



## INVESTMENT STRATEGY



The Fund is rebalanced once a year, generally in the Winter.

## PORTFOLIO MANAGEMENT TEAM



**Neil Hennessy**  
CIO and Portfolio Manager



**Brian Peery**  
Portfolio Manager



**Ryan Kelley, CFA**  
Portfolio Manager

## MORNINGSTAR RATING



Among 1,090 Large Value 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. HFLGX received 2 stars for the three year period and 3 stars for the five year period ended 12/31/17 among 1,090 and 965 Large Value Funds, respectively. Ratings for other share classes may differ.

## CONTACT US

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HENNESSYFUNDS.COM

*Investing, Uncompromised*

## Hennessy Cornerstone Large Growth Fund

As of December 31, 2017 | Investor Class: HFLGX | Institutional Class: HILGX

## OBJECTIVE AND OVERVIEW

The Fund seeks long-term growth of capital by investing in 50 larger, growth-oriented companies, screening for undervalued stocks with above-average growth potential.

## PERFORMANCE AS OF 12/31/17

	Average Annual Total Return					Since Inception (3/20/09)
	3 MO	YTD	1 YR	3 YR	5 YR	
<b>Cornerstone Large Growth Fund</b>						
Investor Class - HFLGX	8.25%	17.08%	17.08%	7.84%	14.28%	17.14%
Institutional Class - HILGX	8.37%	17.33%	17.33%	8.08%	14.51%	17.43%
Russell 1000 Index	6.59%	21.69%	21.69%	11.23%	15.71%	17.88%
S&P 500 Index	6.64%	21.83%	21.83%	11.41%	15.79%	17.71%
Morningstar % Rank in Category (Investor)*	—	—	38%	72%	31%	—
# of funds in Large Value Category	—	—	1,260	1,090	965	—

Gross Expense Ratio: 1.26% (Investor Class) | 1.02% (Institutional Class)

\*Based on total returns

## CALENDAR YEAR TOTAL RETURNS

	2010	2011	2012	2013	2014	2015	2016	2017
HFLGX	18.85%	2.59%	10.44%	33.79%	16.18%	-6.60%	14.69%	17.08%
Russell 1000 Index	16.10%	1.50%	16.42%	33.11%	13.24%	0.92%	12.05%	21.69%
S&P 500 Index	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%

## HYPOTHETICAL GROWTH OF \$10,000 (INVESTOR CLASS, SINCE INCEPTION - 12/31/17)



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. This Chart does not imply future performance.

**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).**

**FUND FACTS**

<b>Ticker/CUSIP</b>	
Investor Class	HFLGX/425 88P 205
Institutional Class	HILGX/425 88P 403
<b>Total Fund Assets</b>	\$164.4 million
<b>Number of Holdings</b>	101
<b>Annual Total Expense Ratio</b>	
Investor Class	1.26%
Institutional Class	1.02%
<b>Inception Dates</b>	
Investor Class	3/20/09
Institutional Class	3/20/09

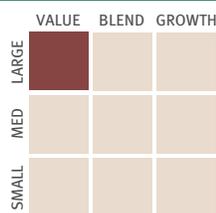
**PORTFOLIO CHARACTERISTICS**

<b>Portfolio Turnover</b>	62%
<b>Median Price/Earnings</b>	20.66x
<b>Median Price/Book</b>	4.84x
<b>Median Market Cap</b>	\$29.3 billion

**YIELD INFORMATION**

<b>30-Day SEC Yield</b>	
Investor Class	0.55%
Institutional Class	Subsidized 0.82%/Unsubsidized 0.82%
<b>Dividends Paid</b>	Annually

**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**

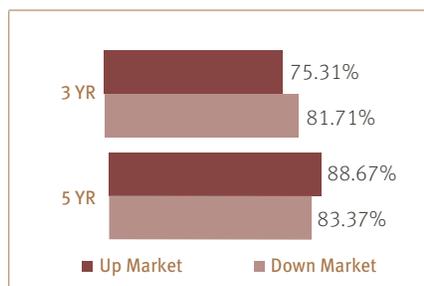
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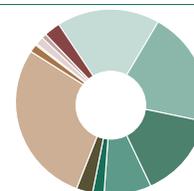
**TOP TEN EQUITY HOLDINGS**

Apple, Inc.	2.9%
Union Pacific Corp.	2.2%
AbbVie, Inc.	2.0%
Best Buy Co., Inc.	1.9%
T Rowe Price Group, Inc.	1.9%
VF Corp.	1.9%
Delta Air Lines, Inc.	1.8%
Gap, Inc.	1.8%
Deere & Co.	1.8%
Varian Medical Systems, Inc.	1.7%
<b>Total as % of Net Assets</b>	<b>19.9%</b>

**CAPTURE RATIOS RELATIVE TO RUSSELL 1000 INDEX (INVESTOR CLASS)**



**SECTOR WEIGHTING**



Consumer Discretionary	28.1%
Consumer Staples	2.9%
Energy	2.0%
Financials	8.0%
Health Care	14.7%
Industrials	20.1%
Information Technology	17.4%
Materials	2.8%
Real Estate	0.7%
Telecommunication Services	1.4%
Utilities	0.3%
Cash & Other	1.6%

**RISK METRICS (INVESTOR CLASS)**

	3 YR	5 YR
<b>Standard Deviation</b>		
Cornerstone Large Growth Fund	11.90	10.88
Russell 1000 Index	10.11	9.59
<b>Risk Statistics (relative to Russell 1000 Index)</b>		
Beta	0.97	0.98
Alpha	-2.64	-0.84

*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 may invest in medium capitalized companies, which may have more limited liquidity and greater price volatility than large capitalization companies. The Fund's formula-based strategy may cause the Fund to buy or sell securities at times when it may not be advantageous.**

Each Morningstar category average represents a universe of funds with similar objectives. The S&P 500 and Russell 1000 are unmanaged indices commonly used to measure the performance of U.S. stocks. The Russell 1000 measures large-cap 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 12/31/17. 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 12/31/17. 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/Cash Flow Ratio is a stock valuation measure calculated by dividing a firm's cash flow per share into the current stock price. 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. 30-Day SEC Yield is a standardized yield computed by dividing the net investment income per share earned during the past 30-day period by the share price at the end of the period, expressed as an annual percentage rate.

The Hennessy Funds are distributed by Quasar Distributors, LLC.