

High Yield Fund

Fact Sheet as of September 30, 2017



Ticker: BUFHX | Inception Date: 5/19/1995 | Fund Assets: \$244.16 Million | Expense Ratio: 1.03%

PORTFOLIO MANAGEMENT TEAM



Paul Dlugosch, CFA
Co-Manager since 2007
B.S. – University of Iowa



Jeff Sitzmann, CFA
Co-Manager since 2007
M.B.A. – University of Chicago
B.B.A. – University of Toledo



Jeff Deardorff, CFA
Co-Manager since 2015
B.S. – Kansas State University

INVESTMENT STRATEGY

Our high yield investment strategy is focused on identifying securities issued by higher quality (BB to B-rated), below-investment grade companies that have the potential to generate attractive risk-adjusted returns. We focus on securities where the yield is higher than justified by the credit metrics as analyzed through our internal research. Investments are made based on our own extensive research into how and where we believe a consistent level of high income is likely to occur while endeavoring to minimize default risk.

Identify companies with:

- Leading market positions
- Free cash flow generation
- Strong management teams
- Stable industries
- Small to medium issue sizes

We seek to construct a core portfolio of below investment grade higher-yielding debt securities and supplement that portfolio with convertible bonds, bank loans, and other income generating assets to produce a low turnover portfolio that is fairly benchmark agnostic.

OVERALL MORNINGSTAR™ RATING



Out of 601 High Yield Bond funds as of 9/30/17 (derived from a weighted average of the fund's 3-, 5-, and 10-year risk adjusted return measure).

PORTFOLIO CHARACTERISTICS

# of Holdings	134
3-Year Annualized Turnover Ratio	40.94%
Average Duration	3.07 years
Average Maturity	5.98 years
30-Day SEC Yield	3.83%

THREE-YEAR RISK METRICS

(vs. BofA Merrill Lynch HY Master II Index)

Upside Capture	55.46
Downside Capture	34.45
Alpha	1.81
Beta	0.49
Sharpe Ratio	1.36

DURATION*

10+ Years	0.00%
7-10 Years	1.42%
5-7 Years	9.16%
3-5 Years	30.94%
1-3 Years	40.10%
0-1 Years	0.00%

QUALITY

A & Above	0.00%
BBB	4.05%
BB	33.57%
B	45.15%
CCC	4.51%
Non Rated	12.72%

PERFORMANCE (%)

Average Annual Returns

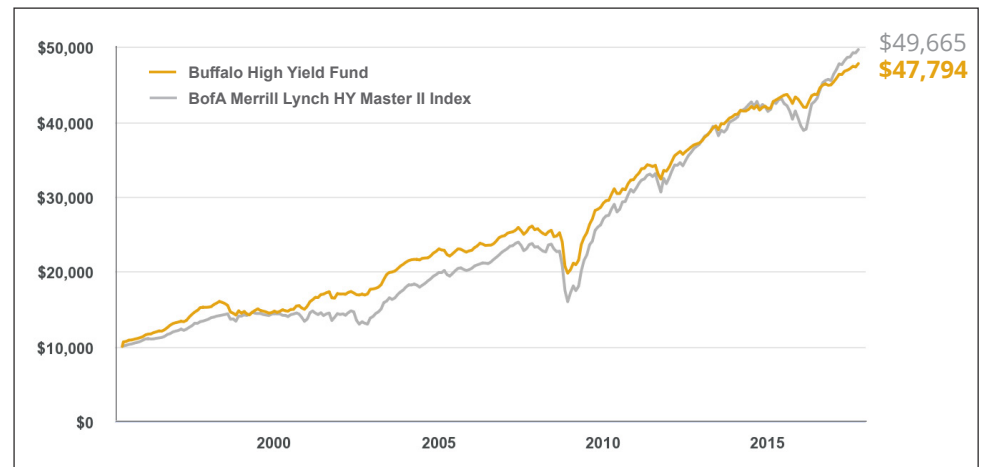
As of 9/30/17	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	15 YR	Since Inception
Buffalo High Yield Fund	1.45	5.36	6.02	4.76	5.31	6.33	7.20	7.25
BofA Merrill Lynch HY Master II	2.04	7.05	9.06	5.87	6.38	7.72	9.29	7.43
Morningstar High Yield Bond	1.79	5.94	7.77	4.17	5.14	6.24	7.85	6.12

Average annual total return represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate and redemption value may be more or less than original cost. Fund performance current to the most recent month-end may be lower or higher than the performance quoted and can be obtained by visiting buffalofunds.com.

Historical Returns

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Buffalo High Yield Fund	6.65	1.80	1.96	9.40	10.35	3.54	12.45	44.01	-21.30	3.78
BofA Merrill Lynch HY Master II	17.49	-4.64	2.50	7.42	15.58	4.38	15.19	57.51	-26.39	2.19
Morningstar High Yield Bond	13.30	-4.01	1.11	6.90	14.67	2.83	14.24	46.70	-26.41	1.47

Growth of \$10,000

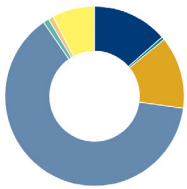


This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on the Inception Date through 9/30/17. Assumes reinvestment of dividends and capital gains. This chart does not imply future performance.

TOP 10 EQUITY HOLDINGS**

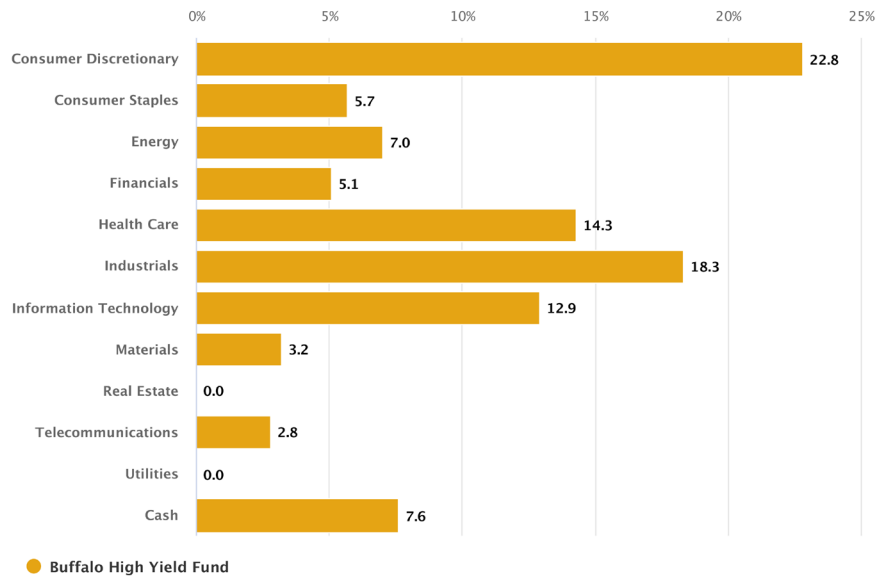
Bankrate (6.125%, 8/15/18)	2.52%
Akorn (Term Loan B, 4/16/21)	2.49%
Lions Gate Entertainment (1.250%, 4/15/18)	2.21%
DigitalGlobe (Term Loan B, 1/15/24)	2.08%
KCG Holdings (6.875%, 3/15/20)	1.95%
Endo Finance (5.750%, 1/15/22)	1.70%
Consolidated Communications (6.500%, 10/1/22)	1.67%
Triumph Group (4.875%, 4/1/21)	1.67%
Valeant Pharmaceuticals	1.61%
FTI Consulting (6.000%, 11/15/22)	1.58%
TOP 10 HOLDINGS TOTAL	19.48%

ASSET ALLOCATION



● Bank Loan	13.6%
● Common Stock	0.6%
● Convertible Bond	13.0%
● Corporate Bond	63.2%
● Preferred Stock	1.1%
● Preferred Stock - Convertible	0.9%
● Cash	7.6%

SECTOR WEIGHTS (%)



The Buffalo Funds are a family of 10 actively-managed mutual funds offering a variety of domestic equity, international equity, and income-generating investment strategies. Located in Mission, Kansas (a suburb of Kansas City), employee-owned Kornitser Capital Management, Inc. (KCM) has been the exclusive investment advisor to the Funds since inception in 1994.

At KCM, we believe that patient investing backed by solid, intelligent research is the best way to achieve potential long-term financial rewards. Disciplined investment decisions are made using a distinct, time-tested investment approach guided by trend analysis, rigorous fundamental company research, and strict security valuation parameters.

Our fund family is characterized by a long-term growth investment strategy and a team-based, idea-sharing management style. "Trends and Patience" is our mantra, and our great strength.

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The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Buffalo High Yield Fund received 4 stars among 601 for the three-year, 3 stars among 485 for the five-year, and 3 stars among 319 High Yield Bond funds for the ten-year period ending 9/30/17.

The BofA Merrill Lynch HY Master II Index is an unmanaged index that tracks the performance of U.S. dollar denominated, below investment-grade rated corporate debt publicly issued in the U.S. domestic market. Beta measures the volatility of the fund, as compared to that of the overall market. The Market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. Alpha is an annualized return measure of how much better or worse a fund's performance is relative to an index of funds in the same category, after allowing for differences in risk. Market Capture Ratio is a statistical measure of the Fund's overall performance in up-markets (positive return periods) and down-markets (negative return periods). The market capture ratios are used to evaluate how well an investment performed relative to an index during periods when that index has risen or fallen. The Sharpe Ratio is a measure for calculating risk-adjusted return. Free Cash Flow is a measure of how much cash a business generates after accounting for capital expenditures. Duration is an approximate measure of a bond's price sensitivity to changes in interest rates. Duration is expressed as a number of years. Securities with longer duration generally have more volatile prices than securities of comparable quality with a shorter duration. Converts, or convertible bonds, give the holder the option to exchange the bond for a predetermined number of shares in the issuing company. Each Morningstar category average represents a universe of funds with similar objectives. One cannot invest directly in an index.

Asset Allocation and Sector Allocation may not equal 100% due to rounding.

* Excludes Bank Loans and Converts.

**Top Ten Holdings for the quarter are not disclosed until 60 days after quarter end. Those listed are for the previous quarter. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any securities.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The Prospectus contains this and other important information about the investment company, and it may be obtained by calling (800) 49-BUFFALO or visiting buffalofunds.com. Read it carefully before investing.

Mutual Fund investing involves risk. Principal loss is possible. The Fund invests in small and mid-cap companies, which involve additional risks such as limited liquidity and greater volatility than large-cap companies. The Fund invests in foreign securities which involve greater volatility and political, economic, and currency risks as well as differences in accounting methods.

Kornitser Capital Management is the advisor to the Buffalo Funds, which are distributed by Quasar Distributors, LLC.