June 30, 2026

BUFFALO SMALL CAP GROWTH FUND

QUARTERLY COMMENTARY

PERFORMANCE COMMENTARY

The Buffalo Small Cap Growth Fund posted a return of 26.14% for the quarter compared to the Russell 2000® Growth Index return of 25.71%. The index's return was the 2nd best on record for a second quarter dating back over 50 years, trailing only the second quarter of 2020 during the Covid era.

Returns were strong across sectors but were led by artificial intelligence (AI) related themes across multiple industries that continued to benefit from robust demand due to consistent increases in capital expenditures related to the AI datacenter buildout. The Information Technology sector posted its strongest second quarter in history with a return of 45%. The Healthcare sector also posted strong returns, advancing 26%, benefitting from a much better funding environment for companies in the biotech industry, specifically, and improved investor sentiment for the Healthcare sector overall.

The fund's outperformance was primarily due to superior stock selection in the Information Technology and Industrials sectors with average returns of 51% and 25%, respectively, compared to the index returns in these sectors of 45% and 19%, respectively. The largest drag was in Financials where fund holdings struggled to keep pace with market returns.

PERFORMANCE (%) AS OF 6/30/2026

Average Annual Returns	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Inception
Investor Class - BUFSX	**23.45**	**7.32**	**-3.12**	**11.79**	**9.96**	**10.97**
Institutional Class - BUISX[1]	**23.62**	**7.42**	**-3.02**	**11.93**	**10.11**	**11.12**
Lipper Small Cap Growth Fund Index	31.64	16.26	5.37	12.86	11.07	8.13
Russell 2000® Growth Index	38.74	18.44	5.57	11.97	10.81	7.31

[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.

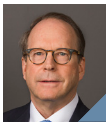
▲ TOP CONTRIBUTORS

The largest contributor to the fund's performance in the quarter was **Silicon Motion Technology Corporation (SIMO)**, a fabless semiconductor company specializing in NAND flash storage controllers and turnkey embedded storage solutions. The stock rose 197% during the period as the company benefitted as module makers increasingly outsource a larger portion of their flash business to merchant controller providers. In addition, the ongoing build out of AI infrastructure is driving robust demand for enterprise SSDs, supporting growth in **Silicon Motion's** PCIe Gen5 MonTitan enterprise controller platform and its Ferri boot drive solution businesses that serve datacenter and AI workloads. Silicon Motion reported a strong first quarter, delivering record revenue of $342 million, up 23% sequentially and 105% year over year, with particularly rapid growth in embedded eMMC/UFS and Ferri boot drive solutions.

FUND FACTS

	Inv.	*Inst.*
Ticker	BUFSX	BUISX
Inception Date	4/14/98	7/1/19
Expense Ratio	0.89%	0.87%
Fund Assets		$466.52M
Morningstar Category		Small Cap Growth
Benchmark Index		Russell 2000® Growth Index

FUND MANAGEMENT



Bob Male, CFA

Manager since Inception
M.B.A. – Southern Methodist
B.S. – University of Kansas

Craig Richard, CFA

Manager since 2023
M.B.A. – University of Kansas
B.S. – Kansas State University

TOP 10 HOLDINGS (%)*

Silicon Laboratories, Inc.	3.34
WisdomTree, Inc.	3.15
Ligand Pharmaceuticals, Inc.	3.10
JBT Marel Corp	2.48
MYR Group, Inc.	2.32
ESCO Technologies, Inc.	2.23
Option Care Health, Inc.	2.01
Palomar Holdings, Inc.	1.96
Advanced Drainage Systems, Inc.	1.94
Cactus, Inc.	1.93
Top 10 Holdings Total	**24.46**

TOP DETRACTORS

The largest detractor during the quarter was **Option Care Health (OPCH)**. Option Care provides home and alternate-site infusion services for complex acute and chronic conditions, operating a national network of over 190 facilities that serve more than 315,000 patients annually. The stock declined due to ongoing issues related to a specialty drug, Stelara, as it was a significant contributor over time to their business and the move to a generic/biosimilar has created transition issues. Additionally, a more challenged competitive backdrop was cited by management. We have since exited the position.

OUTLOOK

The outsized impact of the momentous capital expenditure buildout related to AI datacenters we are experiencing is unprecedented as it approaches $1 trillion in annual spend. The robust demand has enabled companies spanning power generation, construction, semiconductors, and networking to raise prices and generate record margins. While the debate on the durability of the buildout continues, the fund remains disciplined in its exposure to this once-in-a-century buildout through weightings spread across various picks and shovels plays and with a continued eye towards valuation sensitivity.

Outside of AI themes, the US economy remained resilient. The market has continued to look through geopolitical issues including the US conflict with Iran and we expect that to continue as heightened war actively is routinely followed by a cool down period. Money supply growth continues to climb to record levels and is showing annual growth of close to 6% which is the highest growth rate for this metric since the Covid pandemic period. The result is stubborn inflation and new leadership at the Federal Reserve with limited transparency on future intentions. While small cap returns have historically been positively correlated with rate cuts over time, we view the current funding and rate environment as neutral.

We continue to focus on identifying high-quality companies that demonstrate consistent free cash flow generation, scalable business models, and durable competitive advantages. We believe these businesses are best positioned to navigate macroeconomic headwinds and deliver sustainable long-term returns, creating opportunities for the Fund to perform across full market cycles.

At quarter-end, the fund held 81 positions. Thank you for your continued trust and partnership.

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:

Christopher J. Crawford
913.647.2321
ccrawford@buffalofunds.com

Scott Johnson
913.754.1537
sjohnson@buffalofunds.com

Reed Roberts
443.652.4215
rroberts@buffalofunds.com

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 Nasdaq Composite Index is a market capitalization-weighted index of more than 3,700 stocks listed on the Nasdaq stock exchange. 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® Value Index is based on the Russell 3000® Index, of companies with lower price-to-book ratios and lower expected growth rates which measures how U.S. stocks in the equity value segment perform. 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 1000® Index is a subset of the Russell 3000® Index and measures the performance of the 1,000 largest publicly-held companies incorporated in the U.S. based on market capitalization. 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 Midcap® Index measures performance of the 800 smallest companies in the Russell 1000® Index. The Russell 2000® Growth Index is an unmanaged index that measures the performance of those Russell 2000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is an unmanaged index that measures the performance of those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Lipper Small Cap Growth Fund Index is an unmanaged, equally weighted performance index of the 30 largest qualifying mutual funds (based on net assets) in the Lipper Small-Cap classification. One cannot invest directly in an index. A basis point (bps) is one hundredth of a percentage point (0.01%). A drawdown is a peak-to-trough decline during a specific period for an investment, trading account, or fund. 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 Microcap® Index measures the performance of the microcap segment of the U.S. equity market. 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 Magnificent Seven is a term used to describe the technology-oriented, highly influential companies of Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla. A yield curve is a line that plots the yields, or interest rates, of bonds that have equal credit quality but different maturity dates. 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. Revenue growth is the percentage change in a company's total revenue from one period to the next. M2 measures the U.S. money supply and all estimates of cash that everyone has in hand or short-term bank deposits.

*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.