

Tickers: **BUFIX** | **BUIIX**

## MORNINGSTAR RATING



Overall Morningstar Rating™ of BUIIX based on risk-adjusted returns among 383 Foreign Large Growth funds as of 6/30/2024.

## FUND MANAGEMENT

**Nicole Kornitzer, CFA**

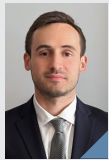
Manager since 2009  
23 Years Investment Experience

MBA - INSEAD  
M.A. - Columbia University  
B.A. - Univ. of Pennsylvania

**Pat Srinivas**

International Equity  
Research Analyst  
17 Years Investment Experience

MBA - Univ. of Chicago  
M.S. - Univ. of Texas-Dallas  
B.S. - Karnatak Univ. (India)

**Frank Diebold, CFA**

International Equity  
Research Analyst  
12 Years Investment Experience

B.A. - Univ. of Pennsylvania

## 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  
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### 1 Given the Fund's trends-based approach to investing, would you please highlight a trend that is contributing to growth in international companies?

We believe that Electrification is a secular global growth trend that is positively impacting many companies. Electrification is being driven by efforts to reduce carbon emissions, as well as increased electricity demand by data centers supporting artificial intelligence applications. Global electricity consumption has increased 16% on a compounded annual growth rate (CAGR) basis since 2016 according to Jefferies, and from 2023 to 2030, they estimate a 17% CAGR for the U.S. and 14% for Europe.

This trend has helped to drive growth in the Fund. For example, a portfolio company that has benefited from Electrification is Swiss company ABB Ltd. ABB provides engineering and software solutions in four key areas: electrification, motion, process automation, and robotics and machine automation. The company's electrification business comprised 45% of revenue and 54% of operational EBITDA in 2023. In addition, the company's electrification business segment posted high single-digit growth, driven by data centers and, to a lesser extent, utilities in the U.S. The division's margins at 22.5% are top among peers. ABB was one of the Fund's top performers in the second quarter, rising 21%.

Two additional portfolio companies, Schneider Electric, the French digital automation and energy management company, and Siemens, the German technology conglomerate, also benefited from the Electrification trend.

### 2 Would you please discuss where the Fund is finding opportunities in the Japanese market?

Our long-term view of Japan's potential is positive. Importantly, our investment approach is focused on individual companies that have strong international business models. Although the yen has depreciated since Japan exited from negative interest rates last quarter, we invest in companies that are not dependent on the strength of the yen.

For example, the Fund owns Keyence Corp., an electronics manufacturing company. The company creates products that are used in factory automation, such as sensors, measuring devices and bar code readers. Keyence has a wide range of over 300,000 business customers in over 110 countries. The company has reported average annual growth over 10% for the past 25 years with nearly half of revenue coming from customers in North America.

Another portfolio company is DISCO Corporation, the Japanese company, which creates precision tools that are primarily used in the semiconductor industry. The company's products are exported primarily to Taiwan and the U.S. DISCO reported record new sales and operating income in recent earnings reports, fueled largely by increased demand from the Artificial Intelligence trend.

### 3 How has the Fund benefited from the Nearshoring trend?

Nearshoring has become an important trend in Latin America and North America as customers are doing more business with companies that are closer geographically and rely less on China. A portfolio company that is benefiting from nearshoring is Argentine company, MercadoLibre. MercadoLibre is an e-commerce company that services customers in several Latin American countries, including Mexico. As disposable incomes in Mexico have risen, the e-commerce platform has experienced growth in sales from customers in Mexico, which now comprises the second-largest market after Brazil. We believe MercadoLibre is well-positioned for future growth as it provides a valuable platform for both merchants and consumers to drive e-commerce.

#### PERFORMANCE (%) AS OF 6/30/2024

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
<b>Investor Class - BUFIX</b>	<b>2.74</b>	<b>4.79</b>	<b>0.29</b>	<b>7.59</b>	<b>7.06</b>	<b>5.54</b>
<b>Institutional Class - BUIX<sup>1</sup></b>	<b>2.83</b>	<b>4.97</b>	<b>0.44</b>	<b>7.76</b>	<b>7.22</b>	<b>5.70</b>
FTSE All-World ex US Index	5.73	12.20	1.08	6.29	4.52	3.22
Morningstar Foreign Large Growth Cat. Avg.	6.38	9.87	-2.28	6.16	5.36	-
Morningstar Risk Rating			Avg.	Avg.	Avg.	
Expense Ratio: Investor Class 1.04%, Institutional Class 0.89%						

Morningstar Rankings based on total return.

*Inception dates: BUFIX 9/28/2007, BUIX 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](http://buffalofunds.com). <sup>1</sup>For 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](http://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 International Fund (BUFIX) received 3 stars among 383 for the 3-year, 3 stars among 331 for the 5-year, and 4 stars among 221 Foreign Large Growth 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.

The Financial Times Stock Exchange (FTSE) All-World ex US Index is a market-capitalization weighted index representing the performance of around 2200 large cap and mid cap companies in 46 developed and emerging markets worldwide, excluding the US. One cannot invest directly in an index. EBITDA stands for earnings before interest, taxes, depreciation and amortization. EBITDA is one indicator of a company's financial performance and is used as a proxy for a company's current operating profitability.

Holdings in the Fund as a percentage of net assets as of 3/31/2024: ABB Ltd. 1.44%, Schneider Electric 1.95%, Siemens 1.44%, Keyence Corp. 1.25%, DISCO Corporation 1.27%, and MercadoLibre 1.78%. 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.