

BRIDGES | INVESTMENT MANAGEMENT

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This Brochure provides information about the qualifications and business practices of Bridges Investment Management, Inc. If you have any questions about the contents of this Brochure, please contact Steve Woodward at 402-397-4700 or swoodward@bridgestrust.com, or write to 1125 South 103rd Street, Ste 580, Omaha, NE 68124.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Bridges Investment Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Bridges Investment Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

March 31, 2020

Item 2 - Material Changes

There have been no material changes to our business since the September 9, 2019 update to our Form ADV. Nonetheless, we are updating this brochure to include current assets under management, client totals as of December 31, 2019 and reminding clients of the availability of our accountant's surprise examination report and other disclosures via the SEC's web site, www.adviserinfo.sec.gov or by contacting Steve Woodward at 402- 397-4700 or swoodward@bridgestrust.com, or write to 1125 South 103rd Street, Ste 580, Omaha, NE 68124.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may provide other ongoing disclosure information about material changes as necessary. We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

A copy of our current Brochure may be requested at any time by contacting Steve Woodward at 402-397-4700 or swoodward@bridgestrust.com, or write to 1125 South 103rd Street, Ste 580, Omaha, NE 68124.

Additional information about Bridges Investment Management, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Bridges Investment Management, Inc. who are registered, or are required to be registered, as investment adviser representatives of Bridges Investment Management, Inc.

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Brochure Supplement(s)

The supplement shown below is not applicable to Bridges Investment Management, Inc. Therefore, Bridges is not required to include this supplement in this brochure.

- Part 2A, Appendix 1: The “Wrap Brochure” - Bridges Investment Management, Inc. does not sponsor a wrap fee program. Therefore, **Part 2A, Appendix 1** is not applicable to Bridges Investment Management, Inc.

Item 4 - Advisory Business

Generally. Bridges Investment Management, Inc. (“BIM”) is a full-service investment management firm incorporated in 1994. BIM traces its roots to 1945 when Marvin W. Bridges, Sr. became the first investment adviser in Nebraska and the 208th in the country to register under the Investment Advisor Act of 1940. On July 31, 2017, BIM closed on an Agreement and Plan of Merger pursuant to which all of its outstanding shares were acquired by Bridges Holding Company, a newly formed entity principally owned by MGI Holdings, Inc., a subsidiary of McCarthy Group, LLC, an Omaha based investment company, as well as by Ted Bridges, Bob Bridges, and certain management officers of BIM. BIM provides investment management services to a wide range of clients, typically following the process outlined below:

- We will have an initial meeting with you to determine your investment goals and objectives as well as your level of risk tolerance, time horizon, tax situation and special circumstances.
- We will then draft an investment policy statement that outlines what we have learned from our meeting which, once it meets with your approval, will provide us with the framework that will inform the management of your portfolio. The investment policy statement will articulate your primary investment goals and objectives, tolerance for risk, and other unique circumstances. It will also establish asset allocation ranges and targets and will describe other parameters that will guide the management of your assets.
- We will then implement the investment policy statement by purchasing, selling, and managing, or directing to be managed, portfolio assets in order to fulfill your investment objectives consistent with your tolerance for risk, time horizon, and tax situation.
- After the initial investments are made, we will continually monitor them, making tactical adjustments to investment selections as needed.
- We will meet with you periodically to review the investment policy statement and make changes to it as required, as your investment objectives and tolerance for risk may change over time. We will also review our progress toward your investment objectives, and we will discuss your portfolio construction in view of relevant economic and capital markets considerations.

As of December 31, 2019, we manage on a discretionary basis \$4,564,521,962 of assets for 1,573 accounts and \$268,741,696 of assets for 76 accounts on a non-discretionary basis.

Item 5 - Fees and Compensation

BIM Clients Generally. BIM is primarily compensated with fees based on the assets managed by the company. Our standard fee schedule is listed below and is negotiable based on various factors which typically include the complexity of one's investment plan, security holdings, relationship pricing and other factors that may be unique to each investor. The firm does not require a minimum account size but may impose a minimum fee that will be fully disclosed and agreed to in writing before being instituted.

Assets Under Management	Basis Points	%
0-5 million	100	1.00
5-20 million	75	0.75
20-50 million	50	0.50
50-100 million	40	0.40
>100 million	30	0.30

We do not collect fees in advance. We collect fees either monthly or quarterly based on the value of your account as of the most recently completed period for which services were rendered. A bill is submitted either directly to you or your agent (if we are engaged through an agency agreement) or to the custodian of the assets managed, which then deducts the fee from your account. If your agent or custodian pays our bill, the transaction is reported to you on the next statement produced.

BIM also provides financial planning, pension consulting, adviser selection, securities research, and educational workshop services. Fees for such services, if applicable, will be disclosed to you and agreed to in writing.

You may incur certain charges imposed by custodians, agents, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. We do not receive compensation from any of the above-mentioned fees.

If you decide to terminate our services, our Management Agreement requires 30 days' notice, we will pro-rate the bill for the time span covered in that final period where services were rendered.

Item 6 - Performance-Based Fees and Side-By-Side Management

BIM does not charge performance-based fees.

Item 7 - Types of Clients

BIM generally provides investment services to individuals, investment companies, trusts, estates, retirement plans, private funds, corporations and other entities, family offices, banks or thrift institutions, foundations and other charitable organizations.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

BIM utilizes a variety of security analysis methods including, but not limited to, fundamental, technical, and cyclical analysis.

We will implement investment strategies and tactics that we believe are appropriate given a client's unique investment objectives and tolerance for risk.

Our investment approach is generally long term in nature (investment time horizon longer than one year). The investment strategies, approaches, and tactics that we employ may vary depending on the goals, objectives, and risk tolerance of each client. In general, our investment strategies are:

- 1) long term in nature
- 2) emphasize high quality and/or investment grade securities
- 3) utilize a range of approaches to determine valuation and establish investment attractiveness
- 4) involve appropriate industry, sector, and individual security diversification

We believe these factors serve to mitigate portfolio risk, however, investing in securities involves risk of loss that you should be prepared to bear.

We may also utilize any of the following strategies where appropriate to achieve client investment objectives: short term purchases (securities sold within one year of purchase), active trading (securities sold within 30 days of purchase), short sales; margin transactions and option writing (including covered and uncovered options).

We primarily rely on fundamental analysis in determining which securities to include in your portfolio. Fundamental analysis involves a detailed investigation into a company's business operations and its financial statements in order to assess its future prospects, understand the risks that may be embodied in its securities, and estimate the return potential that may be possible given its future prospects and its current valuation in the market.

The material risks involved with this type of analysis include but are not limited to the following:

- Fraudulent financial information issued by the company.
- Forecasting future company performance in line with past performance which may not prove achievable due to changing variables.
- Improper disclosure of financial information from the company.

Risks associated with fixed income securities would include those listed above as well as:

- Credit Risk - the risk that the creditworthiness of the company issuing the debt experiences a material decline from the time of purchase.
- Interest Risk - the risk that interest rates move materially higher while your bond is locked into paying you a lower rate, resulting in a decline in the price of that bond, and a reduction in the amount of income that would be achievable if invested at the higher rate.

Risks associated with mutual funds or outside managers would include those outlined above for equity and fixed income investments. In addition, the mutual fund advisor or subadvisor judgements about

the markets or the securities that they have invested in may not prove to be accurate resulting in the potential temporary or permanent loss of principal.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BIM or the integrity of BIM's management. BIM has no information applicable to this Item.

Item 10 - Other Financial Industry Activities and Affiliations

Other Investment Advisers:

Bridges entered into a transaction with entities managed by McCarthy Partners Management, LLC, a Registered Investment Advisor.

Registered Investment Company:

Bridges Investment Fund, Inc. ("BIF") is an open-end, diversified investment company that has been in operation since July 1, 1963. BIM is the investment adviser to BIF and employees of BIM hold executive and director positions at BIF. Therefore, BIF is a related business. BIF holds SEC File Nos. 811-1209 and 2-21600. A copy of BIF's Prospectus and SAI will be made available upon request.

Banking or Thrift Institution:

BIM is under common ownership and control with Bridges Trust Company ("BTC") and Bridges Trust Company - South Dakota ("BTC-SD"). Edson L. (Ted) Bridges III, Brian M. Kirkpatrick, Douglas R. Plahn, Deborah L. Grant, Nancy K. Dodge, Brian R. Miles, Nicholas Wilwerding, Megan McMurry, Sarah Murray and Michael G. App hold various officer and director positions in BIM as well as at BTC. BTC is a state-chartered trust company regulated by the Nebraska Department of Banking and Finance. BTC is managed by BIM under an Amended and Restated Management Agreement dated July 31, 2017. Among other things, the agreement obligates BIM to provide personnel, equipment, and other services necessary to operate BTC in return for compensation. BTC serves as custodian for a number of BIM clients. BIM also provides investment management services to accounts where BTC is trustee or agent for the trustee.

Clients may engage BIM through an agency agreement with BTC under which the client authorizes and directs BTC, as its agent, to engage BIM as its investment adviser with respect to all or a portion of the BTC client's assets held with BTC. Under the agency agreement with BTC, the BTC client is a third-party beneficiary of all rights of BTC as client under the BIM investment management agreement and under the Investment Advisers Act of 1940 and SEC regulations.

Edson L. (Ted) Bridges III, Douglas R. Plahn, Brian R. Miles, and Michael G. App hold various officer and director positions in BIM as well as at BTC-SD. BTC-SD is a state-chartered trust company regulated by the South Dakota Department of Banking. BTC-SD is managed by BIM under a Shared Services Agreement dated September 6, 2018. Among other things, the agreement obligates BIM to provide personnel, equipment, and other services necessary to operate BTC-SD in return for compensation. BTC-SD will serve as custodian for a number of BIM clients once BTC-SD adds clients in later 2019. BIM provides investment management services to accounts where BTC-SD is trustee or agent for the trustee.

Clients may engage BIM through an agency agreement with BTC-SD under which the client authorizes and directs BTC-SD, as its agent, to engage BIM as its investment adviser with respect to all or a portion of BTC-SD clients' assets held with BTC-SD. Under the agency agreement with BTC-SD, the BTC-SD client is a third-party beneficiary of all rights of BTC-SD as client under the BIM investment management agreement and under the Investment Advisers Act of 1940 and SEC regulations.

In accordance with Rule 206(4)-2 of the Investment Advisers Act of 1940, BIM may be deemed to have

custody of client funds and securities in certain circumstances where such funds and securities are held by BTC or BTC-SD (see Item 15).

Other Pooled Investment Vehicles:

BIM does not currently manage pooled investment vehicles.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

BIM has adopted a Code of Ethics for all supervised persons of the Firm describing its standard of business conduct and fiduciary duty to its clients. BIM supervised personnel are expected to adhere to the highest level of ethical standards in the conduct of their business, consistent with the long-standing history of high ethical conduct by the Bridges entities and their outstanding reputation for honesty, integrity and professionalism. Moreover, BIM supervised persons are required to comply with all applicable state and federal laws and regulations, including federal securities laws, and general fiduciary principles.

The Code of Ethics includes provisions relating to the confidentiality of client information, the duty to place the interests of clients first at all times, a prohibition on insider trading, restrictions on the acceptance of gifts and personal securities trading procedures for Firm personnel.

BIM personnel are required to certify annually that they have read and complied with all requirements of the BIM Code of Ethics. Violations or suspected violations of the BIM Code of Ethics are to be reported to the BIM Chief Compliance Officer. Retaliation against an individual reporting a violation or suspected violation is prohibited.

A copy of the BIM Code of Ethics is available upon request. Such requests should be made to Steve Woodward, Chief Compliance Officer, at (402) 397-4700, or 1125 South 103rd Street, Ste 580, Omaha, Nebraska 68124.

In certain situations, clients of BIM may be recommended shares of Bridges Investment Fund, Inc. ("BIF") for purchase. BIF is a related business to BIM (See Item 10). Conflicts of interest could arise if clients (whose portfolio management fee is lower than that of BIF) are encouraged to purchase additional shares of BIF thereby moving upward BIF's assets and increasing revenues for Bridges Investment Management, Inc. (See Item 10).

This potential conflict of interest is continuously monitored by BIM under the Code of Ethics. As a rule, BIM does not charge investment advisory fees for shares of BIF held by client accounts.

When consistent with clients' investment objectives, the Firm may cause accounts over which it has management authority to purchase or sell securities in which BIM and/or its employees have a position of interest. Subject to the Firm's Code of Ethics and applicable laws, personnel of BIM may trade for their own accounts in securities which are recommended to and/or purchased for the Firm's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of BIM's employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. The Code of Ethics requires pre-clearance of many transactions and restricts trading in close proximity to client trades.

Nonetheless, because in some instances employees could invest in the same securities as clients, it is possible that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between BIM and its clients.

BIM agrees to act as a fiduciary with respect to client accounts. Section 206 of the Investment Advisers Act of 1940 prohibits RIAs from engaging in fraudulent, deceptive or manipulative activities. BIM will put the client's best interests first. We will act with prudence (with the skill, care, diligence and good judgement of a professional). We will not mislead, but rather provide conspicuous, full and fair disclosure of all important facts. We will fully disclose conflicts of interest and fairly manage them in the client's favor.

Item 12 - Brokerage Practices

Brokers are selected based on their ability to provide our clients with the best possible execution combined with reasonable cost and other services/products provided. All of our non-custodian broker relationships agree to a commission rate of 1.25 cents per share. Some brokers have minimum ticket charges that they may enforce on smaller trades which would cause the trade to vary from the cents per share calculation. We periodically test the market to see if our commission schedule is still competitive and adjust it accordingly.

TD Ameritrade and Charles Schwab are both utilized as custodian brokers for a portion of our client base. In those cases, we work with the custodian to get the best commission rate for the client based on available options through the custodian or by negotiating a rate for clients custodied with TD Ameritrade and Charles Schwab. The commission rates charged here remain reasonable as the discount broker world continues to be competitive.

You can choose your own broker if you wish and we will work with them. However, we cannot guarantee the broker you choose will give you the same commission schedule or execution quality our other clients receive through other brokers. Client-directed orders will generally be placed after orders placed for other clients making trades in the same securities which may negatively influence the price you can expect to pay or receive in certain circumstances. Directing orders to your chosen broker can forego benefits available to other clients through, for example, negotiating volume discounts or block trades.

Since all of our non-custodian brokers provide substantially the same services, our traders will direct trades based on a number of factors including: unique abilities in a certain trade type, low minimum ticket (for small trades) and various other factors. We have a regular process for reviewing brokers to ensure that they are providing the best execution for our clients on the trades directed to them.

Non-custodian brokers provide varying degrees of service and execution capabilities for which BIM utilizes to facilitate order executions. However, BIM does not engage in "soft dollar" compensation arrangements for routing orders to specific broker dealers.

As disclosed earlier we do not solicit referrals from brokers, however, if a broker recommends our services to one of their clients and the client wishes to maintain the broker relationship we will honor that request. We will make sure that the client is aware of our current commission schedule and other relationships so that they can determine if there is a material cost or execution issue that may arise due to maintaining the relationship with the referring broker.

We will aggregate your trade with the trades of other clients when doing so would lead to the best execution and lowest cost for all clients involved in the trade. Combining trade orders raises the number of shares for an individual trade, lowering the commission for all. In the event an aggregated trade cannot be filled in its entirety, the amount of the trade that is completed will be allocated pro-rata among all participants. BIM adopted a formal trade aggregation policy, a copy of which can be obtained from Steve Woodward at swoodward@bridgestrust.com or 1125 South 103rd Street, Ste 580, Omaha, NE 68124.

Item 13 - Review of Accounts

Your portfolio will typically be reviewed on a quarterly basis by the portfolio manager responsible for your account. Reviews may also be done on an interim basis throughout the quarter, depending on your unique investment objectives and portfolio investment horizons. Your portfolio will also be reviewed at periods throughout the quarter on a security-by-security basis and/or due to market conditions or other factors. The reviewers will be one or more of the individuals listed below, all are members of the Investment Committee:

Edson L. (Ted) Bridges III, Brian M. Kirkpatrick, Douglas R. Plahn, Nicholas Wilwerding, Sarah Murray, Megan McMurry, Dan Walker, Dan Podpeskar, and Connor Pugno.

You will receive a portfolio report either monthly or quarterly. These reports will detail portfolio holdings, purchases and sales completed during the previous period. We will generally provide you with extensive written reports summarizing portfolio holdings and background statistical data on the securities held in your portfolios at periodic client meetings. Periodically, we will send out market comment reports or other reports pertaining to broad investment topics.

Investor reviews are scheduled and structured according to investor-stated guidelines or in response to specific investor requests. In the absence of guidelines, investor meetings are generally scheduled annually and to a lesser degree, on a semi-annual or quarterly basis. Investor reviews generally involve a meeting between the investor and BIM to review strategy, objectives, key concerns and outlooks. Reviews typically are conducted by members of the Investment Committee.

Item 14 - Client Referrals and Other Compensation

While client referrals are always welcome and appreciated, we do not provide compensation or other economic benefit in exchange for referrals to non-employees. In the event that a broker may refer a client to us for management services, the broker will continue to receive the benefit of trade commissions as they had previously. As part of BIM's Business Development Incentive plan, eligible employees receive compensation for their efforts related to developing new business relationships, onboarding, and maintaining relationships.

We do not receive compensation or other economic benefit from other entities for providing you with investment management.

Item 15 - Custody

In accordance with Rule 206(4)-2 of the Investment Advisers Act of 1940, BIM is deemed to have custody of client funds and securities in certain circumstances where such funds and securities are held by BTC or BTC-SD, related parties to BIM. BTC and BTC-SD are qualified custodians. Clients of BIM who custody their assets at BTC and BTC-SD will receive an account statement from BTC or BTC-SD at least once each calendar quarter, which will include a list of held securities, as well as transactions and fees for the period. We urge you to carefully review BTC or BTC-SD statements and compare them to the account statements that BIM may provide to you. BIM's statements may vary from the custodial statements based on accounting procedures, reporting dates, or valuation methodologies.

Clients receiving statements from a custodian should carefully review those statements and compare them with statements from BIM.

Item 16 - Investment Discretion

In nearly every instance we would prefer having discretionary authority in the management of your account. In order to adjust to a fast-paced marketplace, we are better able to serve you with this type of authorization. However, our discretion must be exercised in a manner that is consistent with the stated investment objectives for your account. When selecting securities and determining amounts, it is our policy to observe the investment policies, limitations and restrictions that were agreed to with you at the outset of our relationship.

Some clients may place limitations on this authority when they have specific stocks or sectors that they do not wish to be invested in. For example, you may not want to own tobacco stocks in your account and may place a restriction or limitation on our authority as such. A limited power of attorney is used to empower us to undertake these types of actions on your behalf.

Alternatively, BIM provides investment management services on a non-discretionary basis with such relationships and the applicable fee structure documented in writing.

Item 17 - Voting Client Securities

BIM has adopted and implemented policies and procedures that it believes are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with the Firm's fiduciary duties and SEC Rule 206(4)-6 under the Investment Advisers Act of 1940. In addition, BIM's proxy voting policies reflect the long-standing fiduciary standards and responsibilities for ERISA accounts set out in the Department of Labor Bulletin 94-2, 29 C.F.R. 2509.94-2 (July 29, 1994).

On any account where we have the authority to vote proxies, we will exercise those responsibilities solely with a goal of maximizing the long-term value of your investments. Typically, if the common stock of a company continues to be held by a client, BIM management has expressed confidence in the current management of that company and will vote in line with Board recommendations. The management of BIM strongly believes that sound corporate governance is an important element in maximizing shareholder value. Our policy and guidelines on voting proxies is segmented into six areas: executive and director compensation, shareholder rights; changes in corporate control, election of directors, approval of independent auditors, and corporate/social policy issues. Proxy proposals can be complex and their economic impact is subject to professional interpretation and judgment.

BIM officers and employees will use this proxy voting policy as a guideline, but each voting decision involves a unique set of facts that we will need to consider in determining whether the vote is in the best interests of the client.

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 client's investment.

This may occur when there are a small total number of shares owned by you or other BIM clients, or when an extraordinary effort will be required by BIM to interpret the proxy statement, such as in the case of some foreign securities.

You can obtain a record of how we voted your proxies as well as a copy of our proxy voting policies and procedures from Steve Woodward, Chief Compliance Officer of BIM. Mr. Woodward can be reached via email at swoodward@bridgestrust.com or by mail at 1125 South 103rd Street, Ste 580, Omaha, NE 68124.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about BIM's financial condition. BIM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.