

Tickers: **BUFTX** | **BUITX**

MORNINGSTAR RATING



Overall Morningstar Rating™ of BUFTX based on risk-adjusted returns among 510 Mid-Cap Growth funds as of 6/30/2024.

FUND MANAGEMENT

**Dave Carlsen, CFA**

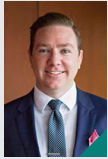
Manager since 2004
31 Years Investment Experience

B.A. - University of Wisconsin

**Josh West, CFA**

Manager since 2024
18 Years Investment Experience

B.S. - University of Missouri
M.B.A. - University of Missouri

**Doug Cartwright, CFA**

Manager since 2024
17 Years Investment Experience

B.A. - Baylor University
M.B.A. - University of Wisconsin

ABOUT US

The Buffalo Funds are a family of 10 actively-managed, no-load mutual funds, which provide a variety of long-term investment options for investors. We believe that patient investing, backed by solid, intelligent research, can be the best way to achieve long-term financial returns.

CONTACT US

800.49.BUFFALO
buffalofunds.com

1 Would you please comment on the Fund's investment approach in the current stock market?

In the second quarter of 2024, the stock market's performance was led primarily by a narrow segment of the market including a small number of large growth companies. When looking at companies based on market capitalization, large-cap companies outperformed mid-cap and small-cap companies. For example, the Russell 1000 Index of large-cap companies rose 3.57%, while the Russell Midcap Index lost 3.35% for the three months ended June 30, 2024.

During this period, we maintained our disciplined approach of investing in high-quality companies that generate ample free cash flow, have low debt, and healthy operating margins. We seek to identify companies that have strong and experienced management teams, scalable business models, and competitive advantages. We believe this approach positions the portfolio well for the pursuit of long-term growth regardless of the economic environment.

2 Secular trends surrounding Artificial Intelligence (AI) developments have placed attention on a few very large companies. Would you please discuss how mid-cap companies in the Fund's portfolio are participating in this trend?

The Fund is participating by holding several companies that are involved in the building blocks and key enablers of AI technology. One portfolio example that has benefited from the trend is Amphenol, a leading global supplier of chip interconnects, which are structures that connect two or more circuit elements in an integrated circuit. Amphenol's technology is used in a wide variety of industries, including automotive, communications, and aerospace, among others. The company's technology is being used in NVIDIA's latest generation systems. We believe that Amphenol is well managed and strategically positioned for continued, sustainable growth.

A second portfolio example is Monolithic Power Systems, a specialist in power semiconductors. As circuits become smaller and more compact, power regulation becomes more critical. Monolithic Power's chips regulate voltage and protect sensitive electronics from voltage spikes. We believe that Monolithic Power has a large and growing market opportunity as AI, datacenter and automotive clients require higher power density.

3 What type of growth characteristics do you look for when selecting companies for the Fund's portfolio?

We look for innovative, mid-sized companies with sustainable, consistent growth. Generally, the Fund's portfolio has faster growth characteristics relative to other mid-cap companies. In fact, compared to the Russell Midcap Growth Index, the Fund's revenue growth rate is projected to be 15% higher than the Index over the next year.

Continued

For example, a recent addition to the Fund is HEICO Corporation, the world's largest manufacturer of Federal Aviation Administration (FAA) approved, secondary market jet engine and aircraft component replacement parts. HEICO's business model benefits from a substantial moat as the FAA imposes strict regulatory requirements. The company has steadily increased its market share with its high-quality, lower cost aircraft replacement parts. We believe the company still has a long growth runway, as it currently serves just 2% of the commercial after market share. HEICO's sales have impressively increased 15% on a compound annual growth basis since 1990.

	Buffalo Discovery Fund	Russell Midcap Growth Index	Result
Revenue Growth % (1 Year Forward Estimates - median)	9.94	8.66	15% Higher Growth Rate

Source: Factset and KCM as of 6/30/2024

The company has steadily increased its market share with its high-quality, lower cost aircraft replacement parts. We believe the company still has a long growth runway, as it currently serves just 2% of the commercial after market share. HEICO's sales have impressively increased 15% on a compound annual growth basis since 1990.

PERFORMANCE (%) AS OF 6/30/2024

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Investor Class - BUFTX	0.38	8.18	-2.77	6.66	8.94	8.96
Institutional Class - BUITX¹	0.41	8.29	-2.63	6.81	9.10	9.12
Russell Midcap Growth Index	5.98	15.05	-0.08	9.93	10.51	9.29
Morningstar Mid-Cap Growth Cat. Avg.	5.80	12.49	-2.38	8.61	9.42	-

Expense Ratio: Investor Class 1.01%, Institutional Class 0.86%

Ranking based on total return.

Inception dates: BUFTX 4/16/2001, BUITX 7/1/2019. 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. ¹For performance prior to 7/1/19 (Inception Date of Institutional Class), performance of the Investor Class shares is used and includes expenses not applicable and lower than those of Investor Class shares.

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

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 3-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 3-, 5-, and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-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 3-year period actually has the greatest impact because it is included in all 3 rating periods. The Buffalo Discovery Fund (BUFTX) received 3 stars among 510 for the 3-year, 2 stars among 473 for the 5-year, and 3 stars among 380 Mid-Cap Growth funds for the 10-year period ending 6/30/2024 based on risk-adjusted returns. Morningstar rankings are based on a fund's average annual total return relative to all funds in the same Morningstar category. Fund performance used within the rankings, reflects certain fee waivers, without which, returns and Morningstar rankings would have been lower. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. © 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Past performance is no guarantee of future results.**

The Russell 1000 Index is an unmanaged capitalization-weighted index of approximately 1,000 of the largest companies in the U.S. equity markets. The Russell Midcap Index is an unmanaged index that measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 26% of the total market capitalization of the Russell 1000 Index. The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. One cannot invest directly in an index.

Revenue growth is the increase (or decrease) in a company's sales from one period to the next. Revenue Growth is not a measure of the fund's future performance. Free cash flow is a measure of the cash produced by the firm in a given period on behalf of equity holders. The true measure of the value of a firm's equity is considered to be the present value of all free cash flows.

Holdings in the Fund as a percentage of net assets as of 3/31/2024: Amphenol Corp. 1.53%, NVIDIA Corp. 0.00%, Monolithic Power Systems Inc. 0.86%, HEICO Corp. 0.71%. Fund holdings are subject to change and should not be considered a recommendation to buy or sell any security. Holdings for the quarter are not disclosed until 60 days after quarter end.

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