

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

MORNINGSTAR RATING



Overall Morningstar Rating™ of BUIDX based on risk-adjusted returns among 1,302 Large Blend funds as of 6/30/2024.

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 large-cap equity landscape and the Fund's performance in the second quarter of 2024?

In the second quarter, the equity index returns were largely dominated by the performance of mega-cap technology companies. For example, even though the Russell 1000 Index is comprised of 1000 of the largest market capitalization stocks in the U.S., approximately 65% of the Index's return year-to-date through June 30, 2024, is accounted for by only seven stocks. In contrast, the Fund's portfolio is more diversified and not concentrated in any one area of the market. The Fund emphasizes high-quality companies with strong balance sheets and stable cash flows. As a result, these high-quality companies have a history of consistent and growing dividend streams.

For the quarter ended June 30, 2023, the Fund (BUIDX) returned -0.06%. However, we believe that longer-term periods are more important than short-term fluctuations. In fact, the Fund outperformed the Morningstar Large Blend category average over the 3-, 5- and 10-year periods ended June 30, 2024, and has done so with Morningstar's "Low" or "Below Average" Risk Rating for the same periods. This favorable risk/reward combination enabled the Fund (BUIDX) to receive Morningstar's Overall 4-Star Rating as of June 30, 2024.

2 As the Fund is focused on high-quality dividend payers, would you please comment on the number of dividend payers and any companies that have changed their dividend policies?

We believe that investing in an actively managed, diversified portfolio of high-quality, dividend-paying companies can generate current income and can potentially produce superior growth of capital over time. We seek to identify a competitive advantage "wide moat" in companies that have high returns on capital, solid balance sheets, generate free cash flow, and have a history of growing their dividend.

Continued

PERFORMANCE (%) AS OF 6/30/2024

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Investor Class - BUFDX	9.78	19.60	8.82	13.42	11.36	12.92
Institutional Class - BUIDX¹	9.89	19.77	8.99	13.59	11.53	13.09
Russell 1000 Index	14.24	23.88	8.74	14.61	12.51	14.33
Morningstar Large Blend Cat. Avg.	12.64	21.37	7.97	13.28	11.23	-
Morningstar Risk Rating			Low	Below Avg.	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.

There were only three portfolio companies that didn't pay dividends or interest among 98 holdings as of June 30, 2024, compared to four such companies at the end of the prior quarter. This compares to 25% of the companies in the Russell 1000 that don't pay dividends. For example, in April, Alphabet, Inc. announced its first-ever dividend in addition to a large stock buyback. In addition, just three months earlier in February, Meta Platforms, Inc., another company we own, announced its first-ever quarterly dividend. Both announcements were praised by the markets as positive signals about each the company's financial stability and future prospects. On the days of their dividend announcements, the stock prices for Alphabet and Meta rose 16% and 20%, respectively. We expect both companies to continue to pay dividends going forward, with potential increases over time.

3 What are some sectors and specific names you would like to highlight in the portfolio?

The Fund is and has been overweight in the energy space, which was a strong performer year-to-date. We find the Energy sector to be attractive as we believe that oil prices will remain elevated in 2024 due to continued constrained supply, geopolitical risks, and growing demand, which should benefit our energy companies. One portfolio example is Energy Transfer LP, a midstream energy company that operates pipelines, terminals, and storage facilities for storing natural gas, crude oil, and other energy products. We view the company as a high-quality value stock with a well-balanced business mix and strong earnings support. It also pays an attractive dividend yield of 8% and has been consistently increasing its dividend over time.

Other energy company names we own include Marathon Petroleum, Northern Oil and Gas, Viper Energy, Enterprise Products Partners, and several others.

Another portfolio example and our top performer so far this year is Vistra Corp, which is the largest competitive power generator in the U.S. It has a capacity of approximately 39 gigawatts powered by a diverse portfolio, including natural gas, nuclear, solar, and battery energy storage facilities. The boom in artificial intelligence technology extends beyond semiconductor and software stocks. Data centers, which train and host AI programs, require substantial electricity. As a result, utility companies are benefiting from this new source of demand growth. Vistra's management is highly disciplined by orchestrating a return on equity of 25% vs. the industry average of 10%, year-over-year growth estimates of nearly 6%, and a history of paying stable and increasing dividends.

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 and 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 and Income Fund (BUIDX) received 4 stars among 1,302 for the 3-year, 3 stars among 1,192 for the 5-year, and 3 stars among 888 Large Blend funds for the 10-year period ending 6/30/2024 based on risk-adjusted returns. © 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.**

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.

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. 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. Dividend yield is a financial ratio that indicates how much a company pays out in dividends each year relative to its share price.

June 30, 2024

BUFFALO GROWTH AND INCOME FUND



Diversification cannot assure a profit or protect against loss in a down market. Dividends are not a guaranteed and may fluctuate.

Holdings in the Fund as a percentage of net assets as of 3/31/2024: Alphabet, Inc. 2.37%, Meta Platforms, Inc. 3.94%, Energy Transfer LP 1.56%, Marathon Petroleum 1.49%, Northern Oil and Gas 1.53%, Viper Energy 3.52%, Enterprise Products Partners 0.83%, and Vistra Corp. 1.66%. 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.