

BUFFALO FLEXIBLE ALLOCATION FUND

QUARTERLY COMMENTARY



PERFORMANCE COMMENTARY

The Buffalo Flexible Allocation Fund produced a return of 7.60% for the quarter, compared to a decline of -3.96% for the Russell 3000 Index. Value stocks outperformed growth stocks by a wide margin during the period, which benefited the fund's relative performance. More specifically, outperformance was driven by the energy sector.

PERFORMANCE (%) AS OF 3/31/2026

Average Annual Returns	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Inception
Investor Class - BUFBX	13.15	12.41	11.76	9.77	8.64	7.87
Institutional Class - BUIBX¹	13.30	12.57	11.91	9.93	8.80	8.03
Russell 3000 Index	18.09	17.86	10.87	13.72	12.81	10.66

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. Data represented reflects past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. Current performance may be lower or higher than the performance quoted. Performance current to the most recent month end may be obtained by visiting the Funds' website at buffalofunds.com.

▲ TOP CONTRIBUTORS

The fund was significantly overweight energy, the best performing sector in the index during the period due to the war in Iran. The conflict in the Middle East caused crude oil prices to spike sharply and therefore the top three contributors to the fund's performance were **Chevron, Exxon** and **APA Corporation**.

▼ TOP DETRACTORS

The top three detractors in the quarter were **Microsoft, Eli Lilly** and **IBM**. Shares of Microsoft declined during the quarter due to concerns around AI disrupting software business models, OpenAI's market position, a slight deceleration in the cloud business, and heavy capex spending. Investors became increasingly concerned about the sustainability of the capex spending as well as the returns on that spend. Eli Lilly's share price was negatively impacted by a downward reset in Foundayo's market potential, uncertainty surrounding drug approval for Foundayo, and pricing concerns in the GLP-1 space due to aggressive discounting by Novo Nordisk. IBM's decline in the quarter reflects investor concerns about the impact of AI across IBM's businesses and slower growth business and consulting from newly acquired Red Hat. The release of Claude Code AI tool during the quarter served as a negative catalyst as AI concerns are centered around tools that could negatively impact demand for legacy systems resulting in declines to its infrastructure and transaction processing operations.

OUTLOOK

Despite the uncertainty created by tariffs, executive orders, Federal Reserve interest actions, and geo-political tensions, we remain focused on wide moat, large capitalization dividend-paying companies trading at reasonable valuations, according to our analysis.

FUND FACTS

	Inv.	Inst.
Ticker	BUFBX	BUIBX
Inception Date	8/12/94	7/1/19
Expense Ratio	1.00%	0.86%
Fund Assets		\$463.96M
Morningstar Category		Large Value
Benchmark Index		Russell 3000 Index

FUND MANAGEMENT



John Kornitzer

Manager since Inception
B.A. – St. Francis University (PA)



Paul Dlugosch, CFA

Co-Manager since 2011
B.S. – University of Iowa

TOP 10 HOLDINGS (%)*

Microsoft Corporation	9.84
Chevron Corporation	7.75
Eli Lilly and Company	6.80
IBM Corporation	4.69
Exxon Mobil Corporation	4.35
Costco Wholesale Corporation	3.90
Allstate Corporation	3.77
Johnson & Johnson	3.51
Kinder Morgan, Inc.	3.48
QUALCOMM, Inc.	3.29
Top 10 Holdings Total	51.38

March 31, 2026

BUFFALO FLEXIBLE ALLOCATION FUND



INTERESTED IN MORE INFO?

For questions or to speak with a relationship manager about adding any of the 10 Buffalo Funds to your portfolio, contact:

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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 can be obtained by calling 800-492-8332 or visiting buffalofunds.com. Read 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. Investments in foreign securities include additional risk such as greater volatility, and political, economic, and currency risks, as well as difference in accounting methods.

Earnings growth is not representative of the Fund's future performance.

The opinions expressed are those of the Portfolio Managers and are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security. The Russell 3000 Index measures the performance of the 3,000 largest publicly held companies incorporated in the U.S. based on market capitalization. A basis point (BPS) 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.

The S&P 500 Index is a capitalization weighted index of 500 large capitalization stocks which is designed to measure broad domestic securities markets. The Bloomberg US Aggregate Bond Index is a broad base, market capitalization weighted bond market index representing intermediate term investment grade bonds traded in the United States. 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 2000 Index is an unmanaged index that consists of the smallest 2,000 securities in the Russell 3000 Index, representing approximately 10% of the Russell 3000 total market capitalization. The Russell Microcap Index is an unmanaged capitalization weighted index of 2,000 small cap and micro cap companies. The Magnificent Seven is a term used to describe the technology-oriented, highly influential companies of Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla. The Conference Board Leading Economic Index, Composite Index of Leading Indicators, otherwise known as the Leading Economic Index (LEI), is an index published monthly by The Conference Board. It is used to predict the direction of global economic movements in future months. The Russell 3000 Growth Index is an unmanaged index comprised of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indices. The Russell 3000 Value Index is an unmanaged index with a market-capitalization weighted equity based on the Russell 3000 Index, which measures how U.S. stocks in the equity value segment perform. The Russell Midcap Index is an unmanaged index that measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 26% of the total market capitalization of the Russell 1000 Index. It is not possible to invest directly in an index. The MSCI EAFE Index is a stock market index that measures the performance of large- and mid-cap companies across 21 developed markets countries around the world. Canada and the USA are not included. Capital Expenditure (Capex) is how much a company invests in existing and new fixed assets to maintain or grow its business. A yield curve is a line that plots the yields, or interest rates, of bonds that have equal credit quality but different maturity dates.

*Top Ten Holdings for the quarter are not disclosed until 60 days after quarter end. Those listed are as of 12/31/2025. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any securities.

Kornitzer Capital Management is the adviser to the Buffalo Funds, which are distributed by Quasar Distributors, LLC.