



Hennessy Gas Utility Fund

As of December 31, 2017 | Investor Class: **GASFX** Institutional Class: **HGASX**

INVESTMENT STRATEGY

- Owns all publicly traded companies that comprise the American Gas Association (AGA) Stock Index
- Market cap weighted, adjusted for the percentage of natural gas assets on each company's balance sheet
- No company greater than 5% of assets

PORTFOLIO MANAGEMENT TEAM



Ryan Kelley, CFA
Portfolio Manager



Brian Peery
Portfolio Manager

AWARDS AND RATINGS



2017 Best Utility Fund

For the risk-adjusted performance among 14 Utility Funds for the period ended 11/30/16.

MORNINGSTAR RATING



Among 58 Utilities 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. GASFX received 1 star for the three year period, 2 stars for the five year period and 5 stars for the 10 year period ended 12/31/17 among 58, 55 and 50 Utilities Funds, respectively. Ratings for other share classes may differ.

CONTACT US

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HENNESSYFUNDS.COM

Investing, Uncompromised

OBJECTIVE AND OVERVIEW

The Fund provides an opportunity to invest in the secular trends driving the natural gas industry. The Fund seeks income and capital appreciation by focusing on the distribution of natural gas by owning companies which are members of the American Gas Association.

PERFORMANCE AS OF 12/31/17

	Average Annual Total Return						Since Inception (5/10/89)
	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	
Hennessy Gas Utility Fund							
Investor Class - GASFX	-1.10%	7.03%	7.03%	2.76%	10.53%	8.28%	9.73%
Institutional Class - HGASX ¹	-1.01%	7.34%	7.34%	2.86%	10.59%	8.31%	9.74%
AGA Stock Index	-0.79%	8.38%	8.38%	4.10%	11.72%	9.09%	10.88%
S&P 500 Index	6.64%	21.83%	21.83%	11.41%	15.79%	8.50%	10.22%
Morningstar % Rank in Category**	—	—	93%	98%	74%	1%	—
# of funds in Utilities Category	—	—	61	58	55	50	—

Gross Expense Ratio: 1.01% (Investor Class) / 0.64% (Institutional Class)

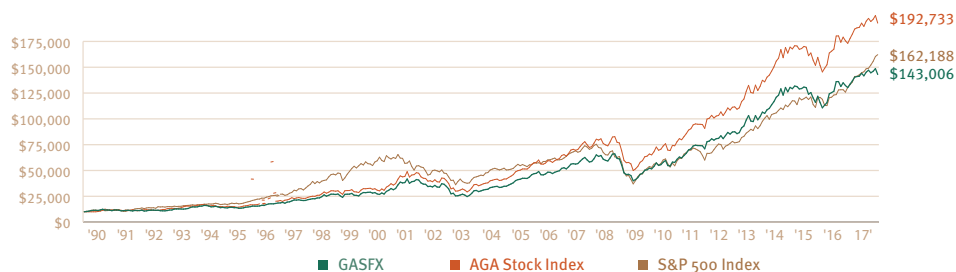
¹ Represents the performance of the Institutional Class shares after March 1, 2017 (inception of the share class) and Investor Class shares prior to that date.

**Based on total returns

CALENDAR YEAR TOTAL RETURNS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GASFX	-28.30%	23.92%	12.40%	25.15%	7.45%	25.42%	21.20%	-16.01%	20.70%	7.03%
AGA Stock Index	-28.38%	25.81%	13.81%	24.98%	7.05%	26.77%	21.72%	-14.88%	22.27%	8.38%
S&P 500 Index	-37.00%	26.46%	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.

Performance for the AGA Stock Index is provided monthly by the American Gas Association.

Performance for periods prior to 10/26/12 is that of the FBR Gas Utility Fund. The predecessor Gas Utility 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.**

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

FUND FACTS

Ticker/CUSIP	
Investor Class	GASFX/425 88P 833
Institutional Class	HGASX/425 88P 759
Total Fund Assets	\$1.3 billion
Number of Holdings	53
Gross Expense Ratio	
Investor Class	1.01%
Institutional Class	0.64%
Inception Date	
Investor Class	5/10/89
Institutional Class	3/01/17

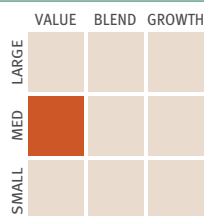
PORTFOLIO CHARACTERISTICS

Portfolio Turnover	16%
Median Price/Earnings	22.80x
Median Price/Book	2.00x
Median Market Cap	\$9.9 billion

YIELD INFORMATION

30-Day SEC Yield	
Investor Class	2.27%
Institutional Class	2.63%
Dividends Paid	Quarterly

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

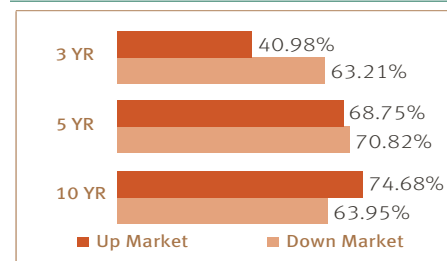
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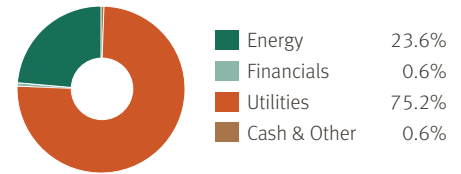
TOP TEN EQUITY HOLDINGS

Cheniere Energy, Inc.	5.3%
National Grid, PLC	5.1%
Enbridge, Inc.	5.1%
Kinder Morgan, Inc.	5.1%
TransCanada Corp.	5.1%
Dominion Energy, Inc.	5.0%
Atmos Energy Corp.	4.9%
Sempra Energy	4.6%
WEC Energy Group, Inc.	3.3%
Southern Co.	3.3%
Total as % of Net Assets	46.6%

CAPTURE RATIOS RELATIVE TO S&P 500 INDEX (INVESTOR CLASS)



SECTOR WEIGHTING



SUB-INDUSTRY WEIGHTING:

Electric Utilities	16.7%
Gas Utilities	19.5%
Independent Power Producers & Energy Traders	0.4%
Multi-Sector Holdings	0.6%
Multi-Utilities	38.6%
Oil & Gas Exploration & Production	2.0%
Oil & Gas Storage & Transportation	21.6%

RISK METRICS (INVESTOR CLASS)

	3 YR	5 YR	10 YR
Standard Deviation			
Gas Utility Fund	10.64	11.42	13.68
S&P 500 Index	10.07	9.49	15.08
Risk Statistics (relative to S&P 500 Index)			
Beta	0.48	0.64	0.68
Alpha	-2.45	0.92	2.49

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. 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. Investments in foreign securities may involve political, economic and currency risks, greater volatility and differences in accounting methods. Investments are focused in the natural gas distribution and transmission industry; sector funds may be subject to a higher degree of market risk.

Each Morningstar category average represents a universe of funds with similar objectives. S&P 500 Index is an unmanaged index commonly used to measure the performance of U.S. stocks. AGA Stock Index is a market capitalization weighted index consisting of member companies of the American Gas Association (AGA). 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/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.

A Lipper Fund Award is awarded to one fund in each Lipper classification for achieving the strongest trend of consistent risk-adjusted performance against its classification peers over a three, five or ten-year period. Although Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Lipper. Lipper Analytical Services, Inc. is an independent mutual fund research and rating service. ©2017, All Rights Reserved.

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