

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

MORNINGSTAR RATING



Overall Morningstar Rating™ of BUIDX based on risk-adjusted returns among 1,280 Large Blend funds as of 12/31/2024.

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 stock market's performance in the fourth quarter of 2024? How did the Fund perform for the quarter and the year ended December 31, 2024?

In the fourth quarter of 2024, the stock market continued its upward trajectory, amid several significant events. The Federal Reserve became more neutral in its position on interest rate cuts in 2025. In addition, the heated election season ended with a decisive outcome. The impending Trump administration is being anticipated with uncertainty surrounding fiscal policy, potential tariffs and changes to immigration policy. The stock market responded positively to expectations for less regulation which could be supportive of merger and acquisition (M&A) activity. Once again, technology-oriented companies and Artificial Intelligence themes dominated stock market returns. The Russell 1000 Index, a large-capitalization company index, gained 2.75% in the fourth quarter.

For the quarter ended December 31, 2024, the Fund returned 2.18%, outperforming the Morningstar Large Blend Category's average return of 1.42%. For the 1-year period, the Fund returned a solid 20.34%, while the Morningstar category returned 21.45%.

2 Would you please provide an update about the portfolio holdings that pay dividends?

The Fund features a total return investment approach. Accordingly, we favor high-quality companies that are currently paying a dividend and those with a history of increasing their dividend payments. We believe financially sound companies with strong balance sheets, ample cash flow, and competitive operating advantages are best positioned for ongoing, consistent dividend streams for their stockholders.

Continued

PERFORMANCE (%) AS OF 12/31/2024

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Investor Class - BUFDX	20.13	20.13	9.59	13.18	11.54	13.19
Institutional Class - BUIDX¹	20.34	20.34	9.75	13.35	11.71	13.36
Russell 1000 Index	24.51	24.51	8.41	14.28	12.87	14.51
Morningstar Large Blend Cat. Avg.	21.45	21.45	7.24	12.89	11.57	-
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.

Given this emphasis, the Fund's portfolio generally holds a higher number of dividend payers compared to the Russell 1000 Index. Approximately 98% of the Fund's holdings pay dividends or interest, compared to approximately 70% dividend-paying companies in the Index. During the quarter, several portfolio holdings increased or paid special dividends, including the following examples:

- ▶ Primo Brands Corporation was formed after the merger between Primo Water Corporation and BlueTriton Brands on November 8, 2024. Primo Brands owns several well-known beverage brands including Poland Spring® and Pure Life®. Prior to the merger, Primo Water Corporation declared a special dividend of \$0.82 per share. The newly-formed company also declared a quarterly dividend of \$0.09 per share.
- ▶ Lamar Advertising specializes in outdoor billboard displays with operations across the U.S. The company declared a special cash dividend of \$0.25 per share, in addition to its quarterly dividend of \$1.40 per share, in the fourth quarter of 2024.
- ▶ CME Group operates financial derivatives exchanges such as the Chicago Mercantile Exchange and the Chicago Board of Trade. In December, the company declared an annual variable dividend amounting to \$5.80 per share in addition to its quarterly \$1.14 per share dividend.

3 Financials was the Fund's largest sector weighting at quarter-end. Would you please comment on portfolio opportunities in the sector?

We are cautiously optimistic about the Financials sector given a more favorable interest rate environment and the steeper yield curve. In addition, potential changes in the regulatory landscape may become more of a tailwind for the large money center banks, such as Bank of America and Citigroup. We also find opportunities in some of the larger regional banks, such as Citizens Bank and Truist Bank, that we believe have strong operations and competitive advantages.

Citizens Financial Group operates branches under the name Citizens Bank at more than 1,000 locations in 14 states and Washington, DC. Headquartered in Providence, Rhode Island, Citizens is one of the oldest and largest financial institutions in the U.S., with over \$219 billion in assets as of June 30, 2024.

Truist Financial Corporation, which operates as Truist Bank, is a top-10 commercial bank with total assets of \$523 billion as of September 30, 2024. Truist is headquartered in Charlotte, North Carolina, and operates in 17 states plus Washington, DC.

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 1,280 for the 3-year, 3 stars among 1,180 for the 5-year, and 3 stars among 889 Large Blend funds for the 10-year period ending 12/31/2024 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.**

December 31, 2024

BUFFALO GROWTH & INCOME FUND



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.

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. The yield curve is a graph which depicts how the yields on debt instruments, such as bonds, vary as a function of their years remaining to maturity.

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 9/30/2024: Primo Water Corp. 1.36%, Lamar Advertising 0.81%, CME Group 0.54%, Bank of America Corp. 1.52%, Citigroup Inc. 0.93%, Citizens Financial Group 1.02%, and Truist Financial Corp. 0.74%. 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.