Q&A

HENNESSY FUNDS

HENNESSY BALANCED FUND
(HBFBX)
HENNESSY TOTAL RETURN FUND
(HDOGX)

[Comments and Opinions]

Brian Peery
Portfolio Manager

» Over 23 years of investment industry experience

"We believe the Funds are appropriate for investors seeking both an income and a growth component for their diversified portfolio."

ABOUT HENNESSY FUNDS

- Respected asset management firm headquartered near San Francisco, CA
- Broad range of domestic equity, sector and specialty, balanced and fixed income products
- Consistent, repeatable, investment process
- Tenured, professional portfolio management team

FOR MORE INFORMATION

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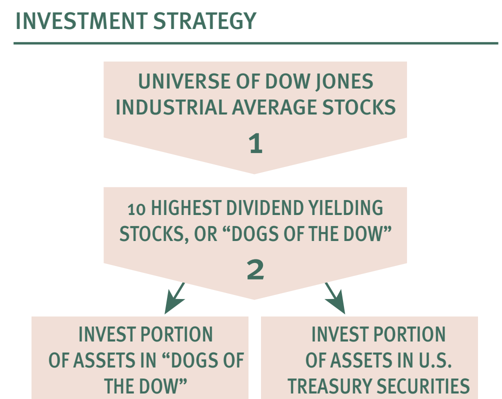
Portfolio Manager Brian Peery recently discussed the Hennessy Balanced Fund (HBFBX) and Total Return Fund (HDOGX) and the potential power of dividend-paying companies.

1. The Funds invest in dividend-paying stocks and short-term Treasuries. Would you please discuss your investment strategy?

For the Hennessy Balanced Fund and the Hennessy Total Return Fund, every year we identify the 10 highest dividend-yielding stocks among the 30 that comprise the Dow Jones Industrial Average (DJIA) Index. These 10 highest dividend yielding stocks are known as the "Dogs of the Dow." For the equity portion of each portfolio, we take a position in each of these 10 companies, allocating 50% of the Balanced Fund and 75% of the Total Return Fund to the stocks. On an annual basis, we rebalance the portfolios to include the most current "Dogs of the Dow."



The remainder of the assets in both Funds are invested in U.S. Treasury securities that have maturities of less than one year. The inclusion of short-term Treasuries has historically added an income component and moderated the volatility of each Fund.

2. What's the history of the "Dogs of the Dow" concept and how has it worked for investors?

The "Dogs of the Dow" was presented by Michael O'Higgins, an investment manager, in his 1991 book, *Beating the Dow*. His research suggested that by selecting the 10 highest dividend yielding DJIA stocks, he believed, that an investor could potentially outperform the overall market, as measured by the DJIA.

3. With corporate balance sheets flush with cash, dividend payments have been rising. How does the dividend yield of the "Dogs of the Dow" compare to that of the S&P 500?

Many companies have been experiencing record levels of cash and have begun returning that cash to shareholders in the form of increased dividend payouts. This has been a welcome change for investors, as many seek dividend payers as a source of potentially higher income in today's low interest rate environment.

The "Dogs of the Dow" stocks have historically had higher dividend yields than the overall market. In fact, over the last ten years*, the dividend yield of the Dogs of the Dow has averaged 3.6% versus 2.7% for the Dow Jones Industrial Average and 2.2% for S&P 500 Index, which represents an average yield on the "Dogs of the Dow" of more than 50% higher than the Dow Jones Industrial Average and over double the S&P 500.

Dividend Yield *(as of 3/31/17)*	
Dogs of the Dow	3.6%
DJIA	2.4%
S&P 500	2.0%

*Yield calculated on 12/31 each year from 2006 through 2016.

(Q&A continued on next page)

4. **How might an investor incorporate the Balanced and Total Return Funds in their portfolio?**

We believe these Funds are appropriate for investors seeking both an income and a growth component for their diversified portfolio. The Funds offer a simple, no-nonsense approach to conservative investing without the concern of reallocating every year. Both the Balanced and the Total Return Funds offer exposure to the larger market by investing in dividend-paying stocks that have the potential to provide meaningful income, combined with short-term securities that aim to dampen volatility.

THE HENNESSY FAMILY OF FUNDS

DOMESTIC EQUITY	SECTOR & SPECIALTY	MULTI-ASSET
Hennessy Cornerstone Growth Fund (Q)	Hennessy Gas Utility Fund (P)	**Hennessy Total Return Fund (Q)**
Hennessy Focus Fund (A)	Hennessy Small Cap Financial Fund (A)	Hennessy Equity and Income Fund (A)
Hennessy Cornerstone Mid Cap 30 Fund (Q)	Hennessy Large Cap Financial Fund (A)	**Hennessy Balanced Fund (Q)**
Hennessy Cornerstone Large Growth Fund (Q)	Hennessy Technology Fund (A)	
Hennessy Cornerstone Value Fund (Q)	Hennessy Japan Fund (A)	
	Hennessy Japan Small Cap Fund (A)	

Q: Quantitative *A: Active* *P: Passive*

Important Disclosures

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. This and other important information can be found in the Funds' statutory and summary prospectuses. To obtain a free prospectus, which can be obtained by calling 800-890-7118 or visiting hennessyfunds.com. Please read the prospectus carefully before investing.

Diversification does not assure a profit or protect against loss in a declining market. The opinions expressed are subject to change and are not recommendations to buy or sell any security.

Mutual fund investing involves risk. Principal loss is possible. The Funds are non-diversified, meaning they may concentrate their assets in fewer individual holdings than a diversified fund, making it more exposed to individual stock volatility than a diversified fund. The formula-based strategy may cause the Funds to buy or sell securities at times when it may not be advantageous.

The Dow Jones Industrial Average and the S&P 500 Index are unmanaged indices commonly used to measure the performance of U.S. stocks. One cannot invest directly in an index.

The Hennessy Funds are distributed by Quasar Distributors, LLC. 04/17