

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

MORNINGSTAR RATING



Overall Morningstar Rating™ of BUIIX based on risk-adjusted returns among 386 Foreign Large Growth funds as of 9/30/2024.

FUND MANAGEMENT

**Nicole Kornitzer, CFA**

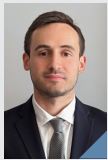
Manager since 2009
23 Years Investment Experience

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
buffalofunds.com

1 Would you please describe your trends-based approach to international growth investing and describe a trend that you are currently focusing on?

The Fund utilizes a trend-based filtering approach to growth investing. We follow 20+ global secular trends driving long-term growth across various sectors. Each company we select to invest in, based on bottom-up fundamental research, stands to benefit from one or more of these trends and has less exposure relative to cyclical companies that are more sensitive to economic cycles.

A trend that we would like to highlight is the trend in Digital Payments. Digital payments are evolving rapidly and are shaped by several factors. For example, digital payments can offer enhanced security for digital transactions via biometric authentication, artificial intelligence and machine learning. In addition, demand for mobile point-of-sale systems is increasing and the use of contactless payments continues to grow, driven by convenience and speed.

One company we own that benefits from this trend is Mercado Libre, one of the top performers in the portfolio in the third quarter (+26%). Mercado Libre is the largest online retailer in Latin America and is known for its continuous innovation in both e-commerce and financial services. The company has a digital payment platform and wallet service, Mercado Pago, which allows businesses to accept payment through various channels, including payment links, QR codes and an integrated checkout for online stores. Mercado Libre is one of the most valuable companies in Latin America with a market value over \$100B as of September 30, 2024. For 2Q24, the company reported a net revenue of \$5.1B, up 42% year-over-year, and net income also surged by 103% to \$531M. In addition, unique buyers increased by 19% over that period and items sold grew by 29%, the highest rate since 2021.

Another company we own that benefits from this trend is Adyen, the Dutch payment company. Adyen handles e-commerce payments for large enterprises and through point-of-sale terminals in stores. The company also had a strong quarter as its stock price rose 22%.

2 Would you please discuss a recent addition to the Fund's portfolio?

We purchased London Stock Exchange Group, plc (LSEG) in 2Q24 and it has been one of our top performers to date. LSEG has transformed itself from a regional market infrastructure operator to a global platform covering the full trade lifecycle with less-cyclical revenue streams. We believe it's at the start of a multi-year revenue, margin, and free cash flow acceleration following the Refinitiv integration, with underappreciated optionality around a new partnership with Microsoft.

We think LSEG benefits from myriad secular trends including, but not limited to, growing demand for and integration of financial data into everyday digital

workflows, increased cloud consumption, application of generative AI on large proprietary datasets, digitalization of trading (Tradeweb), and the ongoing shift from over-the-counter to on-exchange trading.

We initiated our position in LSEG at a valuation that screened attractive relative to expected growth, quality, and information services peers.

3 Would you please comment on the Fund's risk-adjusted returns?

The Fund provides diversified exposure to premier international growth companies at attractive valuations and favors companies domiciled in developed markets. Our investment strategy emphasizes companies with experienced and proven management teams and strong balance sheets. We favor businesses that have scalable business models with competitive advantages, and a history of high and/or increasing margins. Accordingly, the strategy has delivered attractive risk-adjusted returns over time.

SHARPE RATIO

	3 Yr	5 Yr	10 Yr
Fund	0.00	0.44	0.47
Morningstar Foreign Large Growth Cat. Avg.	-0.07	0.36	0.37

Source: Morningstar as of 9/30/2024

PERFORMANCE (%) AS OF 9/30/2024

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Investor Class - BUFIX	9.12	21.30	1.95	9.29	8.25	5.83
Institutional Class - BUIX¹	9.21	21.42	2.09	9.44	8.41	5.99
FTSE All-World ex US Index	14.69	25.89	4.78	8.36	5.92	3.67
Morningstar Foreign Large Growth Cat. Avg.	12.94	26.69	0.19	7.70	6.57	-
Morningstar Risk Rating			Avg.	Avg.	Avg.	

Expense Ratio: Investor Class 1.05%, Institutional Class 0.90%

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. 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.

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 3 stars among 386 for the 3-year, 4 stars among 336 for the 5-year, and 4 stars among 224 Foreign Large Growth funds for the 10-year period ending 9/30/2024 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.

September 30, 2024

BUFFALO INTERNATIONAL FUND



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. Sharpe Ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. 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 6/30/2024: Mercado Libre 1.99%, Adyen 1.09%, London Stock Exchange Group, PLC 0.56%, and Microsoft 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.