

## PERFORMANCE COMMENTARY

The Buffalo Growth Fund produced a return of -12.69% for the first quarter of 2026, underperforming the Russell 3000 Growth Index return of -9.54%. The story of the first quarter was the bifurcation in returns between businesses that are AI beneficiaries and businesses that could be threatened by AI. Within the fund, this dynamic was evident in the stark underperformance of software and information services stocks, two industries where we are significantly overweight. Semiconductors and semiconductor capital equipment companies outperformed. Even slow-growth consumer staples companies saw their multiples bid up to multi-year highs, as investors sought safe places to hide from AI threats. The fund was underweight all three areas. While there were some bright spots, outperformance in communication services, consumer discretionary, energy and materials, it wasn't enough to offset the AI headwinds.

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

Average Annual Returns	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Inception
<b>Investor Class - BUFGX</b>	<b>9.21</b>	<b>15.51</b>	<b>8.11</b>	<b>12.51</b>	<b>11.76</b>	<b>10.53</b>
<b>Institutional Class - BIIGX<sup>1</sup></b>	<b>9.32</b>	<b>15.62</b>	<b>8.23</b>	<b>12.66</b>	<b>11.91</b>	<b>10.69</b>
Russell 3000 Growth Index	18.75	20.64	12.05	16.38	14.90	10.80

<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. 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](http://buffalofunds.com).

## ▲ TOP CONTRIBUTORS

**SLB Limited (SLB)** was the top contributor to the fund's performance, posting a return of nearly 35% for the quarter. As a global leader in oilfield services and technology, SLB benefited from the surge in oil prices. While the conflict in the Middle East will be a near-term headwind to their operations, the company is likely to benefit from repairing and rebuilding some of the damaged infrastructure in the oil producing region.

**Liberty Live Holdings (LLYVK)**, which tracks a significant ownership stake in Live Nation Entertainment, returned just over 13% during the period. Live Nation benefited from a strong earnings report and, perhaps more importantly, the dismissal of a lawsuit from the Department of Justice. Going forward, Live Nation will continue to benefit from consumer demand for entertainment experiences.

**Linde plc (LIN)**, a leading global industrial gases and engineering company, was another top contributor during the period. Performance was driven by steady demand across its diverse end markets, particularly in the healthcare and semiconductor manufacturing sectors, which require ultra-high-purity gases. Linde's ability to pass through energy costs to customers via long-term contracts makes it a resilient holding in inflationary environments. We like Linde's defensive growth profile as well as its long-term opportunities in data centers, blue hydrogen, and aerospace.

## FUND FACTS

	Inv.	Inst.
Ticker	BUFGX	BIIGX
Inception Date	5/19/95	7/1/19
Expense Ratio	0.87%	0.77%
Fund Assets	\$161.24M	
Morningstar Category	Large Cap Growth	
Benchmark Index	Russell 3000 Growth Index	

## FUND MANAGEMENT



### Grant LacKamp, CFA

Manager since 2026  
M.B.A. – Kansas State University  
B.S. - Kansas State University

## TOP 10 HOLDINGS (%)\*

NVIDIA Corporation	12.20
Alphabet, Inc.	11.82
Microsoft Corporation	11.22
Amazon.com, Inc.	8.79
Apple, Inc.	8.21
Meta Platforms, Inc.	5.46
Broadcom, Inc.	3.61
Visa, Inc.	2.71
Mastercard, Inc.	2.54
Booking Holdings, Inc.	2.02
<b>Top 10 Holdings Total</b>	<b>68.58</b>

## ▼ TOP DETRACTORS

**Microsoft Corporation (MSFT)** was the largest detractor this quarter, falling over 23%. Despite reporting a strong quarter, investors were disappointed with the capacity limited growth at Azure. Paradoxically, investors also seem to be concerned that the company is spending too much capex on AI infrastructure to address this. The stock was also caught up in the broader narrative of AI eroding the value of software offerings. We believe the company remains well positioned to benefit from growth in AI and cloud computing.

**Amazon.com, Inc. (AMZN)** declined nearly 10% in the first quarter, as the market reacted negatively to the company's announcement of a \$200 billion dollar capital expenditure plan for 2026. While AWS revenue growth remained healthy, investors were spooked by the scale of investment required to maintain leadership in AI and cloud infrastructure. We believe Amazon will benefit from the high-margin growth of AWS and continued efficiency gains within its retail logistics network, both of which should drive significant free cash flow in the years ahead.

Shares of **NVIDIA Corporation (NVDA)** fell about -6.5% during the quarter, a modest decline compared to the broader tech sector but a top detractor due to its large weight in the portfolio. The company reported another impressive quarter with results and guidance ahead of expectations, but the market's reaction was rather muted. We remain confident that NVIDIA is positioned at the epicenter of the artificial intelligence revolution, a multi-decade trend we believe will continue to generate significant long-term value.

## | OUTLOOK

Looking ahead, we maintain a cautiously optimistic outlook and expect the conflict in the Middle East to gradually wind down. While oil prices will likely remain elevated relative to pre-conflict levels, we don't think energy inflation will prevent the Federal Reserve from cutting rates if the economy slows. We will continue to monitor the opportunities and risks presented by the rapid innovation in artificial intelligence. We expect large spending on AI infrastructure to continue, but we also believe that some software companies will be more resilient than the market expects and that there are some good businesses currently "on sale" at what could prove to be attractive valuations. As always, we will continue to focus on high quality, secular growth stocks with strong balance sheets, scalable business models, and wide competitive moats. By purchasing these businesses when shares are trading at reasonable valuation, we expect to compound value over time. Thank you for your continued trust and support.

## 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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# BUFFALO GROWTH 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 can be obtained by calling 800-492-8332 or visiting [buffalofunds.com](http://buffalofunds.com). Read 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.**

**Earnings growth is not representative of the Fund's future performance. Investing in both actively and passively managed mutual funds involves risks and principal loss is possible.**

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. The Russell 3000 Growth Index is a market-capitalization weighted index that measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth rates. 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 Conference Board of Leading Economic Index provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. 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 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 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 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. The Magnificent Seven is a term used to describe the technology oriented, highly influential companies of Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla. It is not possible to invest directly in an index. A basis point is one hundredth of a percentage point (0.01%). A yield curve is a line that plots the yields, or interest rates, of bonds that have equal credit quality but different maturity dates. Price-Earnings (P/E) Ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings. 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.

\*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.