



## Hennessy Focus Fund

As of June 30, 2016 | Investor Class: **HFCSX** | Institutional Class: **HFCIX**

### HIGHLIGHTS AS OF 6/30/16

- HFCSX is one of only eleven funds in the Morningstar Mid-Cap Growth Category to achieve top decile performance for the past 5 and 10 year periods.
- The Fund has outperformed the Russell 3000 and the Russell Midcap Growth Indices over the past 5 and 10 years.

### PORTFOLIO MANAGEMENT TEAM

Broad Run Investment Management, LLC  
Sub-Advisor



**David Rainey, CFA**  
Co-Portfolio Manager



**Brian Macauley, CFA**  
Co-Portfolio Manager



**Ira Rothberg, CFA**  
Co-Portfolio Manager

### MORNINGSTAR RATING



Among 650 Mid-Cap Growth Funds

The Overall Morningstar Rating is based on risk adjusted returns, derived from a weighted average of the 3, 5, and 10 year (if applicable) Morningstar metrics. HFCSX received 4 stars for the three year period and 5 stars for the five and ten year periods ended 6/30/16 among 650, 573 and 429 Mid-Cap Growth Funds, respectively. Ratings for other share classes may differ.

### CONTACT US

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**Shareholder Services**  
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fundsinfo@hennessyfund.com

**HENNESSYFUNDS.COM**

*Investing, Uncompromised*

### INVESTMENT STRATEGY

The Fund employs a fundamental, bottom-up approach to develop a “best ideas” portfolio of 20-30 stocks, conviction-weighted with 60-80% of assets in the top 10 holdings. The Portfolio Managers seek high quality, growth-oriented companies that demonstrate a strong competitive position, predictable earnings growth, high return on invested capital, excellent management and modest valuation, and they buy a stock with the expectation of owning it for at least five years.

### PERFORMANCE AS OF 6/30/16

	Average Annual Total Return						Since Inception (1/03/97)
	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	
<b>Hennessy Focus Fund</b>							
Investor Class - HFCSX	-0.54%	1.43%	-0.57%	10.41%	13.09%	9.45%	13.13%
Institutional Class - HFCIX <sup>1</sup>	-0.45%	1.62%	-0.18%	10.79%	13.45%	9.74%	13.28%
Russell 3000 Index	2.63%	3.62%	2.14%	11.13%	11.60%	7.40%	7.57%
Russell Midcap Growth Index	1.56%	2.15%	-2.14%	10.52%	9.98%	8.12%	8.17%
Morningstar % Rank in Category (Investor)*	—	—	14%	25%	2%	9%	—
# of funds in Mid-Cap Growth Category	—	—	724	650	573	429	—

Gross Expense Ratio: 1.47% (Investor Class) | 1.12% (Institutional Class)

<sup>1</sup>Represents the performance of the Institutional Class shares after May 30, 2008 (inception of the share class) and Investor Class for periods prior to that date.

\*Based on total returns.

### CALENDAR YEAR TOTAL RETURNS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
HFCSX	28.49%	2.30%	-33.85%	34.80%	24.55%	3.63%	16.64%	35.33%	10.20%	2.88%
Russell 3000 Index	15.72%	5.14%	-37.31%	28.34%	16.93%	1.03%	16.52%	33.55%	12.56%	0.48%
Russell Midcap Growth	10.66%	11.43%	-44.32%	46.29%	26.38%	-1.65%	15.81%	35.74%	11.90%	-0.20%

### HYPOTHETICAL GROWTH OF \$10,000 (INVESTOR CLASS, SINCE INCEPTION - 6/30/16)



This chart illustrates the performance of a hypothetical \$10,000 investment made in the Fund on the Inception Date. Assumes reinvestment of dividends and capital gains. This Chart does not imply future performance.

Performance for periods prior to 10/26/12 is that of the FBR Focus Fund. The predecessor Focus Fund had the same investment objective and same investment strategy as the Fund. **Performance data quoted represents past performance; past performance does not guarantee 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 cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting [hennessyfund.com](http://hennessyfund.com).**

Investments are not FDIC insured, are not bank guaranteed, and may lose value.

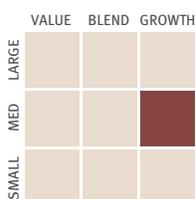
**FUND FACTS**

<b>Ticker/CUSIP</b>	
Investor Class	HFCSX/425 88P 700
Institutional Class	HFCIX/425 88P 809
<b>Total Fund Assets</b>	\$2.4 billion
<b>Number of Holdings</b>	22
<b>Annual Total Expense Ratio</b>	
Investor Class	1.47%
Institutional Class	1.12%
<b>Inception Dates</b>	
Investor Class	1/03/97
Institutional Class	5/30/08
<b>Dividends Paid</b>	Annually

**PORTFOLIO CHARACTERISTICS**

<b>Portfolio Turnover</b>	4%
<b>Median Price/Earnings</b>	20.12x
<b>Median Price/Book</b>	3.23x
<b>Median Market Cap</b>	\$10.1 billion

**MORNINGSTAR STYLE BOX**



**ABOUT HENNESSY**

Hennessy Funds has a longstanding track record of proven performance and offers a broad range of mutual funds, with strategies that can play a role in nearly every investor's portfolio allocation.

Each of the Hennessy Funds employs a consistent and repeatable investment process, combining time-tested stock selection strategies with a highly disciplined, team-managed approach. Our goal is to provide products that investors can have confidence in, knowing their money is invested as promised, with their best interest in mind.

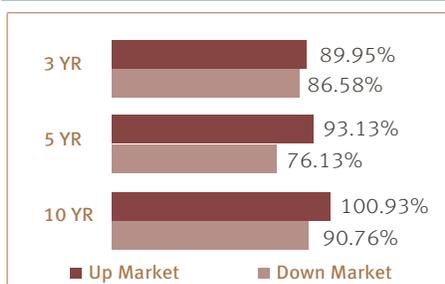


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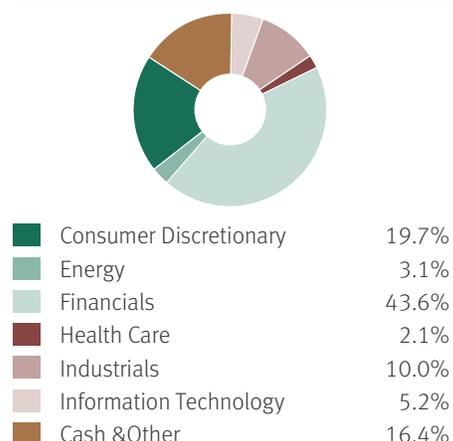
**TOP TEN EQUITY HOLDINGS**

American Tower Corp.	10.3%
O'Reilly Automotive, Inc.	9.6%
Markel Corp.	8.6%
Brookfield Asset Management, Inc.	6.3%
CarMax, Inc.	6.1%
AON Corp.	5.4%
Hexcel Corp.	4.5%
Gaming and Leisure Properties	4.5%
The Charles Schwab Corp.	4.3%
American Woodmark Corp.	3.4%
<b>Total as % of Net Assets</b>	<b>63.0%</b>

**CAPTURE RATIOS RELATIVE TO RUSSELL 3000 INDEX (INVESTOR CLASS)**



**SECTOR WEIGHTING**



**RISK METRICS (INVESTOR CLASS)**

	3 YR	5 YR	10 YR
<b>Standard Deviation</b>			
Focus Fund	12.35	13.22	17.16
Russell 3000 Index	11.47	12.56	15.76
<b>Risk Statistics (relative to Russell 3000 Index)</b>			
Beta	1.00	0.96	0.96
Alpha	-0.54	1.83	2.37

**Investors should consider the investment objectives, risks, charges and expenses carefully before investing. This and other important information can be found in the Fund's statutory and summary prospectuses. To obtain a free prospectus, please call 800-966-4354 or visit [hennessyfund.com](http://hennessyfund.com). Please read the prospectus carefully before investing.**

**Mutual fund investing involves risk; Principal loss is possible. A non-diversified fund, one that may concentrate its assets in fewer holdings than a diversified fund, is more exposed to individual stock volatility than a diversified fund. The Fund invests in small and medium capitalized companies, which involves additional risks such as limited liquidity and greater volatility. Investments in foreign securities involve greater volatility and political, economic and currency risk and differences in accounting methods.**

Each Morningstar category average represents a universe of funds with similar objectives. The Russell 3000 Index is an unmanaged index commonly used to measure the performance of U.S. stocks. The Russell Midcap Growth Index is an unmanaged index commonly used to measure the performance of U.S. medium-capitalization growth stocks. One cannot invest directly in an index. Fund holdings and sector weightings are subject to change and should not be considered a recommendation to buy or sell any security.

Morningstar Proprietary Ratings reflect risk-adjusted performance as of 6/30/16. For each fund with at least a three year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar risk-adjusted return measure that accounts for variation in a fund's monthly performance placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in distribution percentage. ©Morningstar, Inc. All Rights Reserved. Morningstar Percentile Ranking compares a fund's Morningstar risk and return scores with all the funds in the same Category, where 1% = Best and 100% = Worst. The Morningstar Style Box reveals the Fund's investment style as of 6/30/16. The vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth).

Price/Earnings Ratio is the market price per share divided by earnings per share. Price/Book Ratio is the market price per share divided by book value. Standard deviation is a statistical measure of the historical volatility of a mutual fund or portfolio. Beta measures the volatility of the fund, as compared to that of the overall market. The Market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. Alpha is an annualized return measure of how much better or worse a fund's performance is relative to an index of funds in the same category, after allowing for differences in risk. Market Capture Ratio is a statistical measure of the Fund's overall performance in up-markets (positive return periods) and down-markets (negative return periods). The market capture ratios are used to evaluate how well an investment performed relative to an index during periods when that index has risen or fallen.

The Hennessy Funds are distributed by Quasar Distributors, LLC.