



## Hennessy Japan Small Cap Fund

As of September 30, 2017 | Investor Class: **HJPSX** | Institutional Class: **HJSIX**

### INVESTMENT STRATEGY

- Screen for small-cap companies with strong businesses and management, trading at an attractive price
- In-depth, rigorous analysis and on-site research
- Identify stocks with “value gap”
- Limit portfolio to managers’ best ideas

### PORTFOLIO MANAGEMENT TEAM

**SPARX Asset Management Co., Ltd**  
Sub-Advisor, located in Tokyo, Japan



**Tadahiro Fujimura**, CFA and Chartered Member of the Securities Analyst Association of Japan.



**Tetsuya Hirano** CMA and Chartered Member of the Securities Analyst Association of Japan.

### MORNINGSTAR RATING



#### Among 36 Japan Stock 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. HJPSX received 5 stars for the three, five and ten year periods ended 9/30/17 among 36, 25 and 13 Japan Stock Funds, respectively. Ratings for other share classes may differ.

### CONTACT US

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800-966-4354  
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**HENNESSYFUNDS.COM**

*Investing, Uncompromised*

### OBJECTIVE AND OVERVIEW

The Fund seeks long-term capital appreciation by investing in stocks of smaller Japanese companies, defined as those with market capitalizations in the bottom 15% of all Japanese companies.

### PERFORMANCE AS OF 9/30/17

	Average Annual Total Return						Since Inception (8/31/07)
	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	
<b>Hennessy Japan Fund</b>							
Investor Class - HJPSX	8.26%	33.98%	31.02%	15.97%	20.68%	10.88%	11.01%
Institutional Class - HJSIX <sup>1</sup>	8.30%	34.36%	31.31%	16.20%	20.81%	10.95%	11.07%
Russell/Nomura Small Cap Index	6.88%	23.94%	22.29%	14.12%	14.44%	6.86%	6.84%
Tokyo Price Index (TOPIX)	4.36%	16.33%	16.29%	9.32%	11.67%	2.63%	2.81%
Morningstar % Rank in Category (Investor)*	—	—	9%	1%	1%	1%	—
# of funds in Japan Stock Category	—	—	51	36	25	13	—

Gross Expense Ratio: 1.84% (Investor Class) | 1.51% (Institutional Class)

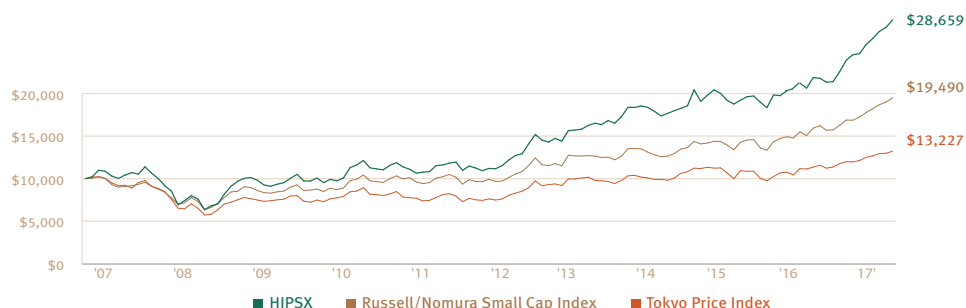
<sup>1</sup>Represents the performance of the Institutional Class shares after June 15, 2015 (inception of the share class) and Investor Class for periods prior to that date.

\*Based on total returns

### CALENDAR YEAR TOTAL RETURNS

	2008	2009	2010	2011	2012	2013	2014	2015	2016
HJPSX	-22.31%	13.88%	23.99%	-4.17%	12.76%	33.17%	8.75%	11.59%	8.52%
Russell/Nomura Small Cap Index	-16.28%	6.60%	17.73%	-2.34%	6.37%	25.28%	-0.50%	15.49%	7.74%
Tokyo Price Index (TOPIX)	-25.84%	5.23%	14.14%	-11.89%	8.10%	26.35%	-3.49%	10.79%	3.71%

### HYPOTHETICAL GROWTH OF \$10,000 (INVESTOR CLASS, SINCE INCEPTION - 9/30/17)



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, but does not reflect the effect of any applicable sales charge or redemption fees.

**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.

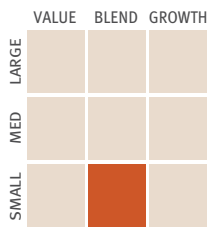
**FUND FACTS**

<b>Ticker/CUSIP</b>	
Investor Class	HJPSX/425 894 300
Institutional Class	HJSIX/425 88P 767
<b>Total Fund Assets</b>	\$84.8 million
<b>Number of Holdings</b>	63
<b>Annual Total Expense Ratio</b>	
Investor Class	1.84%
Institutional Class	1.51%
<b>Inception Dates</b>	
Investor Class	8/31/07
Institutional Class	6/15/15
<b>Dividends Paid</b>	Annually

**PORTFOLIO CHARACTERISTICS**

<b>Portfolio Turnover</b>	39%
<b>Median Price/Earnings</b>	17.31x
<b>Median Price/Book</b>	1.36x
<b>Median Market Cap</b>	\$543.7 million

**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.



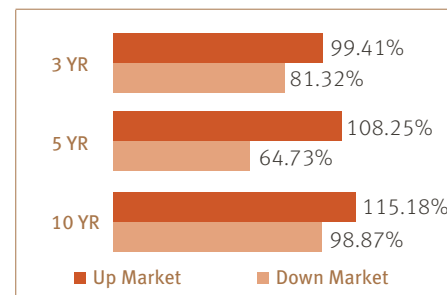
**HENNESSY FUNDS**

*Investing, Uncompromised*

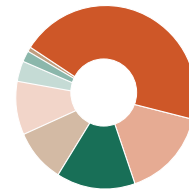
**TOP TEN EQUITY HOLDINGS**

Tonami Holdings Co., Ltd.	2.0%
Sanko Gosei, Ltd.	2.0%
Okamura Corp.	2.0%
Kito Corp.	2.0%
MEC Co., Ltd.	2.0%
Nippon Koei Co., Ltd.	2.0%
Nittoku Engineering Co., Ltd.	1.9%
Lintec Corp.	1.9%
Digital Garage, Inc.	1.9%
SBS Holdings, Inc.	1.9%
<b>Total as % of Net Assets</b>	<b>19.6%</b>

**CAPTURE RATIOS RELATIVE TO RUSSELL/NOMURA SMALL CAP INDEX (INVESTOR CLASS)**



**SECTOR WEIGHTING**



Consumer Discretionary	14.2%
Financials	2.1%
Health Care	3.6%
Industrials	44.8%
Information Technology	15.8%
Materials	9.5%
Real Estate	0.6%
Cash & Other	9.4%

**RISK METRICS (INVESTOR CLASS)**

	3 YR	5 YR	10 YR
<b>Standard Deviation</b>			
Japan Small Cap Fund	10.45	11.27	17.37
Russell/Nomura SC Index	10.61	11.84	14.77
<b>Risk Statistics (relative to Russell/Nomura Small Cap Index)</b>			
Beta	0.82	0.84	1.06
Alpha	4.01	7.53	3.71

*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. The Fund invests in small and medium capitalized companies, which may have more limited liquidity and greater price volatility than large capitalization companies. The Fund invests in the stock of companies operating in Japan; single country funds may be subject to a higher degree of risk. The Fund may experience higher fees due to investments in pooled investment vehicles (including ETFs).**

Each Morningstar category average represents a universe of funds with similar objectives. The Russell/Nomura Small Cap Index represents the universe of small capitalization companies in the Japanese equity markets. The Tokyo Stock Price Index (TOPIX) is a market capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange. The Russell/Nomura Small Cap Index and TOPIX indices are presented in U.S. Dollar terms. 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 9/30/17. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history, without adjustment for sales loads. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product 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. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. 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 9/30/17. The vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth). **Past performance is no guarantee of future results.**

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. 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.