards rapid turnover for capital gains. Therefore, the Fund does not expect there to be material changes in its turnover rate as compared to the Predecessor Fund's turnover rates. In the 10 years ending December 31, 2021, the portfolio turnover rate for the Predecessor Fund ranged from a high of 26.6% in 2011 to a low of 2.8% in 2018. The median Predecessor Fund portfolio turnover for the past 10 years was 11.35% and the average portfolio turnover for such period was 10.9%. The Predecessor Fund's portfolio turnover rate for the years ended December 31, 2020 and 2021 was 8.9% and 9.2%, respectively. However, portfolio turnover rates could increase significantly in order to respond to turbulent conditions in the securities market.

## **INVESTMENT LIMITATIONS**

The Predecessor Fund previously adopted, and in connection with the Reorganization, the Trust (on behalf of the Fund) has adopted, the following limitations as fundamental policies, which may not be changed without the affirmative vote of the holders of a "majority" of the outstanding voting securities of the Fund. Under the 1940 Act, the approval of a majority of the outstanding voting securities of the Fund requires the affirmative vote of the lesser of (1) more than 50% of the outstanding shares of the Fund; or (2) 67% or more of the shares of the Fund present at a shareholders' meeting if more than 50% of the outstanding shares are represented at the meeting in person or by proxy.

### As a matter of fundamental policy:

The Fund shall not:

1. Concentrate its investments in a particular industry or group of related industries by committing more than 25% of total assets to securities in any one industry or group of related industries.
2. Make investments which will cause more than 5% of the Fund's total assets (at the time of purchase) to be invested in the securities of any one issuer, except for investments in U.S. government securities.
3. Acquire more than 10% of the voting stock of any one issuer and 10% of any one class of the outstanding securities of any one issuer through initial or subsequent investments. For the purposes of this restriction, all kinds of securities of a company representing debt are considered as a single class irrespective of their differences, and all kinds of preferred stock of a company are considered a single class irrespective of their differences.
4. Make investments which will cause more than 5% of the value of its total assets (at the time of purchase) to be invested in securities of issuers which have a record of less than three years of operation.
5. Issue any preferred stock or other senior securities.
6. Invest in companies for the purpose of exercising control or management.

7. Invest outside of the area of securities or purchase or sell real estate, commodities or commodity contracts.
8. Make loans to other persons. (The acquisition of a portion of an issue of publicly distributed bonds, debentures, or other debt securities is not to be considered the making of a loan.)
9. Borrow money, pledge, or mortgage its assets, except as a temporary measure, in which event total borrowings shall not exceed 10% of the value of its total assets. The Fund has never exercised the option to borrow money as a temporary measure.
10. Purchase securities on margin or make short sales.
11. Engage in the underwriting of the securities of other issuers.
12. Purchase restricted or non-registered securities.
13. Purchase or sell put or call options.
14. Invest in securities of other investment companies, except by purchase in open market, where no commission or profit to a sponsor or dealer results from such purchase other than a customary broker's commission, or where the acquisition is part of a plan or merger or consolidation.

Except with respect to borrowing, if a percentage or rating restriction on investment or use of assets set forth herein or in the Prospectus is adhered to at the time a transaction is effected, later changes in the percentage or rating resulting from any cause other than actions by the Fund will not be considered a violation of the Fund's investment restrictions.

### **DISCLOSURE OF PORTFOLIO HOLDINGS**

The Trust, on behalf of the Fund, has adopted portfolio disclosure policies ("Policies") that govern the timing and circumstances of the disclosure of the Fund's portfolio holdings to any person to ensure that such disclosure is in the best interests of the Fund's shareholders. The Adviser has also adopted a policy with respect to disclosure of portfolio holdings of the Fund (the "Adviser's Policy"). Information about the Fund's portfolio holdings will not be distributed to any third party except in accordance with the portfolio holdings policies and the Adviser's Policy (the "Disclosure Policies"). The Adviser and the Board considered the circumstances under which the Fund's portfolio holdings may be disclosed under the Disclosure Policies and the actual and potential material conflicts that could arise in such circumstances between the interests of the Fund's shareholders and the interests of the Adviser, distributor or any other affiliated person of the Fund, its Adviser or its distributor. After due consideration, the Adviser and the Board determined that the Fund has a legitimate business purpose for disclosing portfolio holdings to persons described in the Disclosure Policies, including mutual fund rating or statistical agencies, or persons performing similar functions, and internal parties involved in the investment process, administration or custody of the Fund. Pursuant to the Disclosure Policies, the Trust's Chief Compliance Officer ("CCO"), President and Treasurer are each authorized to consider and authorize dissemination of portfolio holdings information to additional third parties, after considering the best interests of the Fund's shareholders and potential conflicts of interest in making such disclosures.

The Board exercises continuing oversight of the disclosure of the Fund's portfolio holdings by (1) overseeing the implementation and enforcement of the Disclosure Policies, Codes of Ethics and other relevant policies of the Fund and its service providers by the Trust's CCO, (2) by considering reports and recommendations by the Trust's CCO concerning any material compliance matters (as defined in Rule 38a-1 under the 1940 Act), and (3) by considering to approve any amendment to the Disclosure

Policies. The Board reserves the right to amend the Disclosure Policies at any time without prior notice to shareholders in its sole discretion.

Disclosure of the Fund's complete holdings is required to be made quarterly within 60 days of each quarter-end in the Annual Report and Semi-Annual Report to Fund shareholders. Portfolio holdings disclosures are also filed with the SEC on Form N-PORT, with quarter-end disclosures becoming publicly available 60 days after the end of each month. These reports are available, free of charge, on the EDGAR database on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund also discloses its quarterly holdings on the Fund's website at [www.bridgesfund.com](http://www.bridgesfund.com) under "About the Fund." The quarterly holdings are normally updated within 4 business days after the end of the most recent quarter. In addition, the Fund may provide its complete portfolio holdings at the same time that it is filed with the SEC.

The Fund's portfolio holdings may be disclosed between and among the following persons (collectively "Internal Parties") for legitimate business purposes within the scope of their official duties and responsibilities, subject to the continuing legal duties of confidentiality and not to trade on the basis of any material nonpublic information imposed under any applicable contracts, codes of ethics, laws, rules and regulations:

- The Board of Trustees;
- The Adviser;
- The distributor, fund accountant, administrator, transfer agent, or custodian to the Fund; and
- An accounting firm or legal counsel hired by the Fund, the Adviser, or the Board of Trustees.

The Internal Parties may receive the Fund's portfolio holdings as frequently as daily, with no lag. The Board of Trustees believes that its policy regarding disclosure to Internal Parties is sufficient to provide the Fund and its shareholders with adequate protection.

In addition to the Fund's public disclosure on its website, the Fund's portfolio holdings may also be disclosed in response to a regulatory request, court order or other legal proceeding, or when necessary and appropriate with a legitimate business purpose to statistical or consulting agencies, pricing services, financial printers, proxy voting service providers and other third parties (collectively "Third Parties") that provide services to the Fund and/or Internal Parties. All Third Parties that receive the Fund's portfolio holdings are subject to the continuing legal duties of confidentiality and not to trade on the basis of any material nonpublic information imposed under any applicable contracts, codes of ethics, laws, rules and regulations. The frequency and lag with which the Fund's portfolio holdings may be disclosed to Third Parties is determined based on the facts and circumstances of the business purpose for the disclosure.

In the event of a conflict between the interests of the Fund and the interests of the Adviser or an affiliated person of the Adviser, the CCO of the Adviser, in consultation with the Trust's CCO, shall make a determination in the best interests of the Fund, and shall report such determination to the Board at the end of the quarter in which such determination was made. Any employee of the Adviser who suspects a breach of this obligation must report the matter immediately to the Adviser's CCO or to his or her supervisor.

In no event shall the Adviser, its affiliates or employees, the Fund, or any other party receive any direct or indirect compensation in connection with the disclosure of information about the Fund's portfolio holdings.

There can be no assurance that the Disclosure Policies will protect the Fund from potential misuse of portfolio holdings information by individuals or entities to which it is disclosed.

## TRUSTEES AND EXECUTIVE OFFICERS

The Board is responsible for the overall management of the Trust, including general supervision and review of the investment activities of the Fund. The Board, in turn, elects the officers of the Trust, who are responsible for the day-to-day operations of the Trust and its separate series. The current Trustees and executive officers of the Trust, their birth dates, positions with the Trust, terms of office with the Trust and length of time served, their principal occupations during the past five years and other directorships are set forth in the table below.

Name, Address And Age	Position with the Trust <sup>(1)</sup>	Term of Office <sup>(2)</sup> and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex <sup>(3)</sup> Overseen by Trustees	Other Directorships Held During the Past 5 Years
<b>Independent Trustees of the Trust</b>					
Kathleen T. Barr (born 1955) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee	Indefinite Term; Since November 2018.	Retired; Chair of the Governing Council, Independent Directors Council (since 2020); formerly, President, owner of a registered investment adviser, Productive Capital Management, Inc. (2010 to 2013); formerly, Chief Administrative Officer, Senior Vice President and Senior Managing Director of Allegiant Asset Management Company (merged with PNC Capital Advisors, LLC in 2009); formerly, Chief Administrative Officer, Chief Compliance Officer and Senior Vice President of PNC Funds and PNC Advantage Funds (f/k/a Allegiant Funds) (registered investment companies).	1	Independent Director, Muzinich BDC, Inc. (2019 to present); Independent Trustee for the William Blair Funds (2013 to present) (19 series).
Eric W. Falkeis (born 1973) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee  Chairperson	Indefinite Term; Since September 2011.  Indefinite Term; Since August 2019.	Chief Executive Officer, Tidal ETF Services LLC (2018 to present); formerly, Chief Operating Officer, Direxion Funds (2013 to 2018); formerly, Senior Vice President and Chief Financial Officer (and other positions), U.S. Bancorp Fund Services, LLC (1997 to 2013).	1	Independent Director, Muzinich BDC, Inc. (2019 to present); Interested Trustee, Tidal ETF Trust (2018 to Present) (22 series); Former Interested Trustee, Direxion Funds (22 series), Direxion Shares ETF Trust (112 series) and Direxion Insurance Trust (2013 to 2018).

<b>Name, Address And Age</b>	<b>Position with the Trust<sup>(1)</sup></b>	<b>Term of Office<sup>(2)</sup> and Length of Time Served</b>	<b>Principal Occupation During Past Five Years</b>	<b>Number of Portfolios in Fund Complex<sup>(3)</sup> Overseen by Trustees</b>	<b>Other Directorships Held During the Past 5 Years</b>
Steven J. Paggioli (born 1950) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee	Indefinite Term; Since May 1991.	Consultant; formerly, Executive Vice President, Investment Company Administration, LLC (mutual fund administrator).	1	Independent Director, Muzinich BDC, Inc. (2019 to present); Independent Trustee, AMG Funds (1993 to present) (42 series).
Ashi S. Parikh (born 1966) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee	Indefinite Term; Since June 2020.	Investment professional; formerly, Chief Executive and Chief Investment Officer and various other positions, RidgeWorth Investments, LLC (global investment management firm) (2006 to 2017); formerly, Chief Investment Officer Institutional Growth Equities, Eagle Asset Management (financial advisor); formerly Sr. Managing Director, Growth Equities, Banc One Investment Advisors (financial adviser).	1	Board of Directors Member, Investment Working Group, The Ohio State University Endowments and Foundation (2016 to present); Board of Directors, World Methodist Council, Investment Committee (2018 to present); Independent Trustee, PNC Funds (2018 to 2019) (32 series); Interested Trustee, RidgeWorth Funds (2014 to 2017) (35 series).
Cynthia M. Fornelli (born 1960) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Trustee	Indefinite Term; Since January 2022.	Independent Director of TriplePoint Venture Growth BDC Corp. (2019 to present); Retired; formerly, Executive Director of the Center for Audit Quality (2007-2019); formerly, Senior Vice President of Regulatory Conflicts Management at Bank of America (2005-2007); formerly, Deputy Director, Division of Investment Management with the U.S. Securities and Exchange Commission (1998-2005).	1	Independent Director, TriplePoint Private Venture Credit, Inc. (2020 to present).
<b>Officers of the Trust</b>					
Jason F. Hadler (born 1975) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	President & Principal Executive Officer	Indefinite Term; Since September 2021.	Senior Vice President and Head of Fund Services Fund Administration Department, U.S. Bank Global Fund Services since December 2003.	Not Applicable.	Not Applicable.

<b>Name, Address And Age</b>	<b>Position with the Trust<sup>(1)</sup></b>	<b>Term of Office<sup>(2)</sup> and Length of Time Served</b>	<b>Principal Occupation During Past Five Years</b>	<b>Number of Portfolios in Fund Complex<sup>(3)</sup> Overseen by Trustees</b>	<b>Other Directorships Held During the Past 5 Years</b>
Carl G. Gee, Esq. (born 1990) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Secretary & Vice President	Indefinite Term; Since February 2021.	Assistant Secretary of the Trust (2020-2021); Assistant Vice President and Counsel, U.S. Bank Global Fund Services since August 2016; Summer Associate, Husch Blackwell LLP (2015); Law Clerk, Brady Corporation (global printing systems, labels and safety products company) (2014-2015).	Not Applicable.	Not Applicable.
Craig Benton (born 1985) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Treasurer & Vice President	Indefinite Term; Since December 2021.	Assistant Treasurer of the Trust (2016-2021); Assistant Vice President, U.S. Bank Global Fund Services since November 2007.	Not Applicable.	Not Applicable.
Melissa Breitzman (born 1983) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Assistant Treasurer	Indefinite Term; Since August 2016.	Assistant Vice President, U.S. Bank Global Fund Services since June 2005.	Not Applicable.	Not Applicable.
Kyle J. Buscemi (born 1996) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Assistant Treasurer	Indefinite Term; Since June 2022.	Mutual Funds Administrator, U.S. Bank Global Fund Services since June 2018; Business Administration Student, 2014-2018.	Not Applicable.	Not Applicable.
Gazala Khan (born 1969) c/o U.S. Bank Global Fund Services 615 East Michigan Street Milwaukee, WI 53202	Chief Compliance Officer  Anti-Money Laundering Officer	Indefinite Term; Since November 2022.	Vice President and Compliance Officer, U.S. Bank Global Fund Services since July 2022; Chief Compliance Officer Matthews Asia Fund (May 2019-July 15, 2022); Chief Compliance Officer GS Trust/VIT (June 2009- May 2019); Vice President GSAM (May 2005-June 2009); Staff Accountant, SEC Office of Compliance Inspection and Examination (1999-2005)	Not Applicable.	Not Applicable.



- (1) All Trustees of the Trust who are not “interested persons” of the Trust as defined under the 1940 Act (“Independent Trustees”).
- (2) Under the terms of the Board’s retirement policy, a Trustee shall retire at the end of the calendar year in which he or she reaches the age of 78.
- (3) The Trust is comprised of numerous series managed by unaffiliated investment advisers. The term “Fund Complex” applies only to the Fund. The Fund does not hold itself out as related to any other series within the Trust for investment purposes.

## **Additional Information Concerning the Board of Trustees**

### *The Role of the Board*

The Board oversees the management and operations of the Trust. Like all mutual funds, the day-to-day management and operation of the Trust is the responsibility of the various service providers to the Trust, such as the Adviser, the Distributor, the Administrator, the Custodian, and the Transfer Agent, each of whom is discussed in greater detail in this Statement of Additional Information. The Board has appointed various senior employees of the Administrator as officers of the Trust, with responsibility to monitor and report to the Board on the Trust’s operations. In conducting this oversight, the Board receives regular reports from these officers and the service providers. For example, the Treasurer reports as to financial reporting matters and the President reports as to matters relating to the Trust’s operations. In addition, the Adviser provides regular reports on the investment strategy and performance of the Funds. The Board has appointed a Chief Compliance Officer who administers the Trust’s compliance program and regularly reports to the Board as to compliance matters. These reports are provided as part of formal “Board Meetings” which are typically held quarterly, in person, and involve the Board’s review of recent operations. In addition, various members of the Board also meet with management in less formal settings, between formal “Board Meetings,” to discuss various topics. In all cases, however, the role of the Board and of any individual Trustee is one of oversight and not of management of the day-to-day affairs of the Trust and its oversight role does not make the Board a guarantor of the Trust’s investments, operations or activities.

### *Board Structure, Leadership*

The Board has structured itself in a manner that it believes allows it to perform its oversight function effectively. It has established three standing committees, a Nominating and Governance Committee, an Audit Committee, and a Qualified Legal Compliance Committee, which are discussed in greater detail below under “Trust Committees.” The Board is entirely comprised of Trustees who are Independent Trustees, which are Trustees that are not affiliated with the Adviser, the principal underwriter, or their affiliates. The Independent Trustees have engaged their own independent counsel to advise them on matters relating to their responsibilities in connection with the Trust. The Nominating and Governance Committee, Audit Committee and Qualified Legal Compliance Committee are comprised of all of the Independent Trustees. The Chairperson of the Board is an Independent Trustee. The Board has determined not to combine the Chairperson position and the principal executive officer position and has appointed a Vice President of the Administrator as the President of the Trust. The Board reviews its structure and the structure of its committees annually. The Board has determined that the structure of the Independent Chairperson, the composition of the Board, and the function and composition of its various committees are appropriate means to address any potential conflicts of interest that may arise.

### *Board Oversight of Risk Management*

As part of its oversight function, the Board receives and reviews various risk management reports and discusses these matters with appropriate management and other personnel. Because risk management is a broad concept comprised of many elements (e.g., investment risk, issuer and counterparty risk, compliance risk, operational risks, business continuity risks, etc.), the oversight of different types of risks is handled in different ways. For example, the Audit Committee meets with the Treasurer and the Trust’s

independent registered public accounting firm to discuss, among other things, the internal control structure of the Trust's financial reporting function. The Board meets regularly with the Chief Compliance Officer to discuss compliance and operational risks and how they are managed. The Board also receives reports from the Adviser as to investment risks of the Fund. In addition to these reports, from time to time the Board receives reports from the Administrator and the Adviser as to enterprise risk management.

*Information about Each Trustee's Qualification, Experience, Attributes or Skills*

The Board believes that each of the Trustees has the qualifications, experience, attributes and skills ("Trustee Attributes") appropriate to their continued service as Trustees of the Trust in light of the Trust's business and structure. In addition to a demonstrated record of business and/or professional accomplishment, each of the Trustees has served on the Board for a number of years. They have substantial board experience and, in their service to the Trust, have gained substantial insight as to the operation of the Trust. They have demonstrated a commitment to discharging their oversight duties as trustees in the interests of shareholders. The Board annually conducts a "self-assessment" wherein the effectiveness of the Board and individual Trustees is reviewed.

In addition to the information provided in the chart above, below is certain additional information concerning each particular Trustee and his/her Trustee Attributes. The information is not all-inclusive. Many Trustee Attributes involve intangible elements, such as intelligence, integrity, work ethic, the ability to work together, the ability to communicate effectively, the ability to exercise judgment, to ask incisive questions, and commitment to shareholder interests.

Ms. Barr's Trustee Attributes include her substantial mutual fund experience, including her role as Chair of the Governing Council for the Independent Directors Council and member of the ICI Board of Governors. She has executive experience as the former owner of a registered investment adviser (Productive Capital Management, Inc.), as the Chief Administrative Officer, Senior Vice President and Senior Managing Director of Allegiant Asset Management Company (merged with PNC Capital Advisors LLC in 2009), and as the Chief Administrative Officer, Chief Compliance Officer and Senior Vice President of PNC Funds and PNC Advantage Funds (f/k/a Allegiant Funds). Ms. Barr also currently serves on the board of several registered investment companies. Ms. Barr has been determined to qualify as an Audit Committee financial expert for the Trust. The Board believes Ms. Barr's experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Trustees led to the conclusion that she possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

Mr. Falkeis' Trustee Attributes include his substantial mutual fund experience and his experience with financial, accounting, investment and regulatory matters through his former position as Senior Vice President and Chief Financial Officer (and other positions) of U.S. Bancorp Fund Services, LLC, a full-service provider to ETFs, mutual funds and alternative investment products. Mr. Falkeis currently serves as Chief Executive Officer of Tidal ETF Services LLC (2018 to present), and he has experience consulting with investment advisers regarding the legal structure of investment companies, distribution channel analysis, marketing and actual distribution of those funds. Mr. Falkeis also has substantial managerial, operational and risk oversight experience through his former positions as Chief Operating Officer and Trustee of the Direxion Funds and the Direxion Exchange Traded Funds. Mr. Falkeis has been determined to qualify as an Audit Committee financial expert for the Trust. The Board believes Mr. Falkeis' experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Trustees led to the conclusion that he possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

Mr. Paggioli's Trustee Attributes include his substantial mutual fund and investment advisory experience. Mr. Paggioli is an independent consultant on investment company and investment advisory matters. He has held a number of senior positions with mutual fund and investment advisory

organizations and related businesses, including Executive Vice President, Director and Principal of the Wadsworth Group (fund administration, distribution transfer agency and accounting services). He serves on the boards of several investment management companies and advisory firms. He is a member of the Board of Governors of the Investment Company Institute and of the Governing Council of the Independent Directors Council. He has served on various industry association and self-regulatory committees and formerly worked on the staff of the SEC. Mr. Paggioli has been determined to qualify as an Audit Committee financial expert for the Trust. The Board believes Mr. Paggioli's experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Trustees led to the conclusion that he possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

Mr. Parikh's Trustee Attributes include his substantial investment and executive experience in the asset management industry, including his position as Chief Executive Officer and Chief Investment Officer of Ridgeworth Investments (global investment management firm with over \$41 billion in assets). He has also served as a Trustee of several investment trusts (including private investment trusts). Mr. Parikh has ongoing responsibility as a member of the Investment Working Group as part of the Board of Directors for the Ohio State University Endowments & Foundation, as well as an ongoing position as a member of the Investment Committee for the World Methodist Council Endowment Fund (a charitable religious foundation). Mr. Parikh has been determined to qualify as an Audit Committee financial expert for the Trust. The Board believes Mr. Parikh possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

Ms. Fornelli's Trustee Attributes include her substantial governance, legal, regulatory and business experience, including her role as an Independent Director of TriplePoint Venture Growth BDC Corp and TriplePoint Private Venture Credit, Inc. She has broad leadership experience in strategy formulation, corporate governance and risk management. She has executive experience as the Executive Director of Center for Audit Quality (2007-2019), Senior Vice President of Regulatory and Conflicts Management at Bank of America (2005-2007) and Deputy Director, Division of Investment Management with the US Securities and Exchange Commission (1998-2005). Ms. Fornelli has been determined to qualify as an Audit Committee financial expert for the Trust. The Board believes Ms. Fornelli's experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Trustees led to the conclusion that she possesses the requisite skills and attributes as a Trustee to carry out oversight responsibilities with respect to the Trust.

### **Trust Committees**

The Trust has three standing committees: the Nominating and Governance Committee, and the Audit Committee, which also serves as the Qualified Legal Compliance Committee ("QLCC").

The Nominating and Governance Committee, comprised of all of the Independent Trustees, is responsible for seeking and reviewing candidates for consideration as nominees for Trustees and meets only as necessary. The Nominating and Governance Committee has appointed Independent Trustee Kathleen Barr as the Chairperson of the Committee. The Nominating and Governance Committee will consider nominees nominated by shareholders. Recommendations for consideration by shareholders by the Nominating Committee should be sent to the President of the Trust in writing together with the appropriate biographical information concerning each such proposed Nominee, and such recommendation must comply with the notice provisions set forth in the Trust By-Laws. In general, to comply with such procedures, such nominations, together with all required biographical information, must be delivered to and received by the President of the Trust at the principal executive offices of the Trust not later than 120 days and no more than 150 days prior to the shareholder meeting at which any such nominee would be voted on.

The Audit Committee is comprised of all of the Independent Trustees. The Audit Committee generally meets on a quarterly basis with respect to the various series of the Trust, and may meet more

frequently. The function of the Audit Committee, with respect to each series of the Trust, is to review the scope and results of the audit of such series' financial statements and any matters bearing on the audit or the financial statements, and to ensure the integrity of the series' pricing and financial reporting. Because the Fund had not commenced operations, the Audit Committee has not met or taken any action with respect to the Fund as of the date of this SAI.

The function of the QLCC is to receive reports from an attorney retained by the Trust of evidence of a material violation by the Trust or by any officer, director, employee or agent of the Trust. Because the Fund had not commenced operations, the QLCC has not met or taken any action with respect to the Fund as of the date of this SAI.

### Trustee Ownership of Fund Shares and Other Interests

The following table shows the amount of shares in the Fund and the amount of shares in other portfolios of the Trust owned by the Trustees as of the calendar year ended December 31, 2021.

Name	Dollar Range of Fund Shares	Aggregate Dollar Range of Fund Shares and other portfolio Shares in the Trust
<b>Independent Trustees</b>		
Kathleen T. Barr	None	Over \$100,000
Eric W. Falkeis	None	Over \$100,000
Steven J. Paggioli	None	Over \$100,000
Ashi S. Parikh	None	Over \$100,000
Cynthia M. Fornelli <sup>(1)</sup>	None	None

<sup>(1)</sup> Ms. Fornelli was appointed as an Independent Trustee as of January 1, 2022.

As of December 31, 2021, neither the then Independent Trustees nor members of their immediate family, own securities beneficially or of record in the Fund, the Adviser, the Fund's principal underwriter, or any of their affiliates. Accordingly, as of that date, neither the then Independent Trustees nor members of their immediate family, have had a direct or indirect interest during the two most recently completed calendar years, the value of which exceeds \$120,000, in the Adviser, the Fund's principal underwriter or any of its affiliates.

### Compensation

Independent Trustees receive an annual retainer of \$142,000 allocated among each of the various portfolios comprising the Trust, an additional \$8,000 per regularly scheduled Board meeting, and an additional \$3,500 per special meeting, paid by the Trust or applicable advisors/portfolios, as well as reimbursement for expenses incurred in connection with attendance at Board Meetings. The Chairperson of the Board receives an additional annual retainer of \$21,000 also allocated among each of the various portfolios comprising the Trust. All Trustees receive additional fees from the applicable portfolios for any special meetings at rates assessed by the Trustees depending on the length of the meeting and whether in-person attendance is required. All Trustees will be reimbursed for expenses in connection with each board meeting attended. These reimbursements are allocated among the applicable portfolios of the Trust. The Trust has no pension or retirement plan. No other entity affiliated with the Trust pays any compensation to the Trustees. The table below sets forth the compensation estimated to be received by the Independent Trustees for the Fund's fiscal year ending December 31, 2023.

Name of Person/Position	Aggregate Compensation From the Fund	Pension or Retirement Benefits Accrued as Part of Fund Expenses	Annual Benefits Upon Retirement	Total Compensation from Fund and Fund Complex <sup>(1)</sup> Paid to Trustees
Kathleen T. Barr, Independent Trustee	\$3,969	None	None	\$3,969
Eric W. Falkeis, Independent Trustee	\$4,720	None	None	\$4,720
Steve J. Paggioli, Independent Trustee	\$3,969	None	None	\$3,969
Ashi S. Parikh, Independent Trustee	\$3,969	None	None	\$3,969
Cynthia M. Fornelli Independent Trustee	\$3,969	None	None	\$3,969

<sup>(1)</sup> There are currently numerous unaffiliated portfolios comprising the Trust. The term “Fund Complex” applies only to the Fund.

### Codes of Ethics

The Trust and the Adviser have each adopted separate Codes of Ethics under Rule 17j-1 of the 1940 Act. These Codes permit, subject to certain conditions, access persons of the Adviser to invest in securities that may be purchased or held by the Fund. The Distributor, as defined below, relies on the principal underwriter’s exception under Rule 17j-1(c)(3), of the 1940 Act, specifically where the Distributor is not affiliated with the Trust or the Adviser, and no officer, director or general partner of the Distributor serves as an officer, director or general partner of the Trust or the Adviser.

### PROXY VOTING POLICIES AND PROCEDURES

The Board has adopted Proxy Voting Policies and Procedures (“Proxy Policies”) on behalf of the Trust which delegate the responsibility for voting proxies to the Adviser, subject to the Board’s continuing oversight. The Proxy Policies require that the Adviser vote proxies received in a manner consistent with the best interests of the Fund and its shareholders. The Proxy Policies also require the Adviser to present to the Board, at least annually, the Adviser’s Proxy Policies and a record of each proxy voted by the Adviser on behalf of the Fund, including a report on the resolution of all proxies identified by the Adviser as involving a conflict of interest.

The Adviser has adopted Proxy Voting Policies that underscore the Adviser’s concern that all proxy voting decisions be made in the best interest of the Fund’s shareholders. A copy of the Adviser’s Proxy Voting Policies is attached as Appendix A.

The Trust is required to file a Form N-PX, with the Fund’s complete proxy voting record for the 12 months ended June 30, no later than August 31 of each year. The actual voting records relating to portfolio securities during the most recent 12-month period ended June 30 are available without charge by calling toll-free (866) 934-4700, locally (402) 397-4700, by sending a written request to Bridges Investment Management, Inc., Attention: Nancy Dodge, P.O. Box 542021, Omaha, Nebraska 68154, by accessing the Fund’s website at [www.bridgesfund.com](http://www.bridgesfund.com) under “Resource Documents & Forms”, or by accessing the Fund’s Form N-PX on the SEC’s website at [www.sec.gov](http://www.sec.gov).

## CONTROL PERSONS, PRINCIPAL SHAREHOLDERS AND MANAGEMENT OWNERSHIP

A principal shareholder is any person who owns of record or beneficially owns 5% or more of the outstanding shares of the Fund. A control person is any person who owns beneficially or through controlled companies more than 25% of the voting securities of the Fund or acknowledges the existence of control.

As of December 16, 2022, the following shareholders were considered to be either a control person or principal shareholder of the Predecessor Fund:

### *Principal Holders of Predecessor Fund*

Name and Address	% Ownership	Type of Ownership
c/o Reliance Trust Company WI Maril & Co. FBO JC 4900 W. Brown Deer Road Milwaukee, WI 53223-2422	45.38%	Record
c/o Reliance Trust Company WI Mitra & Co. FBO JC 4900 W. Brown Deer Road Milwaukee, WI 53223-2422	13.07%	Record

Effective after the close of business on December 30, 2022, the Predecessor Fund commenced the Reorganization process. The Predecessor Fund remained a stand-alone fund through December 31, 2022. The Fund commenced operations on January 3, 2023, on which date the shares of the Predecessor Fund were converted into shares of the Fund. Pursuant to the Reorganization, the Fund acquired all of the assets of the Predecessor Fund in exchange for shares of the Fund and assumption by the Fund of all liabilities of the Predecessor Fund. Prior to the Reorganization, the Fund was a “shell” fund with no assets and had not commenced operations. As of the date of this SAI, the Trustees and Officers of the Trust as a group did not own more than 1% of the outstanding shares of the Predecessor Fund. Furthermore, neither the Trustees, nor members of their immediate family, own securities beneficially or of record in the Adviser, the Fund’s principal underwriter, or any of their affiliates. Accordingly, neither the Trustees, nor members of their immediate family, have a direct or indirect interest, the value of which exceeds \$120,000, in the Adviser, the Fund’s principal underwriter or any of their affiliates.

### THE FUND’S INVESTMENT ADVISER

Bridges Investment Management, Inc., PO Box 542021, Omaha, Nebraska, 68154, acts as investment adviser to the Fund pursuant to an investment advisory agreement (the “Advisory Agreement”) with the Trust, on behalf of the Fund. BIM was organized as a Nebraska corporation in 1994 and registered with the SEC as an investment adviser in December 1999. Bridges Holding Company (“BHC”) owns 100% of the equity of BIM. BHC is owned primarily by MGI Holdings, Inc. (“MGI”), a subsidiary of the McCarthy Group, LLC, an Omaha-based financial services company (“MGL”).

After its initial two year period, the Advisory Agreement will continue in effect from year to year only if such continuance is specifically approved at least annually by (1) the Board or by vote of a majority of the Fund’s outstanding voting securities, and (2) by a majority of the Independent Trustees, who are not parties to the Advisory Agreement or interested persons of any such party, in each case cast in person at a meeting called for the purpose of voting on the Advisory Agreement. The Advisory Agreement is terminable without penalty by the Trust on behalf of the Fund upon 60 days’ written notice to the Adviser when authorized either by a majority vote of the Fund’s shareholders or by a vote of a

majority of the Trustees, or by the Adviser upon 60 days' written notice to the Trust, and will automatically terminate in the event of its "assignment" (as defined in the 1940 Act). The Advisory Agreement provides that the Adviser shall not be liable under such agreement for any error of judgment or mistake of law or for any loss arising out of any investment or for any act or omission in the execution of portfolio transactions for the Fund, except for willful misfeasance, bad faith or gross negligence in the performance of its duties, or by reason of reckless disregard of its obligations and duties thereunder.

In consideration of the services provided by the Adviser pursuant to the Advisory Agreement, the Adviser is entitled to receive from the Fund a quarterly fee at an annualized rate of 0.50% of the Fund's average net assets. As of the date of this SAI, the Fund had not commenced operations and has not paid any advisory fees to the Adviser.

For its investment advisory services, the Predecessor Fund paid the Adviser a quarterly fee at an annualized rate of 0.50% of the Predecessor Fund's average net assets. In addition, the Predecessor Fund paid the Adviser an annual fee of \$42,000 for providing certain administrative services to the Predecessor Fund.

The table below shows the amount of advisory and administrative services fees paid by the Predecessor Fund to the Adviser for fiscal years ended December 31 indicated below.

	<b>Advisory Fees</b>	<b>Administrative Services Fees</b>
2021	\$1,310,089	\$42,000
2020	\$1,020,134	\$42,000
2019	\$900,036	\$42,000

The Fund is responsible for its own operating expenses. The Adviser has contractually agreed to reduce fees and/or pay Fund expenses (excluding Acquired Fund Fees and Expense, interest expenses, taxes, and extraordinary expenses) in order to the limit Net Annual Fund Operating Expenses for shares of the Fund to 1.05% (the "Expense Cap"). The Fund's net operating expenses may be higher to the extent that the Fund incurs expenses that are not covered under the operating expenses limitation agreement. The current Expense Cap will remain in effect through January 3, 2025 and may be automatically renewed for one-year successive terms and may be terminated, after expiration of the initial term, only by the Board. The Adviser is permitted, with Board approval, to be reimbursed for fee reductions and/or expense payments made in the prior three years from the date the fees were waived and expenses were paid. This reimbursement may be requested if the aggregate amount actually paid by the Fund toward operating expenses for such period (taking into account any reimbursement) does not exceed the lesser of the Expense Cap in place at the time of waiver or at the time of reimbursement.

## PORTFOLIO MANAGERS

Mr. Edson L. Bridges III is the lead portfolio manager for the Fund and the Predecessor Fund. Mr. Brian M. Kirkpatrick serves as a portfolio manager for the Fund and the Predecessor Fund. The following provides information regarding other accounts that are managed by the portfolio managers as of September 30, 2022:

Name of Person	Total Number of Accounts	Total Assets (in millions)	Total Number of Accounts with Performance Based Fees	Total Assets of Accounts with Performance Based Fees
<b><u>Edson L. Bridges III</u></b>				
Registered Investment Company	1	\$179.5	0	0
Other Pooled Investment Vehicles	0	0	0	0
Other Accounts	0	0	0	0
<b><u>Brian M. Kirkpatrick</u></b>				
Registered Investment Company	0	0	0	0
Other Pooled Investment Vehicles	0	0	0	0
Other Accounts	364	\$326.4	0	0

In 2020, the Firm transitioned to a new operating model designed to efficiently accommodate Bridges Trust's growth, and create more time and space for the Firm's key investment people to focus on their respective areas of strength. Under the new operating model, Edson L. Bridges III (Ted) expanded his responsibilities as the Firm's CEO and as the Chief Investment Officer (CIO) of Bridges Trust. As CIO, Mr. Bridges leads the Firm's investment team, which includes the development of the Firm's capital markets investment strategy, investment solutions development, security research and portfolio management work. As the Firm's CEO, Mr. Bridges leads the development and implementation of Bridges Trust's long-term strategic initiatives, manages key client relationships, and is closely involved in the Firm's business development efforts. Mr. Bridges continues to be the lead portfolio manager of the Fund's portfolio, while transitioning some of the day-to-day responsibilities of individual portfolio management to other Bridges' portfolio managers.

These portfolio managers, including Mr. Kirkpatrick, manage accounts, which may share the Fund's primary investment objective of long-term capital appreciation, with a secondary objective of generation of a modest amount of current income. Because of the similarities in the investment objectives and strategies of the Fund and the other accounts, conflicts of interest may arise. As a result, the Adviser has adopted trade allocation procedures that, among other things, ensure that trades are allocated fairly and equitably between other accounts and the Fund consistent with the Adviser's fiduciary duty to each client. In determining a fair allocation, the Adviser takes into account a number of factors including, among other things, the Adviser's fiduciary duty to each client, any potential conflicts of interest, the size of the transactions, the relative size of a client's portfolio, cash available for investment and suitability.

Mr. Bridges III and Mr. Kirkpatrick are paid directly by the Adviser and are not paid by the Fund. Their compensation primarily consists of a base salary and a bonus. The portfolio managers' base salaries are generally reviewed annually and any increases are based on consideration of various factors, including, but not limited to, merit, cost of living increases, and employment market competition. Bonuses are primarily determined based on individual merit, which includes research productivity and the Adviser's profitability. Along with all other employees of the Adviser, Mr. Bridges III and Mr. Kirkpatrick may also participate in a 401(k) plan. The 401(k) plan offers a salary deferral option with a



company match. The portfolio managers' salary, bonus or 401(k) match are not based on the performance of the Fund or the value of the Fund's assets.

Set forth below are the dollar ranges of Predecessor Fund shares beneficially owned by each portfolio manager as of September 30, 2022, using the following ranges: None, \$1-\$10,000, \$10,001-\$50,000, \$50,001-\$100,000, \$100,001-\$500,000, \$500,001-\$1,000,000, or Over \$1,000,000:

<b><u>Portfolio Manager</u></b>	<b><u>Dollar Range of Shares of the Predecessor Fund</u></b>
Edson L. Bridges III	Over \$1,000,000
Brian M. Kirkpatrick	\$500,001-\$1,000,000

## **SERVICE PROVIDERS**

### **Administrator, Transfer Agent and Fund Accountant**

Pursuant to an administration agreement (the "Administration Agreement"), U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services") 615 East Michigan Street, Milwaukee, Wisconsin 53202 acts as the Administrator to the Fund. Fund Services provides certain services to the Fund including, among other responsibilities, coordinating the negotiation of contracts and fees with, and the monitoring of performance and billing of, the Fund's independent contractors and agents; preparation for signature by an officer of the Trust of all documents required to be filed for compliance by the Trust and the Fund with applicable laws and regulations, excluding those of the securities laws of various states; arranging for the computation of performance data, including NAV and yield; responding to shareholder inquiries; and arranging for the maintenance of books and records of the Fund, and providing, at its own expense, office facilities, equipment and personnel necessary to carry out its duties. In this capacity, Fund Services does not have any responsibility or authority for the management of the Fund, the determination of investment policy, or for any matter pertaining to the distribution of the Fund's shares.

Pursuant to the Administration Agreement, as compensation for its services, Fund Services receives from the Fund, a fee based on the Fund's current average daily net assets. Fund Services also is entitled to certain out-of-pocket expenses. Fund Services also acts as fund accountant, transfer agent and dividend disbursing agent under separate agreements. Additionally, Fund Services provides Chief Compliance Officer services to the Trust under a separate agreement. The cost for the Chief Compliance Officer services is charged to the Fund and approved by the Board annually.

For the fiscal years indicated below, the Predecessor Fund paid Fund Services' the following fees for its administrative services:

<b>Administration Fee Paid</b>		
<b>During Fiscal Years Ended December 31,</b>		
<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
\$211,528	\$198,848	\$122,987

### **Custodian**

U.S. Bank National Association, is the custodian of the assets of the Fund (the "Custodian") pursuant to a custody agreement between the Custodian and the Trust, whereby the Custodian provides for fees on a transactional basis plus out-of-pocket expenses. The Custodian's address is 1555 N. RiverCenter Drive, Suite 302, Milwaukee, Wisconsin 53212. The Custodian does not participate in decisions relating to the purchase and sale of securities by the Fund. Fund Services and the Custodian are affiliated entities under the common control of U.S. Bancorp. The Custodian and its affiliates may

participate in revenue sharing arrangements with the service providers of mutual funds in which the Fund may invest.

### **Independent Registered Public Accounting Firm and Legal Counsel**

Cohen & Company, Ltd. is the independent registered public accounting firm, providing audit services, tax services and assistance with respect to the preparation of the Fund's filings with the SEC.

Sullivan & Worcester LLP, 1633 Broadway, 32nd Floor, New York, New York 10019, serves as legal counsel to the Trust. Sullivan & Worcester also serves as independent legal counsel to the Board of Trustees.

### **BROKERAGE ALLOCATIONS AND OTHER PRACTICES**

Subject to the general supervision of the Board, the Adviser executes transactions in the Fund's portfolio of securities through a number of brokers to reflect the availability of security research information, execution and other open market services, and goodwill or other factors. The Fund has no plans to concentrate securities transaction orders with any single broker or group of brokers.

The total brokerage fees paid on securities transactions for the Predecessor Fund for the last three fiscal years were:

<b>Brokerage Fees Paid During Fiscal Years Ended December 31,</b>		
<b>2021</b>	<b>2020</b>	<b>2019</b>
\$6,061	\$7,600	\$7,096

There were no brokerage firms or individuals acting as brokers who were affiliated with the Predecessor Fund or Adviser. As of December 31, 2021, the Predecessor Fund did not own any securities of its regular broker dealers.

The disinterested Trustees of the Trust have agreed that the Adviser may cause the Fund to pay a member of an exchange, broker, or dealer an amount of commission for effecting a securities transaction by the Fund in excess of the amount of commission which would have been charged by another person for effecting such transactions, providing that the Adviser determines in good faith that such commission was reasonable in relation to the value of the brokerage and research services ("third-party research") provided by such Exchange member, broker, or dealer subject only to the limitations and definitions contained in Section 28(e) of the Securities Exchange Act of 1934, as amended, and to a periodic review by the disinterested Trustees of the actions of the Adviser in directing the brokerage business of the Fund. Because of the practice of using securities transactions to purchase third-party research, the Fund may not receive the lowest possible aggregate execution cost with respect to any given brokerage transaction.

In addition, at each Board meeting, the Board reviews the brokerage commissions and fees paid with respect to securities transactions undertaken for the Fund's portfolio during the prior three-month period for the cost efficiency of the services provided by the brokerage firms involved, all of which brokerage firms are non-affiliated with the Fund and the Adviser.

## CAPITAL STOCK

Shares issued by the Fund have no preemptive, conversion or subscription rights. Shareholders have equal and exclusive rights as to dividends and distributions as declared by the Fund and to the net assets of the Fund upon liquidation or dissolution. The Fund, as separate series of the Trust, votes separately on matters affecting only the Fund (e.g., approval of the Advisory Agreement); all series of the Trust vote as a single class on matters affecting all series jointly or the Trust as a whole (e.g., election or removal of Trustees). Voting rights are not cumulative, so that the holders of more than 50% of the shares voting in any election of Trustees can, if they so choose, elect all of the Trustees. While the Trust is not required and does not intend to hold annual meetings of shareholders, such meetings may be called by the Trustees in their discretion or upon demand by the holders of 10% or more of the outstanding shares of the Trust, for the purpose of electing or removing Trustees.

### PURCHASE, REDEMPTION, AND PRICING OF SHARES OFFERED

#### *Determining Net Asset Value*

The net asset value (“NAV”) of the Fund’s shares will fluctuate and is determined as of the close of trading on the New York Stock Exchange (“NYSE”), normally 4:00 p.m. Eastern Time (3:00 Central Time), each day the NYSE is open for trading. However, the NAV of the Fund’s shares may be determined on days the NYSE is closed or at times other than 4:00 p.m. if the Board of Trustees decides it is necessary.

The NYSE annually announces the days on which it will not be open for trading. The most recent announcement indicates that it will not be open for the following holidays: New Year’s Day, Martin Luther King, Jr. Day, Washington’s Birthday, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. However, the NYSE may close on days not included in that announcement.

The NAV per share is computed by dividing the value of the securities held by the Fund plus any cash or other assets (including interest and dividends accrued but not yet received) minus all liabilities (including accrued expenses) by the total number of shares in the Fund outstanding at such time, rounded to the nearest cent. An example of how the Predecessor Fund calculated its net asset value per share as of December 31, 2021 is as follows:

$$\begin{array}{r} \text{Net Assets} \\ \hline \text{Shares Outstanding} \end{array} = \text{Net Asset Value Per Share}$$
  
$$\begin{array}{r} \$270,123,997 \\ \hline 2,589,329 \end{array} = \$104.32$$

The Fund’s securities, including ADRs, which are traded on securities exchanges are valued at the last sale price on the exchange on which such securities are traded, as of the close of trading on the day the securities are being valued or, lacking any reported sales, at the last available bid price. Securities that are traded on more than one exchange are valued on the exchange determined by the Adviser to be the primary market. Securities primarily traded on the NASDAQ Global Market<sup>®</sup> for which market quotations are readily available shall be valued using the NASDAQ<sup>®</sup> Official Closing Price (“NOCP”). If the NOCP is not available, such securities shall be valued at the last sale price on the day of valuation, or if there has been no sale on such day, at the last available bid price. Over-the-counter (“OTC”) securities which are not traded in the NASDAQ Global Market<sup>®</sup> shall be valued at the last sale price at the close of trading, or at the last available bid price if there has been no sale on such day. Securities and assets for

which market quotations are not readily available are valued at fair value as determined under procedures adopted by the Adviser.

If the Fund's independent pricing service, Ice Data Services ("ICE"), prices short-term securities with 60 days or less remaining to maturity, the Fund will use the price given by IDC. Specific securities such as repurchase agreements and demand notes do not have vendor pricing available and will instead be amortized to maturity based on their cost to the Fund if acquired within 60 days of maturity or, if already held by the Fund on the 60th day, based on the value determined on the 61st day.

Corporate debt securities are also priced by ICE. In determining the price, ICE will use information with respect to transactions in the securities being valued, quotations from dealers, market transactions in comparable securities, analyses and evaluations of various relationships between securities and yield to maturity information. If a price is not available from ICE, the security is priced at the bid. U.S. government and agency securities are valued at most recent bid prices. Corporate debt and U.S. government and agency securities for which prices are not readily available are valued at fair value as determined under procedures adopted by the Fund's Adviser.

The Board has designated the Adviser as its "valuation designee" under Rule 2a-5 of the 1940 Act, subject to its oversight. Fair value determinations are then made in good faith in accordance with procedures adopted by the Adviser.

### ***Redemption-in-Kind***

Under normal circumstances, the Fund does not intend to redeem shares in any form except cash. The Trust, however, has filed a notice of election under Rule 18f-1 of the 1940 Act that allows the Fund to redeem in-kind redemption requests during any 90-day period in excess of the lesser of \$250,000 or 1% of the net assets of the Fund, valued at the beginning of such period. If the Fund pays your redemption proceeds by a distribution of securities, you could incur brokerage or other charges in converting the securities to cash, and will bear any market risks associated with such securities until they are converted into cash.

The Fund does not intend to hold any significant percentage of its portfolio in illiquid securities, although the Fund, like virtually all mutual funds, may from time to time hold a small percentage of securities that are illiquid. In the unlikely event the Fund were to elect to make an in-kind redemption, the Fund expects that it would follow the Trust protocol of making such distribution by way of a pro rata distribution of securities that are traded on a public securities market or are otherwise considered liquid pursuant to the Fund's liquidity policies and procedures. Except as otherwise may be approved by the Trustees, the securities that would not be included in an in-kind distribution include (1) unregistered securities which, if distributed, would be required to be registered under the Securities Act of 1933 (the "1933 Act"), as amended; (2) securities issued by entities in countries which (a) restrict or prohibit the holding of securities by non-nationals other than through qualified investment vehicles, such as a fund, or (b) permit transfers of ownership of securities to be effected only by transactions conducted on a local stock exchange; and (3) certain Fund assets that, although they may be liquid and marketable, must be traded through the marketplace or with the counterparty to the transaction in order to effect a change in beneficial ownership.

### ***Anti-Money Laundering***

The Fund is required to comply with various federal anti-money laundering laws and regulations. Consequently, the Fund may be required to "freeze" the account of a shareholder if the shareholder appears to be involved in suspicious activity or if certain account information matches information on government lists of known terrorists or other suspicious persons, or the Fund may be required to transfer the account or proceeds of the account to a government agency. In addition, pursuant to the Fund's

Customer Identification Program, the Transfer Agent will complete a thorough review of all new opening account applications and will not transact business with any person or entity whose identity cannot be adequately verified.

### ***Inactivity Period***

Under certain circumstances, your mutual fund account may be subject to state escheatment laws, and your account may be transferred to the appropriate state if the Fund cannot locate you, or in certain states, if no activity occurs in the account within the time period specified by law. The Fund and the Transfer Agent will not be liable to shareholders or their representatives for good faith compliance with the escheatment laws.

## **DISTRIBUTIONS AND TAX INFORMATION**

### **Distributions**

Net investment income generally consists of interest income and dividends received on investments, less expenses. Dividends will be paid on or about the last business day of March, June, September and December. Capital gain distributions from net profits from the sale of securities are generally made at least annually. The Fund typically distributes any undistributed net investment income on or about December 31 of each year. Any net capital gains realized through the period ended October 31 of each year also will be distributed by December 31 of each year.

Each distribution by the Fund is accompanied by a brief explanation of the form and character of the distribution. In January of each year, the Fund will issue to each shareholder a statement of the federal income tax status of all distributions.

### **Tax Information**

Each series of the Trust is treated as a separate entity for federal income tax purposes. The Fund has elected and intends to continue to qualify to be treated as a “regulated investment company” under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”), and to comply with all applicable requirements regarding the source of its income, diversification of its assets, and the timing and amount of its distributions. If the Fund fails to qualify as a regulated investment company under Subchapter M, it will be taxed as a regular corporation. The Fund’s policy is to distribute to its shareholders all of its investment company taxable income (before the deduction for dividends paid) and any net realized capital gains for each fiscal year in a manner that complies with the distribution requirements of the Code, so that the Fund will not be subject to any federal income or excise taxes. However, the Fund can give no assurances that its distributions will be sufficient to eliminate all taxes at the Fund level. To avoid a nondeductible 4% excise tax, the Fund must also distribute (or be deemed to have distributed) by December 31 of each calendar year (i) at least 98% of its ordinary income for such year, (ii) at least 98.2% of the excess of its realized capital gains over its realized capital losses for the 12-month period ending on October 31 during such year and (iii) any amounts from the prior calendar year that were not distributed and on which the Fund paid no federal excise tax.

In order to qualify as a regulated investment company, the Fund must, among other things, derive at least 90% of its gross income each year from dividends, interest, payments with respect to loans of stock and securities, gains from the sale or other disposition of stock or securities or foreign currency gains related to investments in stock or securities, or other income (generally including gains from options, futures or forward contracts) derived with respect to the business of investing in stock, securities or currency, and net income derived from an interest in a qualified publicly traded partnership. The Fund must also satisfy the following two asset diversification tests. At the end of each quarter of each taxable year, (i) at least 50% of the value of the Fund’s total assets must be represented by cash and cash items (including receivables), U.S. Government securities, the securities of other regulated investment

companies, and other securities, with such other securities being limited in respect of any one issuer to an amount not greater than 5% of the value of the Fund's total assets and not more than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of the Fund's total assets may be invested in the securities of any one issuer (other than U.S. Government securities or the securities of other regulated investment companies), the securities of any two or more issuers (other than the securities of other regulated investment companies) that the Fund controls (by owning 20% or more of their outstanding voting stock) and that are determined to be engaged in the same or similar trades or businesses or related trades or businesses, or the securities of one or more qualified publicly traded partnerships. The Fund must also distribute each taxable year sufficient dividends to its shareholders to claim a dividends paid deduction equal to at least the sum of 90% of the Fund's investment company taxable income before the dividends paid deduction (which generally includes dividends, interest, and the excess of net short-term capital gain over net long-term capital loss) and 90% of the Fund's net tax-exempt interest, if any. There can be no assurance that the Fund's distributions will be sufficient to eliminate all taxes at the Fund level in all years.

Distributions of net investment income and net short-term capital gains generally are taxable to shareholders as ordinary income. The Fund may make taxable distributions to shareholders even during periods in which the share price has declined. For individual shareholders, a portion of the distributions may be qualified dividends currently eligible for taxation at long-term capital gain rates to the extent the Fund reports the amount distributed as a qualifying dividend and certain holding period requirements are met. In the case of corporate shareholders, a portion of the distributions may qualify for the dividends-received deduction to the extent the Fund reports the amount distributed as a qualifying dividend. The aggregate amount so reported as qualified dividend income or as eligible for the dividends received deduction cannot, however, exceed the aggregate amount of qualifying dividends received by the Fund for its taxable year. In view of the Fund's investment policy, it is expected that dividends from domestic corporations will be part of the Fund's gross income and that, accordingly, some but not all of the Fund's distributions may be eligible for treatment as qualified dividend income for non-corporate shareholders and the dividends-received deduction for corporate shareholders. However, the portion of the Fund's gross income attributable to qualifying dividends is largely dependent on the Fund's investment activities for a particular year, and therefore cannot be predicted with any certainty. The deduction, if any, may be reduced or eliminated if the Fund's shares held by an individual investor are held for less than 61 days, or if the Fund's shares held by a corporate investor are treated as debt-financed or are held for less than 46 days.

Federal taxes on the Fund's distribution of long-term capital gains are determined by how long the Fund owned the investments that generated the gains, not how long a shareholder has owned the Fund shares. There is no requirement that the Fund take into consideration tax implications when implementing its investment strategy. Shareholders should note that the Fund may make taxable distributions of income and capital gains even when share values have declined.

For taxable years beginning after 2017 and before 2025, non-corporate taxpayers generally may deduct 20% of "qualified business income" derived either directly or through partnerships or S corporations. For this purpose, "qualified business income" generally includes ordinary real estate investment trust ("REIT") dividends and income derived from master limited partnership ("MLP") investments. Non-corporate shareholders can claim the qualified business income deduction with respect to REIT dividends received by the Fund if the Fund meets certain holding period and reporting requirements. There is currently no mechanism for the Fund, to the extent that the Fund invests in MLPs, to pass through to non-corporate shareholders the character of income derived from MLP investments so as to allow such shareholders to claim this deduction. It is uncertain whether future legislation or other

guidance will enable a fund to pass through to non-corporate shareholders the ability to claim this deduction.

Redemption of Fund shares may result in recognition of a taxable gain or loss. Any loss realized upon redemption of shares within six months from the date of their purchase will be treated as a long-term capital loss to the extent of any amounts treated as distributions of long-term capital gains during such six-month period. Any loss realized upon a redemption may be disallowed under certain “wash sale” rules to the extent shares of the Fund are purchased (through reinvestment of distributions or otherwise) within 30 days before or after the redemption.

As of fiscal year end December 31, 2021, the Predecessor Fund did not have late year losses or capital loss carry-forwards available for federal income tax purposes, and did not utilize any short-term capital loss carry-forwards.

Under the Code, the Fund will be required to report to the Internal Revenue Service (“IRS”) all distributions of ordinary income and capital gains as well as gross proceeds from the redemption or exchange of the Fund’s shares, except in the case of exempt shareholders, which includes most corporations. Pursuant to the backup withholding provisions of the Code, distributions of any taxable income and capital gains and proceeds from the redemption of the Fund’s shares may be subject to withholding of federal income tax at the rate of 24% in the case of non-exempt shareholders who fail to furnish the Fund with their taxpayer identification numbers and with required certifications regarding their status under the federal income tax law, or if the IRS notifies the Fund that such backup withholding is required. If the withholding provisions are applicable, any such distributions and proceeds, whether taken in cash or reinvested in additional shares, will be reduced by the amounts required to be withheld. Non-corporate and other exempt shareholders should provide the Fund with their taxpayer identification numbers or certify their exempt status, as applicable, in order to avoid possible erroneous application of backup withholding. Backup withholding is not an additional tax and any additional amounts may be credited against a shareholder’s ultimate federal tax liability if proper documentation is provided. The Fund reserves the right to refuse to open an account for any person failing to provide a certified taxpayer identification number.

In addition to the federal income tax, certain individuals, trusts and estates may be subject to a Medicare tax of 3.8%. The Medicare tax is imposed on the lesser of: (i) the taxpayer’s investment income, net of deductions properly allocable to such income, or (ii) the amount by which the taxpayer’s modified adjusted gross income exceeds certain thresholds (\$250,000 for married individuals filing jointly, \$200,000 for unmarried individuals and \$125,000 for married individuals filing separately). The Fund’s distributions are includable in a shareholder’s investment income for purposes of this Medicare tax. In addition, any capital gain realized by a shareholder upon a sale or redemption of Fund shares is includable in such shareholder’s investment income for purposes of this Medicare tax.

Distributions and the transactions referred to in the preceding paragraphs may be subject to state and local income taxes, and the tax treatment thereof may differ from the federal income tax treatment.

The foregoing discussion of U.S. federal income tax law relates solely to the application of that law to U.S. citizens or residents and U.S. domestic corporations, estates the income of which is subject to United States federal income taxation regardless of its source and trusts that (1) are subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) have a valid election in effect under applicable United States Treasury regulations to be treated as a United States person. Each shareholder that is not a U.S. person should consider the U.S. and foreign tax consequences of ownership of shares of the Fund, including the possibility that such a shareholder may be subject to a U.S. withholding tax at the rate of 30% (or a lower rate reduced by treaty).

## **FINANCIAL STATEMENTS**

The audited financial statements for the Predecessor Fund’s fiscal year ended December 31, 2021, including the report of independent registered public accounting firm thereon are herein incorporated by reference to the Predecessor Fund’s [Annual Report](#) to shareholders dated December 31, 2021. To receive a copy of the Prospectus or Annual or Semi-Annual Reports to shareholders, without charge, visit the Fund’s website at [www.bridgesfund.com](http://www.bridgesfund.com) under “Resource Documents & Forms” or write to or call the Fund at the address or telephone number listed above.



## **APPENDIX A**

### **BRIDGES INVESTMENT FUND**

#### **PROXY VOTING PROCEDURES**

##### **INTRODUCTION**

As part of the general investment management duties undertaken by the Bridges Investment Fund (the “Fund”) the investment adviser, Bridges Investment Management, Inc. (“BIM”), the PMP Trust Board of Trustees has delegated the function of voting of proxies for Fund portfolio securities to BIM, subject to the Board’s continuing oversight, and in accordance with the Fund’s Proxy Voting Policy and Proxy Voting Procedures. The Fund Board of Trustees is responsible for updating the Fund’s Proxy Voting Policy for new developments in corporate governance practices and changes in regulatory requirements.

The Fund authorizes BIM to exercise its proxy voting responsibilities with a goal of maximizing the long-term value of the Fund’s investments. To that end, the Fund believes that the investment in a common stock of a company is a vote of affirmation in the management running that company and as such will in the vast majority of situations vote in line with the recommendation given by the Board of Directors and the management of the company.

Acting on behalf of the Fund, BIM may abstain from voting or decline to vote proxies where, in its opinion, the cost of voting the proxy exceeds the economic value of the expected effect of the vote on the Fund’s investment.

##### **CONFLICTS OF INTEREST**

In situations where BIM or its affiliated parties have a material conflict of interest with respect to the voting of a Fund portfolio security, BIM will provide the Fund with full disclosure of the material conflict of interest, and forward the proxy to a Proxy subcommittee appointed by the PMP Trust’s Board of Trustees, which shall be comprised solely of independent directors, for voting in accordance with the Fund’s Proxy Voting Policy. A material conflict of interest shall refer a situation where BIM or an affiliated party of BIM, including its executive officers and directors, has a beneficial financial interest in, or is so closely linked, to the company or transaction with respect to which a vote is solicited, that the interest would reasonably be expected to exert an influence on the judgment of BIM or affiliated party with respect to such vote. As an example, a conflict of interest may occur where BIM manages the retirement plan assets of a publicly held company whose securities are held by the Fund.

##### **EXECUTIVE AND DIRECTOR COMPENSATION**

The Fund believes that appropriately designed equity-based compensation plans, approved by shareholders, can be an effective way to align the interests of long-term shareholders and the interests of management, directors and employees. Conversely, the Fund is opposed to plans that substantially dilute the shareholders’ interest, provide participants with excessive awards, or have inherently objectionable features. The Fund believes common stock and restricted common stock grants awarded in lieu of cash bonuses are the most preferred means of providing incentive to management and best align the interests of insiders with shareholders. The Fund views stock options plans as the least desirable form of equity-based incentives because, unlike shareholders, the option holder has nothing at risk except opportunity costs.

1. The Fund will generally vote against plans where the potential dilution (including all equity-based plans) exceeds 15% of the shares outstanding.
2. The Fund will generally vote against plans if annual option grants have exceeded 2% of shares outstanding.
3. The Fund will generally vote against plans that have any of the following structural features:
  - a. Ability to re-price underwater options.
  - b. Ability to issue options with an exercise price below the stock's current market price.
  - c. Ability to issue reload options.
  - d. Automatic share replenishment ("evergreen") feature.
  - e. Plans that can be amended without shareholder approval.
  - f. Management having discretion in the granting of awards to non-employee directors.
4. The Fund will generally support measures intended to promote long-term stock ownership by executives. These may include:
  - a. Requiring senior executives to hold a minimum amount of stock in the company (frequently expressed as a certain multiple of the executive's salary).
  - b. Requiring stock acquired through option exercise to be held for a certain period of time (three years or longer is preferred).
  - c. Using restricted stock grants instead of options.
5. The Fund generally supports expensing the fair value of option grants in order to recognize that value has been transferred to the option holder at the expense of the shareholder.
6. The Fund will generally support the use of employee stock purchase plans provided those shares purchased under the plan are acquired for no less than 85% of their market value.
7. The Fund will generally oppose the use of accelerated employment contracts that will result in total compensation (cash and present value of future payments, retirement benefits and equity-based awards) that exceeds three times annual compensation (salary and bonus) in the event of termination of employment.
8. If the Fund determines that executive or director total compensation is excessive compared to that of other similar companies, it may vote against any proposal that could result in increased compensation, or it may vote against the reelection of directors who are members of the board's compensation committee, or it may vote against the reelection of all directors.

## **SHAREHOLDER RIGHTS**

The Fund believes that shareholders should have voting power equal to their equity interest in the company and should be able to approve (or reject) changes to the corporation's by-laws by a simple majority vote, to the extent permitted by state corporation or other applicable laws.

1. The Fund will generally support proposals to remove super-majority voting requirements for certain types of proposals. The Fund will generally vote against proposals to impose super-majority requirements.
2. The Fund will generally vote for proposals to lower barriers to shareholder action (e.g., limited rights to call special meetings, limited rights to act by written consent).
3. The Fund will generally vote against proposals for a separate class of stock with disparate voting rights.
4. The Fund will generally vote for proposals to subject shareholder rights plans ("poison pills) to a shareholder vote. In evaluating these plans, we will be more likely to support arrangements with short-term (fewer than three years) sunset provisions, qualified bid/permitted offer provisions

(“chewable pills”) and/or mandatory review by a committee of independent directors at least every three years (so-called “TIDE” provisions).

5. The Fund will generally support proposals to adopt cumulative voting.
6. The Fund supports the right of shareholders to vote on a confidential basis.

## **CHANGES IN CORPORATE CONTROL**

The Fund generally opposes measures that are designed to prevent or obstruct corporate takeovers. Such measures tend to entrench current management. The Fund believes in free capital markets and that the potential transfer of corporate control through a takeover, hostile or otherwise, must be permitted to occur, if it is approved by the company’s shareholders. However, the decision in each instance will be judged on its merits, as there may be cases where the structure of the original business should be protected.

1. The Fund will generally oppose the use of accelerated employment contracts that will result in total compensation (cash and present value of future payments, retirement benefits and equity-based awards) that exceeds three times annual compensation (salary and bonus) in the event of termination of employment following a change in control of a company. The Fund opposes such “golden parachute” plans because they impede potential takeovers that shareholders should be free to consider.
2. The Fund will generally vote against proposals to authorize preferred stock whose voting, conversion, dividend and other rights are determined at the discretion of the Board of Directors (commonly referred to as “blank check” preferred stock) and are intended to be issued in an anti-takeover situation. The Fund will generally support the authorization of preferred stock if provisions are included that limit the voting rights to one vote per share and shareholders are permitted to vote on the issuance of preferred if it is to be issued in a takeover situation.
3. The Fund generally votes for the annual election of all directors and against classified boards. The Fund believes that the shareholders should have the right to vote on all directors annually. Classified boards can be used to delay or obstruct a takeover that is in the shareholders’ best interests.
4. When voting on a resolution to approve a corporate merger or acquisition, the Fund will make a determination of the merits of the proposed transaction based on the Fund’s opinion of whether it will increase the long-term economic value of the shareholders’ investment. The Fund may vote against such transactions where in its opinion the offer is at a price that is less than fair value.
5. The Fund will generally vote for resolutions endorsed by the board of directors regarding changes in the state of incorporation or increases in the authorization of common or preferred stock, unless in its opinion the purpose of the resolution is to obstruct a corporate takeover, reduce shareholders’ rights or materially dilute the shareholders’ voting or economic interests.

## **ELECTION OF DIRECTORS**

The Fund will usually vote for the recommendations of the board of directors of the company soliciting proxies for directors, except when the board of directors has shown a history of approving poor corporate governance policies. The Fund will make a determination based on the past actions of such board of directors compared with the corporate governance standard outlined in the Fund’s proxy voting policy. If the Fund determines that there is a deficiency in corporate governance policies, it may vote against certain directors, such as the members of a board committee or against all directors. The Fund will vote against all inside directors if independent directors do not comprise a majority of the board of

directors. The Fund may also vote against any specific director if it has knowledge that the person has shown poor business judgment, is not qualified, or lacks personal integrity.

## **APPROVAL OF INDEPENDENT AUDITORS**

The Fund will generally vote for the approval of the independent auditors, except where the audit and audit-related fees comprise less than 50% of the total fees paid by the company to the audit firm. The Fund believes the auditor's independence could be impaired if its non-audit fees are larger than its audit fees.

## **CORPORATE/SOCIAL POLICY ISSUES**

The Fund believes that "ordinary business matters" are primarily the responsibility of management and should be approved solely by the corporation's board of directors. Proposals in this category, initiated by shareholders, typically request that the company disclose or amend certain business practices. The Fund will generally vote against these proposals unless it believes that the proposal has substantial economic implications which may favorably impact shareholder value.

### **A. BRIDGES INVESTMENT FUND PROXY VOTING PROCEDURES**

#### **RESPONSIBILITY AND OVERSIGHT**

The Bridges Investment Fund ("Fund") PMP Board of Trustees, acting on behalf of the Fund, has the ultimate authority and responsibility with respect to the voting of proxies relating to Fund portfolio securities. As part of the general investment management duties undertaken by the Fund's investment adviser, Bridges Investment Management, Inc. ("BIM"), the PMP Board of Trustees has delegated the function of voting of proxies for Fund portfolio securities to BIM, subject to the Board's continuing oversight, and in accordance with the Fund's Proxy Voting Policy and Procedures. The PMP Board of Trustees is responsible for updating the Fund's Proxy Voting Policy for new developments in corporate governance practices and changes in regulatory requirements.

The Fund's investment manager, BIM, has established an Investment Committee, which is responsible for determining the Fund's votes on all proxies related to Fund portfolio securities. In most instances the Investment Committee will delegate the proxy vote determination to individual Committee members who are responsible for security analysis of the same portfolio securities. The Committee members will determine the proxy votes based on the Fund's Proxy Voting Policy. All questions not involving a conflict of interest regarding interpretation of Fund's Proxy Voting Policy are decided by a majority vote of the Investment Committee. In situations where there is a conflict of interest as set forth in the Fund's Proxy Voting Policy, a Proxy Subcommittee appointed by the PMP Board of Trustees shall decide the appropriate action.

The BIM Proxy Administrator reports to the BIM Operations Officer and is responsible for carrying out the proxy voting process. The BIM Operations Officer is responsible for ensuring that proxies are voted according to the BIM Investment Committee's directions, engaging and overseeing any third-party proxy voting vendors, maintaining required records, making required filings and sending required notices, and responding to requests for the Fund's Proxy Voting Policy and Procedures and proxy voting records.

## **DISCLOSURE OF PROXY VOTING POLICY AND PROCEDURES AND PROXY VOTING RECORD**

The Fund will disclose the Proxy Voting Policy and Procedures in the Fund's Statement of Additional Information, or as otherwise required by applicable law and Securities and Exchange Commission ("SEC") regulations. A copy of the Proxy Voting Policy and Procedures is also available (i) without charge, upon request, by calling the Fund at 800-939-8401, and (ii) on the SEC's website at <http://www.sec.gov>. The Fund shall send a copy of the Proxy Voting Policy and Procedures which have been requested within three business days of receipt of the request, by first-class mail or other means designed to ensure equally prompt delivery.

In accordance with SEC Rule 30b1-4, the Fund will file with the SEC its complete proxy voting record on an annual basis on Form N-PX, commencing for the period from July 1, 2003 through June 30, 2004, with Form N-PX to be filed by August 31 of each year. In addition, information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 will be available (after filing of Form N-PX) (i) without charge, by calling the Fund at 800-939-8401, and (ii) on the SEC's website at <http://www.sec.gov>. The Fund shall send a copy of its proxy voting record as disclosed in the most recently filed report on Form N-PX, and which has been requested, within three business days of receipt of the request, by first-class mail or other means designed to ensure equally prompt delivery.

### **PROXY VOTING PROCEDURES**

1. BIM utilizes the services of a third party Proxy Service Vendor, Automated Data Processing (ADP), to assist in the processing of proxy voting of Fund portfolio securities. ADP also provides reports that confirm the proxies have been voted. The BIM Operations Officer will review the ADP reports to ensure that ADP has processed the proxy votes accurately.
2. With respect to Fund portfolio securities, the Proxy Administrator will instruct the trustee or custodian that receives the proxy materials from the issuer or its information agent to forward the materials to the BIM Proxy Administrator.
3. The BIM Proxy Administrator will sort the proxies by response date deadline and forward them to the appropriate BIM Investment Committee member that is responsible for the specific securities.
4. The BIM Investment Committee member will indicate the Fund's vote on each proxy resolution based on the Fund's Proxy Voting Policy. If the Committee member is unsure of how to vote any resolution, then he or she will consult with the BIM Investment Committee, which will decide by majority vote.
5. The BIM Investment Committee will maintain a list of securities in which there may be a conflict of interest as defined in the Fund Proxy Voting Policy. If the Committee member believes that there is a conflict of interest in voting a specific resolution on a proxy from a company on the Conflict of Interest List, or there may be a conflict of interest with respect to any particular proxy vote under the conflict of interest provisions of the Fund Proxy Voting Policy, then BIM shall submit the matter to a Proxy Subcommittee appointed by the Fund's Administrative and Nominating Committee, comprised solely of independent directors, which Subcommittee will decide by majority vote the appropriate action to take under the Fund Proxy Voting Policy.
6. The indicated proxy votes are returned to the Proxy Administrator at least three days before the proxy response date deadline. The Proxy Administrator votes the proxies according to the indicated proxy vote prior to the proxy response date deadline.

7. The Proxy Administrator will print a report from the Proxy Service Agent that confirms that all proxies were successfully voted.

## **RECORDKEEPING**

As investment advisor to the Fund, BIM maintains records of proxies voted with respect to Fund portfolio securities pursuant to Section 204-2 of the Advisers Act. Such records include:

1. A copy of the Fund's Proxy Voting Policy and Procedures;
2. Proxy statements received regarding Fund portfolio securities (this may be satisfied by relying on the SEC EDGAR system, available at [www.sec.gov](http://www.sec.gov), or a third party if the party undertakes to provide a copy promptly on request);
3. A record of each vote cast (this may be satisfied by relying on a third party to make and retain, on behalf of BIM, a record of the vote cast, provided that the third party undertakes to provide a copy promptly upon request);
4. A copy of any document created by BIM or the Fund that was material to making a decision how to vote proxies on behalf of the Fund or that memorializes the basis for that decision;
5. Each written request for the Fund Proxy Voting Policy and Procedures and Fund proxy voting records and the written response to any (written or oral) request for such records.

Proxy voting books and records must be maintained in an easily accessible place for a period of five years from the end of the fiscal year during which the last entry was made on such record, the first two years in BIM's office.