

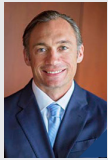
Tickers: **BUFHX** | **BUIHX**

MORNINGSTAR RATING



Overall Morningstar Rating™ of BUFHX based on risk-adjusted returns among 594 High Yield Bond funds as of 6/30/2024.

FUND MANAGEMENT



Paul Dlugosch, CFA
 Co-Manager since 2007
 26 Years Investment Experience
 B.S. - University of Iowa



Jeff Sitzmann, CFA
 Co-Manager since 2007
 36 Years Investment Experience
 MBA - University of Chicago
 B.B.A. - University of Toledo



Jeff Deardorff, CFA
 Co-Manager since 2015
 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 Fund's performance during the second quarter and over longer periods of time?

We are pleased the Fund's 1.56% return outperformed the Morningstar High Yield Bond category's average return of 1.12% for the three months ended June 30, 2024. Also, the Fund's 1-year return of 11.48% outperformed the category's average return of 9.93% as of June 30, 2024.

Part of the Fund's recent outperformance stems from our focus on single-B issuers and higher-quality non-investment grade bank loans. We do not invest in distressed debt issuers, which are often poorly capitalized, more volatile, and less liquid. In addition, they often have higher overall leverage and higher interest costs that can make it difficult for the company to service their debt in a "higher-for-longer" rate environment. Another reason for our recent relative outperformance stems from our increased allocation to leveraged loans. By rotating into a higher allocation to bank loans, we have shortened the Fund's duration to 2.49 years vs. 2.95 years for the Morningstar High Yield Bond category's average, which aids performance and potentially reduces volatility.

We also attribute our outperformance to individual security selection derived from our credit-intensive investment process that focuses on experienced management teams, consistent positive cash flow and disciplined balance sheet management. In fact, the Fund has outperformed our Morningstar category peers over multiple time periods. The Fund is one of only two funds out of 427 funds in the Morningstar High Yield category that achieved top 10% or better performance for the 3-, 5- and 10-year periods and earned Morningstar's "Below Average" or "Low" Risk Rating for the same periods, as of June 30, 2024.

Continued

PERFORMANCE (%) AS OF 6/30/2024

| | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception |
|--|-------------|--------------|-------------|-------------|-------------|-----------------|
| Investor Class - BUFHX | 4.32 | 11.48 | 3.65 | 5.74 | 4.76 | 6.75 |
| Institutional Class - BUIHX¹ | 4.40 | 11.65 | 3.81 | 5.88 | 4.91 | 6.91 |
| ICE BofA U.S. High Yield Index | 2.65 | 10.52 | 1.70 | 3.76 | 4.23 | 6.62 |
| Morningstar High Yield Bond Cat. Avg. | 2.82 | 9.93 | 1.63 | 3.54 | 3.52 | - |
| Percentile Rank in Morningstar Cat. - BUFHX | | 13 | 4 | 4 | 7 | |
| # of Funds in Category | | 657 | 594 | 563 | 427 | |
| Morningstar Risk Rating | | | Low | Below Avg. | Below Avg. | |

Expense Ratio: Investor Class 1.03%, Institutional Class 0.87%

Inception dates: BUFHX 5/19/1995, BUIHX 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.

2 Would you please discuss the Fund's current allocation to high-yield bonds vs. bank loans?

We have high conviction in the loan market. The Fund's current allocation to leveraged loans is approximately 31%, the highest it has ever been. We have gravitated towards loans for several reasons. Returns on bank loans have been higher than high yield bonds. Floating interest rate bank loans also tend to be less volatile than high yield bonds as they are more senior in a company's capital structure, are often secured by assets or collateral, and can offer better covenant protection. Given the uncertainty of the economy and the Fed's actions, these protections are important. The current supply and demand backdrop is favorable as U.S. leveraged loan issuance has been strong and demand continues to rise from income-oriented investors.

3 Are there any names or sectors in the current portfolio that you would like to highlight?

The Fund's largest holding is a leveraged loan from Amneal Pharmaceuticals. Amneal is a global, diversified pharmaceutical company that provides access to high-quality, affordable, and essential medicines. The company's portfolio consists of over 280 products across retail generics, injectables, biosimilars and specialty pharma. The management team is disciplined and experienced and has stated that their forecasted accelerated revenue and cash flow generation will be used to continue to de-leverage, enhancing the coverage ratios and credit quality of the loan and the company in general.

Another company that we recently purchased in the portfolio is Saturn Oil and Gas, a Canadian oil and gas company. We believe that the company is well positioned for continued responsible development of high-quality assets in the attractive provinces of Alberta and Saskatchewan with significant current and forecasted free cash flow. The issue was priced very attractively for several reasons. This was a first-time issue for the company and those tend to be priced higher. In addition, some larger investors were precluded from participating due to the smaller issue size. We believe that Saturn will be an attractive investment from a risk and reward perspective over time.

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. Investment by the Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investments in foreign securities include additional risk such as greater volatility, and political, economic, and currency risks, as well as difference 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 High Yield Fund (BUFHX) received 5 stars among 594 for the 3-year, 5 stars among 563 for the 5-year, and 5 stars among 427 High Yield Bond 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.

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.

The ICE BofA U.S. High Yield Index is an unmanaged index that tracks the performance of U.S. dollar denominated, below investment-grade rated corporate debt publicly issued in the U.S. domestic market. One cannot invest directly in an index.

A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO), such as Moody's or Standard & Poor's. The firm evaluates the of credit worthiness of an issuer with respect to debt obligations, including specific securities, money market instruments, or other bonds. Ratings are measured on a scale that generally ranges from Aaa (highest grade) to C (lowest grade); ratings are subject to change without notice.

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.

June 30, 2024

BUFFALO HIGH YIELD FUND



Holdings in the Fund as a percentage of net assets as of 3/31/2024: Amneal Pharmaceuticals 2.91%, Saturn Oil and Gas 0.00%. 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.