

Tickers: **BUFDX** | **BUIDX****MORNINGSTAR RATING**

Overall Morningstar Rating™ of BUFDX based on risk-adjusted returns among 1,212 Large Blend funds as of 3/31/2026.

**FUND MANAGEMENT****Paul Dlugosch, CFA**

Manager since 2013  
29 Years Investment  
Experience

B.S. - University of Iowa

**Jeff Sitzmann, CFA**

Manager since 2018  
39 Years Investment  
Experience

MBA - University of Chicago  
B.B.A. - University of Toledo

**Jeff Deardorff, CFA**

Manager since 2018  
29 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**

800.492.8332  
buffalofunds.com

**1 Would you please comment on the equity markets in the first quarter of 2026?**

Equity markets declined in the first quarter of 2026 amid a more uncertain macroeconomic backdrop, including geopolitical tensions, higher oil prices, and shifting expectations for monetary policy. These factors contributed to increased volatility and a meaningful divergence in performance across investment styles.

Large-cap value stocks significantly outperformed growth stocks during the quarter. The Russell 1000 Value Index advanced 2.10%, while the Russell 1000 Growth Index declined 9.78%, reflecting a notable rotation toward companies with stronger current earnings, robust cash flow, and dividend support. This shift follows a period in 2025 when growth, particularly AI-driven technology companies, led the market.

We continue to monitor interest rate trends, earnings durability, and market leadership trends as we move through 2026.

**2 What percentage of the Fund's holdings currently pay dividends, and how does this compare to the broader market?**

The Fund continues to emphasize high-quality, dividend-paying companies as a core component of its investment approach. As of quarter-end, approximately 98% of portfolio holdings paid dividends or interest, compared to roughly 80% of companies in the Russell 1000 Index that pay dividends.

This distinction highlights the Fund's focus on income generation and quality. We believe companies that consistently pay and grow dividends tend to exhibit stronger balance sheets, more stable earnings, and more disciplined capital allocation.

We view dividend growth as an important signal of underlying business strength. For example, Royal Caribbean's dividend, after being discounted during the pandemic, is now nearly double the pre-pandemic amount. In addition, Primo Brands raised its dividend, reflecting improving fundamentals and confidence in future cash flow generation.

Our investment process prioritizes companies with durable competitive advantages, strong returns on capital, and consistent free cash flow generation. We believe this approach supports a more resilient portfolio and the ability to deliver both income and long-term capital appreciation.

**3 Would you please comment on the Fund's performance and any notable contributors or detractors during the quarter?**

The Fund returned -0.94% in the first quarter, outperforming both the Morningstar Large Blend Category and the Russell 1000 Index, which returned -3.86% and -4.18%, respectively. Relative performance benefited from the Fund's emphasis on high-quality, dividend-paying companies and its positioning in areas of the market that held up better during the quarter.

The Fund's top contributors during the quarter included Viper Energy, Marathon Petroleum, and Lumentum Holdings. Viper Energy and Marathon Petroleum benefited from strength in energy markets, supported by higher commodity prices and strong cash flow generation. Lumentum Holdings contributed positively, driven by strong earnings and sustained demand for data center and AI-related infrastructure.

On the detractor side, Microsoft and Meta Platforms declined alongside broader weakness in growth-oriented equities. Burford Capital, a financial services firm serving the legal community, experienced significant volatility following the March overturn of a favorable court decision that took place in 2023.

**4 How does the Fund's risk profile compare to its Morningstar category peers?**

The Fund's investment process features high-quality, lower volatility, dividend-paying companies. As a result, the Fund has historically experienced less volatility, as measured by standard deviation, compared to the Morningstar Large Blend Category average for the 3-, 5-, and 10-year periods as of March 31, 2026.

Standard Deviation	3 Yr	5 Yr	10 Yr
<b>Buffalo Growth &amp; Income Fund</b>	<b>11.47</b>	<b>13.20</b>	<b>13.84</b>
Morningstar Large Blend Category Avg.	12.57	15.35	15.26

Source: Morningstar as of 3/31/2026

**PERFORMANCE (%) AS OF 3/31/2026**

Average Annual Returns	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
<b>Investor Class - BUFDX</b>	<b>-0.94</b>	<b>9.54</b>	<b>14.32</b>	<b>10.16</b>	<b>12.22</b>	<b>12.49</b>
<b>Institutional Class - BUIDX<sup>1</sup></b>	<b>-0.93</b>	<b>9.68</b>	<b>14.47</b>	<b>10.32</b>	<b>12.39</b>	<b>12.65</b>
Russell 1000 Index	-4.18	17.74	18.14	11.34	13.97	14.07
Morningstar Large Blend Cat. Avg.	-3.86	15.66	16.19	10.29	12.77	-
Morningstar Risk Rating			Below Avg.	Low	Low	

Expense Ratio: Investor Class 0.92%, Institutional Class 0.79%

Morningstar Ranking is based on total returns.

*Inception dates: BUFDX 12/3/2012, BUIDX 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 to and higher than those of the Institutional 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 800.492.8332 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 Growth & Income Fund (BUFDX) received 2 stars among 1,212 for the 3-year, 3 stars among 1,122 for the 5-year, and 3 stars among 886 Large Blend funds for the 10-year period ending 3/31/2026. © 2026 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 Russell 1000 Index is an unmanaged capitalization-weighted index of approximately 1,000 of the largest companies in the U.S. equity markets. The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the US equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years). The Russell 1000® Value Index measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years). One cannot invest directly in an index.

Diversification cannot assure a profit or protect against loss in a down market. Dividends are not a guaranteed and may fluctuate. 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. Standard deviation measures the distance from the mean in a set of data points, giving analysts an idea of the variance that could occur; used to illustrate volatility in a portfolio.

Holdings in the Fund as a percentage of net assets as of 12/31/2025: Royal Caribbean 2.71%, Primo Brands 0.82%, Viper Energy 2.74%, Marathon Petroleum 1.12%, Lumentum Holdings 0.00%, Microsoft 5.12%, Meta Platforms 4.98%, and Burford Capital 0.92%. 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.