

Tickers: **BUFDX** | **BUIDX**

MORNINGSTAR RATING



Overall Morningstar Rating™ of BUIDX based on risk-adjusted returns among 1,272 Large Blend funds as of 3/31/2025.

FUND MANAGEMENT



Paul Dlugosch, CFA
Co-Manager since 2013
26 Years Investment Experience
B.S. - University of Iowa



Jeff Sitzmann, CFA
Co-Manager since 2018
36 Years Investment Experience
MBA - University of Chicago
B.B.A. - University of Toledo



Jeff Deardorff, CFA
Co-Manager since 2018
26 Years Investment Experience
B.A. - Kansas State University

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 equity market in the first quarter and the Fund's performance relative to the Morningstar Large Blend Category?

In the first quarter, the equity market was impacted by several issues related to the new administration policies, including tariffs, government spending cuts, and budget plans, all of which created volatility in the market. In addition, DeepSeek, the Chinese technology company, announced a lower-cost artificial intelligence (AI) model which prompted a broad sell-off in the Technology sector.

During this period, the Fund's return of -1.98% outperformed the Morningstar Large Blend Category average return of -3.76% for the quarter ended March 31, 2025. With respect to longer timeframes, the Fund outperformed the Morningstar category for the 1-, 3-, 5- and 10-year periods ended March 31, 2025.

2 Given the market's volatility in the first quarter, would you please highlight a few portfolio holdings that contributed to the Fund's performance?

Amid all of the volatility, the Fund's performance benefited from our portfolio of high-quality companies with a history of increasing dividends. The Fund's best performing stock in Q1 was Arthur J. Gallagher, the insurance brokerage and risk management services company, which rose 61%. The company reported good earnings, maintained its growth and margin outlook, and has also continued to make a series of acquisitions. We believe tailwinds are in place for the company's continued healthy growth in 2025.

A second example is Visa, the world's largest credit card company. The company offers a range of payment products and services and has

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PERFORMANCE (%) AS OF 3/31/2025

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Investor Class - BUFDX	-1.98	7.13	9.32	17.98	11.11	12.73
Institutional Class - BUIDX¹	-1.96	7.30	9.49	18.15	11.27	12.90
Russell 1000 Index	-4.49	7.82	8.65	18.47	12.18	13.77
Morningstar Large Blend Cat. Avg.	-3.76	5.76	7.82	17.26	10.99	-
Morningstar Risk Rating			Below Avg.	Low	Low	

Expense Ratio: Investor Class 0.94%, Institutional Class 0.79%

Morningstar Ranking is based on total returns.

Inception dates: BUFDX 12/3/2012, BUIDX 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.

continued to invest in the growth of digital payment adoptions across several platforms. Visa saw a significant increase in transaction volume, driven by the continued growth of digital payments. This surge in transactions boosted the company's revenue, which reached \$9.51 billion, up 10% from the same quarter in 2024. During the quarter, Visa's stock rose 29%.

3 Would you please discuss the Fund's emphasis on owning dividend-paying portfolio holdings and provide some examples?

The Fund's portfolio is comprised of primarily dividend-paying companies, with an emphasis on those with a history of increasing their dividend streams. We seek companies with competitive operating advantages and disciplined management and prefer to invest in those with ample cash flow and strong balance sheets.

Most of the Fund's holdings have mid- to high-single-digit dividend annual growth rates. Importantly, only three portfolio companies do not pay dividends. During the first quarter, approximately 30% of the Fund's holdings increased their dividends. Two notable portfolio examples include:

- ▶ **JPMorgan Chase & Co.:** The company has been growing its dividend steadily over the last 10 years, starting from a quarterly rate of \$0.40 to \$1.40 per share in the latest quarter.
- ▶ **Microsoft Corp.:** The company has grown its dividend annually, at a 10% rate over the last five years, from a quarterly per share rate of \$0.51 to \$0.83.

4 Would you please comment on the Fund's risk profile?

The Fund's portfolio is comprised of high-quality, lower volatility companies that have a history of consistent and growing dividends, regardless of the economic environment. As a result, the Fund has produced attractive risk-adjusted returns, as measured by Sharpe Ratio, relative to the Morningstar Large Blend Category average for the 3-, 5- and 10-year periods as of March 31, 2025.

COMPELLING RISK-ADJUSTED RETURNS – SHARPE RATIO

	3 Yr	5 Yr	10 Yr
Buffalo Growth & Income Fund	0.37	0.99	0.68
Morningstar Large Blend Cat. Avg.	0.26	0.87	0.63

Source: Morningstar as of 3/31/2025

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.

Effective 7/29/24, the Buffalo Dividend Focus Fund is the Buffalo Growth & Income Fund.

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 Growth & Income Fund (BUIDX) received 5 stars among 1,272 for the 3-year, 4 stars among 1,169 for the 5-year, and 3 stars among 889 Large Blend funds for the 10-year period ending 3/31/2025 based on risk-adjusted returns. © 2025 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.**

Morningstar Risk scores for a given time period (three, five, or 10 years) reflect the Fund's Morningstar risk score plotted on a bell curve: Monthly calculations are based on whether the Fund scores in the top 10% of its category, its risk score is considered High; if it falls in the next 22.5% Above Average; a place in the middle 35% is Average; those lower still, in the next 22.5%, are Below Average and the bottom Low. Overall Morningstar risk score is a weighted average of the available three, five, and 10 year Morningstar risk scores. Investments with less than three years of performance history are not rated.

March 31, 2025

BUFFALO GROWTH & INCOME FUND



The Russell 1000 Index is an unmanaged capitalization-weighted index of approximately 1,000 of the largest companies in the U.S. equity markets. One cannot invest directly in an index.

Diversification cannot assure a profit or protect against loss in a down market. Dividends are not a guaranteed and may fluctuate. Sharpe Ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk.

Holdings in the Fund as a percentage of net assets as of 12/31/2024: DeepSeek 0.00%, Arthur J. Gallagher 1.98%, Visa 2.46%, JPMorgan Chase & Co. 2.03% and Microsoft Corp. 4.74%. 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.