

Science & Technology Fund

Quarterly Commentary as of 3/31/12



Average Annualized Performance (as of 3/31/12) Expense Ratio: 1.03%	1 year	3 years	5 years	10 years	Since Inception (4/16/01)
Buffalo Science & Tech Fund	11.50%	29.41%	8.10%	7.58%	7.07%
Russell 3000 Growth Index	10.14%	25.50%	5.02%	4.42%	3.65%
Lipper Science & Technology Funds Index	6.89%	26.51%	6.34%	4.43%	2.26%

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 and quarter end may be obtained by visiting the Funds' website at www.buffalofunds.com. The Fund charges a 2% redemption fee on redemptions or exchanges of fund shares that are made within 60 days of purchase. Performance data does not reflect redemption fee. Had the fee been included, returns would be lower.

When we last reported to you at the end of 2011, concerns over the health of the European Union, our weakened domestic fiscal position, and faster than expected slowdown in emerging countries including China led to tempered expectations for growth in 2012. However, a series of stronger economic reports led by declining claims for unemployment to levels consistent with employment growth, stronger consumer spending, and improvement in housing indicators led to a positive reassessment and helped support the rally in equities. Within Science & Technology, the improving economic news and outlook, combined with positive earnings reports for Q4 and upbeat forecasts for 2012, led to robust quarterly returns. Exiting 2011, the outlook was more ominous on the heels of an earnings disappointment from Oracle. The news from Oracle proved to be a company-specific event as opposed to a bellwether of weakness for the sector, as earnings for Q4 and guidance for 2012 generally outpaced consensus expectations.

Looking ahead, there are several substantial issues that remain unresolved and will likely take many quarters, if not years, to sort out while posing a risk to economic growth. The most prominent of these risks is the need to tighten fiscal budgets to reduce government indebtedness both domestically and in Europe, while avoiding a recession that would undermine improvements made in employment, consumer indebtedness, and housing during the recovery. We do not aim to prognosticate the outcome of these issues. We believe the attention dedicated to these problems and its impact on the equity markets cycles between extreme pessimism and extreme optimism. The cycle between these two states of market opinion provides us with excellent opportunities to potentially profit from the overreactions in the marketplace.

For the quarter, the Buffalo Science & Technology Fund returned 19.83% compared to our benchmark Russell 3000 Growth Index return of 14.58%, an outperformance of 5.25%. Please note that our benchmark, the NYSE Arca Tech 100 Index, was unavailable to us for comparative data during the quarter. In its place we have used the Russell 3000 Growth Index whose constituents exhibit broader market representation than the former. However, we believe the Russell 3000 Growth Index to be a better measure since its diversified composition is more consistent with our broader definition of technology as the application of knowledge to solve problems, increase productivity and improve quality of life. Long-term investors in the Buffalo Science & Technology Fund are well aware that this broader definition of technology has always been apparent in our investments in innovative companies within the Consumer, Financial, Healthcare, Industrial, and Technology sectors.

Our outperformance of the Russell 3000 Growth Index by 5.25% was led by strong stock selection in the Healthcare sector. There were three notable standouts within the Health Care Sector. First, Amylin Pharmaceuticals benefited from FDA approval of Bydureon, a drug treatment for diabetes, and was also rumored to be the target of a takeover by Bristol Myers. The stock price more than doubled during the quarter. Second, Illumina was targeted for a hostile takeover by Roche, leading its shares higher as well. While we do not claim an expertise in predicting takeovers, Illumina demonstrates an important component of our investment philosophy. After an earnings miss during the second half of 2011 led Illumina shares lower without shaking our conviction in its long-term prospects, we purchased more shares at

attractive prices and were rewarded when Roche stepped in with an offer to buy the company. Third, AthenaHealth shares marched higher during the quarter driven by strong earnings results coming off of disappointing guidance in December where we took the 20%-plus sell-off as an opportunity to add more shares.

Our outperformance was also helped by our overweight position in the Information Technology sector relative to our benchmark. The two largest contributors to our performance in the Information Technology sector were Apple Computer and Equinix. Apple Computer was up nearly 50% during the quarter on optimism over new product cycles for the iPhone and iPad along with rumors of a TV set launch later in the year that were viewed positively. Although Apple was the second best contributor to our performance, it was a detractor from our relative performance versus the benchmark since the Russell 3000 Growth Index holds roughly a 6% position, nearly 280 basis points greater than the Fund. We find a 6% position in one company difficult to justify from a diversification and risk control perspective. Our relative underweight in Apple detracted about 80 basis points from attribution in the quarter. Recall that we don't manage to benchmark constituents or weights, our stock selection and asset allocation is driven by price to growth attractiveness of companies we consider premier companies whose rapid and sustained growth prospects are propelled by innovation. Equinix was also a top performer in the quarter. Its ascent was driven by rising earnings and strong growth in data center spending along with the announcement that the company is considering transitioning to a REIT, which could possibly result in a more favorable tax status and regular cash dividends to shareholders.

Our largest detractors from performance were two Consumer Technology companies, Electronic Arts and Ancestry.com, in addition to Baker Hughes, an Industrial Technology company. Electronic Arts stock lost ground after a strong 2011 when Star Wars, a new game title, failed to gain new subscribers as quickly as expected, along with the departure of several executives to competitors. Ancestry.com stock faced challenges on guidance for lower subscriber growth and fears that subscriber growth could fall below reduced numbers. We will continue to monitor these issues for both companies and have identified the pullback as a buying opportunity for Ancestry.com shares. For Baker Hughes, the negative performance was driven by a mix shift in business that created margin pressure in Q4 and led to an earnings disappointment. We believe the margin pressure will be temporary in nature and still have conviction in the long-term prospects of the company.

We ended the quarter with 57 positions, up from 53 the prior quarter. Six new positions were added and two positions were closed. The changes made during the quarter helped upgrade the growth profile of the portfolio by dedicating new dollars to positions where we believe in the long-term prospects and exiting two positions where we believe future growth is more limited and/or largely discounted in current prices.

Our outlook for the balance of the year is upbeat. We believe a continued improvement in unemployment claims will be an important factor to monitor as employment growth usually results in higher consumer spending and would provide an offset to the fiscal tightening expected to occur after the November elections. Regardless of the economic environment, we continue to work diligently to identify these companies and stand ready to invest when the price yields us an opportunity where the potential returns are skewed in our favor. We have faith that new technological innovations and discovery will continue to yield attractive growth opportunities for the companies we own

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The Statutory Prospectus contain this and other important information about the investment company, and it must be obtained by calling 1-800-49-BUFFALO or visiting www.buffalofunds.com. Read it carefully before investing.

As of 12/31/11 the Buffalo Science & Technology Fund's top ten equity holdings were: Amylin Pharmaceuticals Inc. 4.08%, Apple Inc. 3.91%, Align Technology Inc. 3.52%, Cisco Systems Inc. Com. 2.88%, Juniper Networks 2.65%, Forest Labs 2.64%, Gilead Sciences Inc. 2.60%, NetApp Inc. 2.57, Monsanto Co. 2.56%, Qualcomm Inc. 2.51%.

Top 10 holdings for the quarter are not disclosed until 60 days after quarter end. Those listed are for the previous quarter.

The opinions expressed are those of the Portfolio Manager(s) 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 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Lipper Science & Technology Funds Index is an unmanaged index considered representative of science & technology funds tracked by Lipper, which would combine the 30 biggest funds, based on asset size, that belong to this asset category. The NYSE Arca Tech 100 Index is a price-weighted index composed of common stocks and ADRs of technology-related companies listed on US stock exchanges. The NYSE Arca Tech 100 is heavily weighted in information technology and healthcare, with minor weightings in consumer discretionary and telecommunication services, and trivial weightings in energy, financials and industrials. The Lipper Science & Technology Funds Index is an unmanaged index considered representative of science & technology funds tracked by Lipper, which would combine the 30 biggest funds, based on asset size, that belong to this asset category. You can not invest directly in an index. A basis point (BPS) is one hundredth of a percentage point (0.01%). **The Fund is non-diversified, meaning it concentrates its investments in businesses of science and technology related industries which can cause the Fund to experience significant volatility. Diversification does not assure a profit, nor protect against a loss in a declining market.**

The Buffalo Funds are distributed by Quasar Distributors, LLC.