

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

MORNINGSTAR RATING



Overall Morningstar Rating™ of BUIIX based on risk-adjusted returns among 393 Foreign Large Growth funds as of 9/30/2023.

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
buffalofunds.com

1 Would you please comment on the Fund's performance relative to the Morningstar Foreign Large Growth Funds category for the third quarter and longer-term periods?

The Fund's -8.24% return underperformed the Morningstar Foreign Large Growth Funds category average return by 43 basis points in the third quarter ended September 30, 2023. However, year-to-date through September 30, 2023, the Fund's return of 6.45% surpassed the category average return by 279 basis points. More importantly, we are pleased the Fund's performance ranked in the top 15% or better relative to our peers for the 1-, 3-, 5- and 10-year periods ended September 30, 2023.

In fact, the Buffalo International Fund is the **only fund** out of 240 funds in the Morningstar Foreign Large Growth Funds category that has **top 15% or better performance** for the 1-, 3-, 5- and 10-year periods, while maintaining Morningstar's **"Average" Risk Rating** for the 3-, 5- and 10-year periods as of September 30, 2023.

We believe this relative outperformance while mitigating risk is primarily due to our approach of investing in high-quality, attractively priced companies that are less subject to cyclical swings and are well-positioned to benefit from long-term growth trends.

2 The Fund has a large weighting in Japanese companies. Would you please share your enthusiasm for the Japanese market and share an example of where you are finding opportunity?

Despite the weakening of the Yen in the third quarter, we are still finding compelling opportunities in Japan. The country is benefitting from structural

Continued

PERFORMANCE (%) AS OF 9/30/2023

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Investor Class - BUIIX	6.45	23.09	3.63	5.41	6.73	4.93
Institutional Class - BUIIX¹	6.56	23.25	3.79	5.57	6.89	5.09
FTSE All-World ex US Index	5.86	21.06	4.55	3.31	4.06	2.42
Morningstar Foreign Large Growth Cat. Avg.	3.66	18.15	-1.45	2.86	4.39	-
Percentile Rank in Morningstar Cat. - BUIIX	11	4	13	9		
# of Funds in Category		429	393	345	240	
Expense Ratio: Investor Class 1.04%, Institutional Class 0.89%						

Inception dates: BUIIX 9/28/2007, BUIIX 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.

and corporate reforms and still maintains an attractive interest rate environment relative to Western countries.

A portfolio example is Renesas Electronics Corp., a Japanese company that manufactures semiconductor microcontrollers and microprocessors used in the automotive, healthcare, and home appliance industries and other industrial markets. More recently, the company has expanded its strategy beyond providing chips to also offering value-added solutions to their customers. This broader objective is expected to boost the company's margins as well as increase customer retention rates. We believe the company has been executing its broader strategy well and is favorably positioned for continued growth.

3 How has the expansion of potential Artificial Intelligence (AI) applications impacted the global growth trends you follow?

The increased emphasis on AI applications has many implications on our secular growth trends. For example, our Digitalization trend will be greatly impacted. A necessary first step to utilizing AI in any application is to ensure that data, documents and processes are in digital form that machines can understand. Then, once tremendous amounts of data are in place, a machine model can be trained in pattern recognition, anomaly detection, and autonomous systems. Ultimately, a machine model can be trained to create generative AI.

We believe there is significant demand by companies to enhance their digital platforms through increased spending on software and digital consulting. One company we own that is involved in helping companies build their digital platforms is Capgemini, the multinational company based in France that offers information technology services and consulting. We believe the trend toward digitalization will serve the company well for years to come.

4 What impact do higher energy prices have on your portfolio decisions?

We view the global energy economy from a long-term perspective. One of the trends that we believe drives companies' potential growth is Electrification and Energy Efficiency. There is a global recognition of the need for energy transition to decrease the harmful effects of CO2 emissions. In addition, the Russian/Ukraine conflict and other geopolitical concerns only increases the need for energy independence, energy security, and less reliance of foreign sources of energy.

Electrification is part of this movement through building renewable energy sources to support and expand the grid for commercial, industrial and residential uses. The Fund owns several companies that are beneficiaries of this trend. Two examples include Schneider Electric, a French company that is a global supplier of electrical and industrial automation equipment and ABB Ltd., a Swedish-Swiss company which supplies electrical equipment and automation products.

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.

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 5 stars among 393 for the 3-year, 4 stars among 345 for

September 30, 2023

BUFFALO INTERNATIONAL FUND



the 5-year, and 5 stars among 240 Foreign Large Growth funds for the 10-year period ending 9/30/23 based on risk-adjusted returns. © 2023 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 Buffalo International Fund received Morningstar's "Average" Risk Rating for the 3-, 5- and 10-year periods as of 9/30/2023.

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.

A basis point is one hundredth of a percentage point (0.01%). 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.

Holdings in the Fund as a percentage of net assets as of 6/30/2023: Renesas Electronics Corp. 2.54%, Capgemini 0.96%, Schneider Electric 2.17%, ABB Ltd. 1.17%. 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 advisor to the Buffalo Funds, which are distributed by Quasar Distributors, LLC.