Mid Cap Fund

June 30, 2017

Average Annualized Performance

(As of 6/30/17) *Expense Ratio: 1.02%*	1 YR	3 YR	5 YR	10 YR	Since Inception (12/17/01)
Buffalo Mid Cap Fund	14.77%	3.89%	10.65%	6.15%	7.79%
Russell Midcap Growth Index	17.05%	7.83%	14.19%	7.87%	8.52%

Data represented reflects past performance and is no guarantee of future results. The invest-ment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. Current performance may be lower or higher than the performance quoted. Performance current to the most recent month end may be obtained by visiting the Funds' website at www.buffalofunds.com.

CAPITAL MARKET OVERVIEW

Equity markets continued their strong start to the year during the second quarter, primarily driven by strong corporate earnings growth. The Russell 3000 Index advanced 3.02% in the second quarter. As reported during the June 30 period, earnings from S&P 500 Index companies were up 14% year-over-year in the first quarter, the strongest growth reading since 2011.

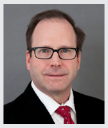
Broadly speaking, growth stocks continued their outperformance relative to value stocks, while cyclical stocks that rallied to end 2016 underperformed as investors continue to discount the likelihood of government infrastructure spending and comprehensive tax reform.

The yield on the U.S. 10-year Treasury ended the June 30 period at 2.298%, a decline from its recent high of 2.609% in March due in large part to weaker inflation readings. In contrast, the outlook for growth and interest rate expectations improved in much of the rest of the world, which has driven the trade weighted U.S. dollar down 5.6% year to date. Oil entered bear market territory, with crude prices declining 9% during the quarter in response to stronger than expected inventory levels and rising U.S. production.

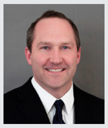
As mentioned above investors continued to favor growth over value, and the Russell 3000 Growth Index climbed 4.65% during the period compared to the more modest gain of 1.29% for the Russell 3000 Value Index. By size, microcaps were the best performers with the Russell Microcap Index gaining 3.83%. Meanwhile the large cap Russell 1000 Index gained 3.06%, followed by the Russell Midcap Index at 2.70% and the Russell 2000 Index finishing with a gain of 2.46% during the period.

In general health care was the best performing sector as the chances for legislation to repeal or reform the Affordable Care Act appeared to diminish, and investors reacted by bidding up health care stocks. The technology sector was also a strong performer as the market continued to reward the strong earnings growth produced in this area. Conversely, energy was the worst performing sector driven by the decline in oil prices mentioned above.

PORTFOLIO MANAGEMENT TEAM



Bob Male, CFA
Co-Manager since Inception
M.B.A. – Southern Methodist Univ.
B.S. – University of Kansas



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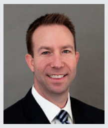

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PERFORMANCE COMMENTARY

The Buffalo Mid Cap Fund generated a return of 2.23% for the quarter, which underperformed the Russell Midcap Growth Index return of 4.21%. The index was primarily driven higher by contributions from the health care and information technology sectors. The majority of the fund's relative underperformance was a result of both difficult stock selection and an underweight sector allocation in the information technology sector.

Our attention to valuation has led us to trim stocks that continued to move higher, and this was especially the case within information technology. Despite temptations to chase this year's benchmark winners with high growth, high valuation profiles we continue to deploy capital to areas where we see a more favorable risk/reward tradeoff. The fund's relative underperformance within information technology was heavily influenced by not owning Nvidia, the benchmark's largest holding. Nvidia produced a return 44% for the index in the 2nd quarter and ended the period with a market capitalization of $86 billion. Due to its large capitalization status, Nvidia was removed from the Russell Midcap Growth Index near the end of the quarter, but has been a significant driver of the benchmark's return year-to-date.

Stock selection in consumer discretionary and an overweight allocation to energy also negatively impacted relative performance. Positive stock selection in consumer staples and industrials helped partially offset performance in the areas mentioned above. Stocks the fund did own that contributed to underperformance in the IT sector included **Inphi** and **Akamai**. Inphi declined approximately 17% for the fund during the quarter. The company's earnings release in early May indicated an optical inventory correction in China, which led to lower guidance for the year and drove lower earnings estimates and price targets by the analyst community. Akamai also reported weak guidance in early May and indicated their media business (~1/3rd of revenue) would decline more than expected. This news was roughly a month after the company lowered their expectation for long-term margins. Hence, the stock dropped roughly 16% the day of their earnings announcement.

The fund's consumer staples sector performed well during the quarter. **Whole Foods** was the sectors top contributor for the fund due to Amazon.com's $13.7 billion offer to acquire the company. Whole Foods gives Amazon.com the brick and mortar presence needed to ramp up their Prime Fresh grocery delivery services and provide locations for customers who prefer to pick up their pre-ordered groceries. It is also likely that Amazon.com will use Whole Foods private label brands to further drive private label packaged food penetration in the U.S. Constellation Brands also performed well for the fund driven by strong organic growth of the company's imported Mexican beers including Corona, Modelo, and Pacifico. In addition, the market's belief that a border adjustment tax on imports would not be enacted also helped the stock.

OUTLOOK

For the back half of the year, we expect the market could experience increased volatility as the Federal Reserve continues with its plan to normalize interest rates along with a continued focus on the ability of the Trump administration to enact infrastructure spending, deregulation, health care and corporate tax reform.   For various reasons, President Trump continues to be a lightning rod for the media, and health care reform seems less likely each day. We believe that in the near-term, attention will turn to the administration's ability to enact tax reform and any potential headwinds will be met with increased volatility in the markets.

We continue to spend considerable time analyzing companies that could provide greater risk-adjusted return potential to the portfolio. In addition, we remain true to our process of identifying companies that will potentially benefit from identified long-term trends and pass our disciplined valuation criteria. Going forward, we will continue to reduce positions with unfavorable risk reward scenarios. We appreciate your continued support and confidence in our investment capabilities.

INTERESTED IN MORE INFO?

For questions or to speak with a relationship manager about adding any of the 10 Buffalo Funds to your portfolio, contact:

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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 can be obtained by calling (800) 49-BUFFALO or visiting www.buffalofunds.com. Read it carefully before investing.

As of 3/31/17 the Buffalo Mid Cap Fund's top ten equity holdings were: FMC Corp. 2.08%, WhiteWave Foods Co. 2.06%, Nielsen Holdings Plc 1.85%, Verisk Analytics, Inc. 1.84%, Kansas City Southern 1.83%, CoreCivic, Inc. 1.80%, Equinix, Inc. 1.80%, MSCI, Inc. 1.80%, AmerisourceBergen corp. 1.79%, & Air Products & Chemicals, Inc. 1.70%.

Top 10 holdings for the quarter are not disclosed until 60 days after quarter end. Those listed are for the previous quarter.

The opinions expressed are those of the Portfolio Manager(s) and are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

The Russell 3000 Index measures the performance of the 3,000 largest publically held companies incorporated in the U.S. based on market capitalization. The S&P 500 Index is a free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States. The 10-year Treasury Note is a debt obligation issued by the United States government that matures in 10 years. Yield is the income return on an investment. This refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. The Russell 3000 Growth Index is a market-capitalization weighted index that measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth rates. The Russell 3000 Value Index is based on the Russell 3000 Index, of companies with lower price-to-book ratios and lower expected growth rates which measures how U.S. stocks in the equity value segment perform. The Russell 1000 Index is a subset of the Russell 3000 Index, which measures the performance of the 1,000 largest publically-held companies incorporated in the U.S. based on market capitalization. The Russell Midcap Index measures performance of the 800 smallest companies in the Russell 1000 Index. The Russell 2000 Index is a small-cap stock market index of the smallest 2,000 stocks in the Russell 3000 Index based on market capitalization. The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth rates. The Russell Microcap Index is a small-cap and micro-cap stock market index of the smallest 2,000 companies in the Russell 3000E Index incorporated in the U.S. based on market capitalization. You can not invest directly in an index.

Earnings growth is not representative of the fund's future performance.

Market capitalization is the total value of the shares outstanding of a publically traded company.

Mutual fund investing involves risk. Principal loss is possible. The Fund invests in smaller companies, which involves additional risks such as limited liquidity and greater volatility than larger companies. Investments in foreign securities include additional risk such as greater volatility, and political, economic, and currency risks, as well as difference in accounting methods. This risk is greater in emerging markets.

The Buffalo Funds are distributed by Quasar Distributors, LLC.