

CAPITAL MARKET OVERVIEW

International stock markets outperformed the US again in the first quarter of 2026. The MSCI ACWI ex-USA Index declined -0.71%, while the S&P 500 Index declined -4.33%. This result was after adjusting for currency movements, which detracted from local market performance as the US dollar strengthened against most major foreign currencies.

European markets started the quarter strong, fueled by economic growth optimism and attractive stock valuations, but ended down following the breakout of the war in Iran. Rising oil prices and geopolitical tensions fueled inflation fears. Strong early quarter performers included Basic Resources, Telecom, Oil and Gas and Utilities, but a late quarter rotation favored the defensive areas. The STXE 600 Index, a broad European Index that includes the United Kingdom, declined -3.1% in USD terms (about -1.5% in local currency). The UK had that strongest performing equity market in the region while the German market was the weakest.

In Asia, stock market performance was weaker in USD terms compared to local currency due to the strengthening of the dollar. The South Korean stock market was once again the best performer in the quarter with the KOSPI Index rising +13.9% boosted by equities exposed to growth in Artificial Intelligence. Taiwan's stock market also advanced by double digits due to AI beneficiaries. The Japanese stock market rose only slightly after currency conversion into US dollars. Chinese stock markets declined the most in Asia, as the Hong Kong stock market dropped nearly 4% while the mainland market indexes fared only slightly better.

Among Emerging Markets, Latin America was a particularly strongly performing region as Brazil's major index advanced an impressive 22.8% in USD terms.

PERFORMANCE COMMENTARY

The Buffalo International Fund returned -1.97% for the quarter, underperforming the FTSE All-World ex-US index return of -0.52%. The fund's underperformance was mostly due to its positioning in growth sectors, as more value-oriented sectors outperformed. The fund has an underweight position in Energy compared index, which was by far the best performing benchmark sector. Geographically, the fund's overweight position to Europe, which underperformed, and underexposure to Latin American markets, which outperformed, were also factors.

PERFORMANCE (%) AS OF 3/31/2026

Average Annual Returns	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Inception
Investor Class - BUFIX	9.21	5.81	3.80	8.55	6.86	5.53
Institutional Class - BUIIX¹	9.34	5.97	3.95	8.71	7.02	5.69
FTSE All-World ex US Index	25.56	15.14	7.63	8.99	6.25	4.49

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.

FUND FACTS

	Inv.	Inst.
Ticker	BUFIX	BUIIX
Inception Date	9/28/07	7/1/19
Expense Ratio	1.04%	0.89%
Fund Assets	\$797.63M	
Morningstar Category	Foreign Large Growth	
Benchmark Index	FTSE All World Ex-US Index	

FUND MANAGEMENT



Nicole Kornitzer, CFA

Manager since 2009
M.B.A. – INSEAD (Paris)
M.A. – Columbia University
B.A. – University of TX-Dallas
26 Years of Investment Experience



Pat Srinivas

International Equity
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M.B.A. – University of Chicago
M.S. – University of Pennsylvania
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Frank Diebold, CFA

International Equity
Research Analyst B.A. –
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TOP 10 HOLDINGS (%)*

SK hynix, Inc.	4.28
Taiwan Semiconductor Manufacturing Co.	3.70
Schneider Electric SE	2.89
Siemens Aktiengesellschaft	2.58
Lonza Group AG	2.52
MercadoLibre, Inc.	2.48
BayCurrent, Inc.	2.46
AstraZeneca PLC	2.39
ASML Holding NV	2.36
Fresenius SE & Co.	2.10
Top 10 Holdings Total	27.76

▲ TOP CONTRIBUTORS

Top contributors in the period were once again driven by trends related to AI. As we see Agentic AI now driving the story, it keeps us bullish on the need for increased memory demand, as AI is pushed to do more complex tasks. As technology shifts from human prompts to autonomous AI agents the agentic inference needs persistent context and fast data access, which requires more memory capacity. **SK Hynix** and **Samsung**, the two strongest contributors, both benefited from increasing demand for memory. SK Hynix continued to be driven by its leadership in HBM (High Bandwidth Memory). AI inference workloads are driving demand not just for HBM, but across the entire memory spectrum—conventional DRAM and NAND for AI servers. Samsung has made progress in the next generation HBM4 chips and has benefitted from the memory upcycle (DRAM and NAND) driven by demand and pricing. Finally, **ASML** reported record financial results for the fourth quarter and a much stronger than expected order intake due to the increased customer confidence in the longevity of AI demand and thus a step-up in medium term capacity plans, which fuels demand for ASML's tools.

▼ TOP DETRACTORS

Top detractors in the quarter were Baycurrent, SAP and Adyen. Baycurrent, which has continued to possess strong fundamentals, was a very weak stock in the quarter primarily due to valuation multiple compression around a fear of AI as a threat to software and software services. If realized that threat would theoretically render Baycurrent's consulting services less valuable and/or needed. We maintain the belief that Japanese companies will continue to need Baycurrent's services for years to come, particularly given that the country has been slower to digitalize. Next, SAP posted overall strong revenue and earnings for the last quarter of 2025 but missed expectations on cloud backlog. After two years of multiple expansion the stock saw its valuation compress significantly, following that trend with other software stocks. We will be monitoring the evolution of agentic AI and its effects on embedded software such as SAP. Finally, Adyen's shares experienced a significant decline after it reported a slight revenue miss and revised its full-year guidance down soon after an Investor Day. The downgrade was due to regional decelerations in Asia-Pacific and foreign exchange pressures. The stock has also been weak due to concerns about Agentic Commerce's potential to disrupt traditional payment rails and interchange fees, particularly through the integration of stablecoins. Adyen maintains that it could potentially accommodate payments with stablecoins but has no plans to do so for the near future.

| OUTLOOK

Given the disruption that the war in Iran has caused to the flow of global energy supplies we anxiously await a clear and more permanent resolution to the conflict. Our prior optimism about increasing investor allocations to international markets as well as an improving macro backdrop has been somewhat tempered by the current situation, yet we still see the possibility of that trend returning assuming a war that is resolved quickly. Should war and oil supply shock continue, we would expect inflation, potential stagflation, and recessions in some geographic regions. The fund has exposure to some secular trends that would hopefully be partially insulated from these risks. The growing need for memory chips due to advancements in AI as well as Electrification and Defense, among others are examples.

We continue to seek out companies with the potential to benefit from secular growth trends, sound business models, and competitive advantages, while investing with a mid-to long-term outlook. We appreciate businesses that generate consistent and strong free cash flow, with management teams that focus on generating returns above the cost of capital and creating value for shareholders. We believe that by continuing our focused and disciplined strategy we should be able to post attractive risk-adjusted returns over the longer term.

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 INTERNATIONAL 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. Read carefully before investing.

Earnings growth is not representative of the Fund's future performance. Mutual fund investing involves risk. Principal loss is possible. The Fund invests in foreign securities which will involve greater volatility and political, economic, and currency risks, as well as differences in accounting methods. Investments in emerging markets involve greater risks. The Fund may invest in smaller companies which involve additional risks such as limited liquidity and greater volatility than larger companies.

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 S&P 500 Index is a capitalization weighted index of 500 large capitalization stocks which is designed to measure broad domestic securities markets. The MSCI ACWI ex-USA Index is a free float-adjusted market capitalization weighted index designed to measure the combined equity market performance of developed and emerging markets countries. The Index includes large- and mid-capitalization companies and may change over time. 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. The STOXX Europe 600 index measures the performance of large mid and small-cap companies across 17 countries in Europe. The FTSE 100 Index is an index of the largest 100 companies listed on the London Stock Exchange by market capitalization. The FTSE 250 Index is a market capitalization-weighted index consisting of the 101st to the 350th largest companies listed on the London Stock Exchange, mostly covering the mid cap sector between large and small companies. The Nikkei Index is a price-weighted index comprised of the top 225 blue chip companies traded on the Tokyo Stock Exchange. Hang Seng Index is a market capitalization index that reflects the market performance of the Hong Kong stock exchange. The DAX measures the performance of the Prime Standard's 30 largest German companies in terms of order book volume and market capitalization. The Korea Composite Stock Price Index (KOSPI) is an index of all companies traded on the Korea Stock Exchange. The Brazilian Ibovespa is a market capitalization weighted index of about 86 of the largest stocks traded on the B3 (Brazil Bolsa Balcão Exchange), accounting for the majority of trading and market capitalization in the Brazilian stock market. The Australian S&P/ASX 200 index is a market-capitalization weighted and float-adjusted stock market index of stocks listed on the Australian Securities Exchange. The index is maintained by Standard & Poor's and is considered the benchmark for Australian equity performance. The China Shenzhen SE (CSI 300) Index is a market cap weighted stock market index designed to map the performance of the 300 most liquid A shares traded in the Shanghai and Shenzhen stock exchanges. The BSE SENSEX is a basket of 30 large, liquid and representative stocks traded in India. Companies are selected based on listed history, trading frequency, final rank, market capitalization weightage, industry representation and track record. The CAC 40 index is the main benchmark for Euronext Paris and contains 40 stocks selected among the top 100 in market capitalization. The Nifty 50 Index holds a concentrated portfolio of 50 blue-chip companies trading on India's National Stock Exchange which covers approximately 66% of the Indian companies by market capitalization. One cannot invest directly in an index. 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. A basis point is one hundredth of a percentage point (0.01%). Revenue growth is the increase or decrease in revenue from one period to the next. Earnings before interest and taxes (EBIT) measures a company's net income before income tax and interest expenses are deducted. 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. EPS growth measures the rate at which a company's earnings per share (EPS) is increasing or decreasing. The Taiwan Stock Exchange Corporation (TSEC) Weighted Index, or TAIEX, reflects the performance of all companies traded on the Taiwan Stock Exchange, weighted by market capitalization.

*Top Ten Holdings for the quarter are not disclosed until 60 days after quarter end. Those listed are as of 12/31/25. 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.