June 30, 2026

BUFFALO HIGH YIELD FUND

QUARTERLY COMMENTARY

PERFORMANCE COMMENTARY

The Buffalo High Yield Fund increased 1.99% for the quarter ending June 30, 2026, underperforming the ICE BofA US High Yield Index which gained 2.47%.

PERFORMANCE (%) AS OF 6/30/2026

Average Annual Returns	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Inception
Investor Class - BUFHX	**3.91**	**7.89**	**4.64**	**5.62**	**5.46**	**6.71**
Institutional Class - BUIHX[1]	**4.09**	**8.05**	**4.79**	**5.77**	**5.61**	**6.87**
ICE BofA US High Yield Index	5.82	8.86	4.19	5.73	5.75	6.71
Lipper High Yield Bond Funds Index	5.84	8.35	4.00	5.45	5.26	5.68
Morningstar High Yield Bond Category	5.70	8.22	3.89	5.12	4.96	–

[1]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.

The U.S. high yield bond sector rebounded this quarter after posting its first negative quarter in over three years. According to JP Morgan, high yield bonds gained 1.7% in April, followed by a 0.5% gain in May and 0.3% gain in June. The easing tensions between the US and Iran in April kickstarted the rally and then a solid earnings season, active new issuance, and healthy investor cash inflows carried the gains throughout the quarter. The 10-year U.S. Treasury yields spiked in May, reaching 4.67% after starting the period at 4.32% and then falling back to 4.47% at the end of the quarter. The spread to worst for high yield bonds tightened 49 basis points (bps) from 355 bps to 306 bps during the period, completely erasing the previous quarter's move wider. The spread to worst remains well below the 20-year average of 562 bps. The yield to worst for JP Morgan High Yield Index declined 19bps to 7.25% during the quarter. This compares to the record low of 4.22% in July 2021 but less than the 20-year average of 7.82%. The JP Morgan leveraged loans index gained 1.9% after suffering a loss of -0.44% in the preceding quarter and ended with a yield of 8.9%, which was 27bps wider than the previous quarter. The yields on term loans were 165bps wider than high yield bonds despite being senior in the capital structure and is the primary reason that the fund has maintained a weighting to loans, albeit to a lesser extent than prior quarters.

According to JP Morgan, high yield funds received cash inflows of $8.9 billion in the quarter. All three months saw inflows of $5.8 billion, $828 million, and $2.3 billion in April, May, and June, respectively. This follows outflows in the preceding quarter which led to $1.3 billion in net outflows for the first six months of 2026.

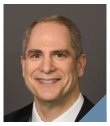
There were 125 high yield bonds issued during the quarter with a value of $106 billion. New issuance was again dominated by BB-rated issues and accounted for 52% of the total volume. The Technology sector accounted for more than 23% of the total new issuance, followed by Energy and Financials sectors, each accounting for about 12% of the total volume.

FUND FACTS

	Inv.	Inst.
Ticker	BUFHX	BUIHX
Inception Date	5/19/95	7/1/19
Expense Ratio	1.02%	0.87%
Fund Assets		$646.12 M
Morningstar Category		High Yield Bond
Benchmark Index		Ice BofA US High Yield Index

FUND MANAGEMENT

Paul Dlugosch, CFA
Co-Manager since 2007
B.S. – University of Iowa



Jeff Sitzmann, CFA
Co-Manager since 2007
M.B.A. – University of Chicago
B.B.A. – University of Toledo

Jeff Deardorff, CFA
Co-Manager since 2015
B.S. – Kansas State University

TOP 10 HOLDINGS (%)*

Amneal Pharmaceuticals, LLC (Term Loan, 8/1/23)	2.27
Harrow, Inc. (8.625% 9/15/30)	2.14
Grupo Aeromexico (8.625%, 11/15/31)	2.04
Ardonagh Group Finance, Ltd. (8.875%, 2/15/32)	1.77
Verde Purchaser, LLC (Term Loan, 11/17/30)	1.75
Saturn Oil & Gas Inc. (9.625%, 6/15/29)	1.64
Endo Finance Holdings, Inc. (Term Loan, 4/23/31)	1.49
Nexus Buyer, LLC (Term Loan, 7/31/31)	1.26
Provident Funding Associates (9.750%, 9/15/29)	1.24
R.R. Donnelley & Sons Co. (9.500%, 8/1/29)	1.22
Top 10 Holdings Total	**16.81**

According to JPMorgan, the single-B credit segment outperformed during the quarter with a return of 2.73%, beating BB-rated bonds and CCC-rated issues (BB = 2.19%, B = 2.73%, CCC = 2.23%). Diversified Media, Paper/Packaging and Housing were the best performing sectors with a positive 4.14%, 3.77%, and 3.65% returns, respectively. Cable/Satellite, Food & Beverages, and Broadcasting were the three worst performing sectors in the quarter, delivering sector returns of -0.40%, 1.45%, and 1.47%, respectively.

The Fund's composition by asset class at quarter end was as follows:

FUND COMPOSITION BY ASSET CLASS

	6/30/25	9/30/25	12/31/25	3/31/26	6/30/26
Straight Corporates	60.1%	63.7%	65.1%	65.9%	68.8%
Convertible Bonds	1.4%	1.9%	2.5%	2.1%	1.8%
Bank Loans	31.5%	27.2%	26.2%	25.0%	24.0%
Preferred Stocks	0.0%	0.0%	0.0%	0.0%	0.0%
Convertible Preferreds	2.3%	2.3%	2.4%	2.0%	2.0%
Common Stocks	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	4.7%	4.9%	3.9%	5.0%	3.4 %
Total	100.0%	100.0%	100.0%	100.0%	100.0%

The approximate rate and contribution of return from the various asset classes in the Fund during the quarter is as follows:

APPROXIMATE RATE & CONTRIBUTION OF RETURN IN 2Q26

	Approximate Contribution to Return
Straight Corporates	1.97%
Bank Loans	0.07%
Convertible Bonds	0.16%
Convertible Preferreds	0.00%
Preferred Stocks	N/A
Common Stocks	N/A
Total	1.99%

▲ TOP CONTRIBUTORS

The top three contributors to fund results in the quarter were **Groupo AeroMexico** 8.625% '31corporate bonds, **Mirum Pharmaceuticals** 4% '29 convertible bonds, and **Burford Capital** 9.250% '31 corporate bonds. AeroMexico and Burford bonds were two of the worst performers in the preceding quarter and both recovered nicely. Mirum Pharmaceuticals underlying common stock continued to reach new highs during the quarter, driving the company's convertible bonds higher as well.

▼ TOP DETRACTORS

The **Embecta** term loan and 6.75% '30 corporate bonds, along with **Dye & Durham** 8.25% '29 corporate bonds were the worst performing issues in the portfolio for the quarter. Embecta reported poor earnings and cut full-year guidance on weaker than expected demand for its diabetes pen needles. Dye & Durham bonds sold off after reporting weaker than expected earnings and several top executives were removed. The fund no longer holds the Embecta or Dye & Durham corporate bonds.

BUFFALO HIGH YIELD FUND

OUTLOOK

We remain focused on the Federal Reserve's balancing act between taming inflation while avoiding a recession. The uncertainty created by multiple geopolitical conflicts, and upcoming mid-term elections are likely to make 2026 a volatile year. We are managing the fund cautiously yet actively, focusing on high-quality issuers with defensive business models and manageable credit metrics. We will continue to deploy uninvested cash in opportunities that we believe offer the most appealing risk/reward tradeoff with a bias toward shorter durations and less levered credits. Additionally, we believe bank loans still offer a more defensive position as they provide senior positioning in the capital structure and less interest rate sensitivity due to their floating rate structures. Finally, we continue to look for opportunities in convertible bonds and convertible preferred stocks. The fund ended the quarter with 174 positions, up from the previous quarter's level of 168 (excluding cash) although the portfolio holds multiple credit issues of some companies. Therefore, on an issuer basis, the fund held exposure to 123 issuers at the end of the period.

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 10-year Treasury bond is a debt obligation issued by the United States government that matures in 10 years. A basis point (bps) is one hundredth of one percent (0.01%). Yield is the income return on an investment. This refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. Yield to worst is the lowest potential yield that can be received on a bond without the issuer actually defaulting. Spread to worst measures the difference from the worst performing security to the best, and can be seen as a measure of dispersion of returns within a given market or between markets. Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration. A coupon or coupon payment is the annual interest rate paid on a bond, expressed as a percentage of the face value and paid from issue date until maturity. 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 ICE BofA US High Yield Index is an unmanaged index comprised of over 1,200 high yield bonds representative of high yield bond markets as a whole. The Lipper High Yield Bond Funds Index is a widely recognized index of the 30 largest mutual funds that invest primarily in high yield bonds. The J.P. Morgan Domestic High Yield Index is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market. One cannot invest directly in an index. A Standard & Poor's Rating of B means an obligor is more vulnerable the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. A Standard and Poor's Rating of BB means an obligor is less vulnerable in the near term than other lower-rated obligors. A Standard and Poor's Rating of CCC means an obligor is currently vulnerable, and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments. The highest rating is AAA and the lowest rating is D. A Standard & Poor's Rating of BBB– or higher represents investment grade securities. In limited situations when the rating agency has not issued a formal rating, the Advisor will classify the security as nonrated. 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. 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 J.P. Morgan Leveraged Loan Index is designed to mirror the investable universe of U.S. dollar institutional leveraged loans, including U.S. and international borrowers.

*Top Ten Holdings for the quarter are not disclosed until 60 days after quarter end. Those listed are as of 3/31/2026. 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.