

Tickers: **BUFHX** | **BUIHX**

MORNINGSTAR RATING



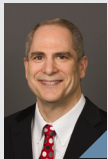
Overall Morningstar Rating™ of BUFHX based on risk-adjusted returns among 580 High Yield Bond funds as of 3/31/2026.

FUND MANAGEMENT



Paul Dlugosch, CFA

Manager since 2007
29 Years Investment Experience
B.S. - University of Iowa



Jeff Sitzmann, CFA

Manager since 2007
39 Years Investment Experience
MBA - University of Chicago
B.B.A. - University of Toledo



Jeff Deardorff, CFA

Manager since 2015
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 high yield fixed income market and the Fund's performance in the first quarter of 2026?

The high yield market experienced increased volatility during the first quarter, driven primarily by geopolitical developments and shifting macroeconomic expectations. Most notably, the conflict in Iran contributed to a sharp rise in oil prices, which were up approximately 30–50%, further increasing inflation expectations and pushing Treasury yields higher.

As a result, credit spreads widened across the market, with both higher interest rates and economic uncertainty weighing on bond prices. The asset class also experienced several consecutive weeks of outflows, which further pressured spreads.

Energy was the strongest-performing sector, benefiting from higher commodity prices, while Technology lagged, reflecting broader market weakness and uncertainty surrounding the long-term impact of artificial intelligence.

Against this backdrop, the Fund declined 0.09% for the quarter, outperforming both the Morningstar High Yield Bond Category average and the ICE BofA High Yield Index, which declined 0.51% and 0.53%, respectively.

2 What were the primary drivers of the Fund's performance during the quarter?

Performance in the first quarter was led by the Fund's Energy holdings, which benefited from rising oil prices and improving fundamentals across the sector.

The Fund's top contributors included Saturn Oil & Gas, Crescent Energy, and Stride (convertible securities). Saturn Oil & Gas and Crescent Energy delivered strong results, supported by higher crude prices, solid production

PERFORMANCE (%) AS OF 3/31/2026

Average Annual Returns	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Investor Class - BUFHX	-0.09	4.55	7.92	4.75	5.64	6.70
Institutional Class - BUIHX¹	-0.05	4.70	8.09	4.90	5.79	6.86
ICE BofA U.S. High Yield Index	-0.53	6.98	8.58	4.25	6.08	6.68
Morningstar High Yield Bond Cat. Avg.	-0.51	6.60	7.89	3.88	5.28	-
Morningstar Risk Rating			Low	Low	Below Avg.	

Expense Ratio: Investor Class 1.02%, Institutional Class 0.87%

Inception dates: BUFHX 5/19/1995, BUIHX 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 to and higher than those of the Institutional Class shares.

Continued

trends, and improving balance sheets. Saturn continues to reduce leverage while generating strong free cash flow, while Crescent has executed well in the Permian Basin.

Stride also contributed following better-than-expected operating performance, with its convertible securities benefiting from strength in the underlying equity.

On the detractor side, select holdings experienced short-term pressure. Aeroméxico declined due to rising jet fuel costs, while certain insurance brokerage and litigation-related positions were impacted by broader market sentiment and company-specific developments. In several cases, we believe these moves are more reflective of short-term market reactions than changes in underlying credit fundamentals.

3 How are you managing risk in the current environment, particularly with respect to sector exposure?

Risk management remains a central focus, particularly in a market characterized by heightened uncertainty and evolving technological disruption.

During the quarter, we reduced exposure to the Technology sector, where uncertainty around artificial intelligence and its potential impact on business models has made it more difficult to assess long-term earnings and competitive positioning. Given this lack of visibility, we have been selective and cautious in allocating capital to these areas.

We have also avoided certain segments of the market, including data center construction-related high yield issuance, where companies are still in early stages and not yet generating meaningful cash flow.

Instead, we focused on higher-quality, more defensive investments, including healthcare, select insurance-related businesses, and asset-heavy industries that tend to be less exposed to rapid technological disruption. These types of companies typically offer more stable operating profiles and better visibility into future performance.

Overall, our approach remains grounded in disciplined credit selection and diversification, with an emphasis on maintaining a balanced portfolio that can navigate a range of market conditions.

4 How would you characterize the Fund's risk profile relative to peers?

Historically, the Fund has exhibited lower volatility than its Morningstar High Yield Bond Category peers, driven by our emphasis on higher-quality high yield securities, avoidance of more speculative securities, and focus on companies with predictable cash flows. In addition, the Fund maintains a shorter duration compared to the Morningstar category average.

STANDARD DEVIATION

	3 Yr	5 Yr	10 Yr
Buffalo High Yield Fund	2.91	4.44	5.88
Morningstar High Yield Bond Funds Category Avg.	4.19	6.31	6.88

Source: Morningstar as of 3/31/2026

As a result, the portfolio has lower volatility, as measured by standard deviation, than our Morningstar peers for the 3-, 5-, and 10-year periods ended March 31, 2026.

March 31, 2026

BUFFALO HIGH YIELD FUND



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. Read them carefully before investing.

Mutual fund investing involves risk. Principal loss is possible. Investment by the Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities.

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 High Yield Fund (BUFHX) received 3 stars among 580 for the 3-year, 4 stars among 538 for the 5-year, and 4 stars among 437 High Yield Bond 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.

Morningstar rankings are based on a fund's average annual total return relative to all funds in the same Morningstar category. Fund performance used within the rankings, reflects certain fee waivers, without which, returns and Morningstar rankings would have been lower. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100.

The ICE BofA U.S. High Yield Index is an unmanaged index that tracks the performance of U.S. dollar denominated, below investment-grade rated corporate debt publicly issued in the U.S. domestic market. One cannot invest directly in an index.

A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO), such as Moody's or Standard & Poor's. The firm evaluates the of credit worthiness of an issuer with respect to debt obligations, including specific securities, money market instruments, or other bonds. Ratings are measured on a scale that generally ranges from Aaa (highest grade) to C (lowest grade); ratings are subject to change without notice.

Diversification does not guarantee a profit or protect against loss. 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. Duration reflects how much a bond's value is expected to move when interest rates rise or fall. 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: Saturn Oil & Gas 1.53, Crescent Energy 1.55, Stride 0.33 and Grupo Aeroméxico SAB de CV 2.14. 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.