

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

MORNINGSTAR RATING



Overall Morningstar Rating™ of BUFIX based on risk-adjusted returns among 365 Foreign Large Growth funds as of 12/31/2024.

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 comment on the international markets in the fourth quarter of 2024 and the Fund's performance during the period?

The international markets experienced heightened volatility in the fourth quarter, with several political changes occurring in international markets. European markets declined after the U.S. election due to uncertainty about the potential impact of tariffs and trade policies that may occur under the Trump administration. Two key European countries experienced political changes in the quarter when the French parliament ousted prime minister Michel Barnier in a vote of no confidence, and German chancellor Olaf Scholz lost a confidence vote. According to a recent report by Mario Draghi, the European Union is struggling with a gap in economic competitiveness compared to the U.S. and Chinese markets. In addition, the markets are responding to weak growth in China and uncertainty surrounding the war in Ukraine.

In 2025, we are looking ahead to potential positive economic developments in international markets, as Germany may lift the country's debt ceiling, Europe addresses productivity improvements, and China considers increasing economic stimulus.

During the fourth quarter, the Fund returned -10.08%, underperforming the FTSE All-World ex US Index and the Morningstar Foreign Large Growth Category average, which returned -7.46% and -6.94%, respectively. Amid the market uncertainty, we are maintaining our investment approach of constructing a portfolio comprised of high-quality companies that we believe will benefit from secular long-term trends, have less exposure to cyclical factors and possess an attractive risk/reward potential.

PERFORMANCE (%) AS OF 12/31/2024

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Investor Class - BUFIX	-1.88	-1.88	-3.16	5.04	7.08	5.10
Institutional Class - BUIIX¹	-1.75	-1.75	-3.03	5.19	7.24	5.25
FTSE All-World ex US Index	6.13	6.13	1.50	4.85	5.49	3.15
Morningstar Foreign Large Growth Cat. Avg.	5.18	5.18	-3.13	4.11	5.80	-
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, 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.

2 Would you please comment on a notable secular trend that provides growth opportunities for the Fund?

The Fund holds several companies that are benefiting from Outsourcing trends. In pharmaceutical manufacturing, biopharmaceuticals have become increasingly complex, and companies seek third-party providers of manufacturing services, known as contract development and manufacturing organizations (CDMOs). Industry reports estimate that drug manufacturing will continue moving from the pharmaceutical companies to the CDMOs, which currently provide approximately 33% of manufacturing, to potentially 55% by the end of the decade.

One portfolio example is Lonza Group Ltd., a Swiss CDMO that services companies in the pharmaceutical, biotechnology and nutrition industries. A long-time Fund holding, Lonza operates in five continents and has over 18,000 employees. As Lonza takes on additional business from the pharmaceutical industry, the company is positioned to grow in scale and operating leverage. Lonza has shown impressive financial strength, with a solid EBITDA and promising growth prospects. The company's stock was up 37% in 2024.

3 Would you please provide an example of a company that illustrates the Fund's stringent risk/reward criteria?

When selecting companies, we look for high-quality international companies that we believe have strong management teams, healthy balance sheets, scalable business models, and competitive advantages.

GFL Environmental is a portfolio example that also benefits from the Outsourcing trend in its industry. The company operates trash collection services for residential, commercial and government customers in North America. This solid waste industry benefits from good visibility through long term contracts with inflation adjustments, and low customer turnover. It is also less volatile to macro shocks due to the essential nature of trash services. These aspects allow the players to benefit from stable margins and strong cash flow generation. GFL has been successful in consolidating small, regional trash collection companies, which can improve margins as the company establishes higher density in its locations, and benefits from operating and financial leverage. Being a large player in this fragmented industry is a competitive advantage. Recently, GFL announced plans to spin off its environmental services division. As a result of the sale, GFL expects to net \$6 billion in after tax proceeds and to repay approximately \$3.5 billion of debt. The company has been trading at a discount to competitors Waste Connections and Waste Management due to higher debt levels. We expect the upcoming structural changes to further improve the company's margins, free cash flow, and competitive advantages, as well as help to close the gap with peers. GFL was one of the Fund's top contributors to performance in the fourth quarter.

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 365 for the 3-year, 3 stars among 334 for the 5-year, and 4 stars among 210 Foreign Large Growth 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 INTERNATIONAL 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 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. 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 9/30/2024: Lonza Group Ltd. 1.93%, GFL Environmental 1.67%, Waste Connections 0.00%, and Waste Management 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.