September 30, 2026

BUFFALO GROWTH FUND

QUARTERLY COMMENTARY

PERFORMANCE COMMENTARY

The Buffalo Growth Fund advanced 4.57% for the 3rd quarter, substantially outperforming the Russell 3000® Growth Index gain of 0.45%. Outperformance was broadly distributed across the portfolio, but stock selection and positioning within Information Technology was the leading contributor. As we noted last quarter, the hyperscaler stocks were punished in the first half of 2026 for the amount of capex they were spending. Our belief coming into the back half of the year was that those same companies would become beneficiaries of that capex via Cloud revenue reacceleration. This is exactly what transpired as Microsoft, Google and Amazon collectively grew their Cloud business segments by 48% in the second quarter, a significant increase from 39% reported in the first quarter. We have continued to carry a large overweight position in Microsoft given their exposure to OpenAI and the belief that the relationship will result in pointed growth within Azure. Microsoft was a large contributor to the fund's outperformance this quarter and we believe the story is still early as more compute comes online and monetization potential follows.

Outside of AI, the market dealt with a cloudy macro backdrop. A resurgence in oil prices and persistent inflation drove the Federal Reserve to raise interest rates in September for the first time since July of 2023. We previously believed that the bar for a rate hike was very high, but that proved not to be the case, and the futures market has already begun to predict another three rate hikes between now and the end of 2027. Time will tell what the Fed actually ends up doing, and we believe anything less than three increases would be viewed bullishly by the market.

PERFORMANCE (%) AS OF 9/30/2026

Average Annual Returns	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Inception
Investor Class - BUFGX	**4.84**	**18.36**	**9.19**	**13.71**	**14.20**	**10.93**
Institutional Class - BIIGX[1]	**4.96**	**18.50**	**9.31**	**13.87**	**14.36**	**11.09**
Russell 3000® Growth Index	7.58	23.84	13.11	17.62	17.26	11.19

[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

Snowflake was a top contributor to fund results during the period as an outsized position in the cloud infrastructure software provider helped drive considerable outperformance following a standout quarterly earnings report. Early this year Snowflake introduced Coretex Code (CoCo) which is their AI coding agent, enabling knowledge workers to write code driving data retrieval. CoCo helped the business reaccelerate top-line growth to 35% in the second quarter, up from 25% a year ago. We see revenue growth continuing to accelerate to 40%+ as enterprise further adopts AI and works to connect data from across various platforms to unlock insights.

FUND FACTS

	Inv.	*Inst.*
Ticker	BUFGX	BIIGX
Inception Date	5/19/95	7/1/19
Expense Ratio	0.90%	0.77%
Fund Assets	$174.26M	
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	12.12
Alphabet, Inc.	11.29
Apple, Inc.	8.33
Amazon.com, Inc.	6.13
Microsoft Corporation	6.09
Broadcom, Inc.	5.07
Meta Platforms, Inc.	4.10
Visa, Inc.	2.95
Eli Lilly & Co.	2.30
Micron Technology, Inc.	2.15
Top 10 Holdings Total	**60.53**

▲ TOP CONTRIBUTORS (CONTINUED)

The Life sciences picks and shovels provider **Thermo Fisher Scientific** had a standout quarter gaining 27% and was among the top contributors to fund performance. The life science tool space has been in flux since COVID, but we believe it has finally turned a corner with some stabilization in both China and their Academic/Gov't end markets. Pharmaceutical and Biotech spending has begun to pick up as biotech funding has broadly improved as the much-anticipated pharmaceutical patent cliff looms. We trimmed the investment position following the strong run, but plan to continue to hold the balance as we see the setup improving from here.

▼ TOP DETRACTORS

Broadcom was a top detractor from fund results during the period. The custom ASIC chip design house had a lackluster quarter on concerns that they are losing share of the coveted Google TPU to Mediatek. Broadcom's CEO Hock Tan walked investors through a line of sight to $30 of earnings per share (EPS) in Fiscal '28, but investors were uninspired. We believe that $30 EPS target represents the minimum commitment from customers representing a base case. We think there is an opportunity for EPS to be as high as $40 in FY28 (well above current consensus expectations). Even a very conservative valuation multiple on $40 of earnings should result in share price appreciation with a downside that is well understood. We like investing in good management teams with favorable risk/reward profiles and Broadcom is just that in our view following the recent share price pullback.

In the previous quarter we determined the portfolio was lacking exposure to the memory space and initiated small positions in both **Micron** and **Sandisk.** Unfortunately, the timing on Sandisk was poor as the stock advanced rapidly through the end of June and then experienced the bottom drop out with nasty momentum unwind in July. We decided to take losses on Sandisk and move on from a space that has historically been incredibly cyclical. Typically, cyclical businesses like this aren't where we focus our time and this experience reminded us of that. We continue to own Micron where HBM is far less commoditized and the market is controlled by just three firms.

OUTLOOK

We have become a bit more cautious over the last couple of weeks and have reduced some position sizes within the portfolio. The rise in interest rates is a concern in a world that is no longer one of "capital light" business models, but now becoming one of increasing capital consumption. Higher interest rates make debt and equity more costly for businesses with increased capital intensity. When the cost of capital increases the largest beneficiaries are typically those that generate the most cash from their existing business lines. Once again, we believe this has positive longer-term implications for the hyperscalers.

Our hope is that the macro headwinds will dissipate following the mid-term elections opening the door for the much-anticipated Anthropic IPO. A successful launch for Anthropic will provide a large cash infusion, but more importantly it will provide the public markets with full transparency of financials. This should allow investors to get more comfortable with large capex projections beyond 2027. We admit that it feels a bit later cycle here and that finding attractive ideas is getting tougher but also appreciate that these cycles can last much longer than most anticipate.

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 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. 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. It is not possible to invest directly in an index.

A basis point is one hundredth of a percentage point (0.01%). Earnings per share (EPS) is a financial metric that shows how much net profit a public company makes for each outstanding share of its common stock.

*Top Ten Holdings for the quarter are not disclosed until 60 days after quarter end. Those listed are as of 6/30/2026. 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.