



## HENNESSY FUNDS

### INVESTMENT STRATEGY

- The Hennessy Technology Fund utilizes several metrics to analyze Technology companies, selecting the top 60 which demonstrate:
  - Sector-leading cash flows and profits, with the ability to sustain profitability
  - A history of delivering returns in excess of cost of capital
  - Attractive balance sheet risk profile
  - Attractive relative valuation
  - Ability to generate cash
- The universe of stocks is re-screened and the portfolio is rebalanced approximately on a monthly basis.

### PORTFOLIO MANAGEMENT TEAM



**Brian Peery**  
Portfolio Manager



**Ryan Kelley, CFA**  
Portfolio Manager



**Daniel Hennessy**  
Assoc. Analyst

### MORNINGSTAR RATING



Among 179 Technology 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. HTECX received 1 star for the three, five and ten year periods ended 3/31/18 among 179, 172 and 136 Technology Funds, respectively. Ratings for other share classes may differ.

### CONTACT US

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**HENNESSYFUNDS.COM**

*Investing, Uncompromised*

## Hennessy Technology Fund

As of March 31, 2018 | Investor Class: HTECX | Institutional Class: HTCIX

### OBJECTIVE AND OVERVIEW

The Hennessy Technology Fund seeks long-term capital appreciation by investing in high-quality companies that have the potential to participate in the growth and innovation of the Technology sector.

### PERFORMANCE AS OF 3/31/18

	Average Annual Total Return						Since Inception (2/1/02)
	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	
<b>Hennessy Technology Fund</b>							
Investor Class - HTECX	6.64%	6.64%	19.56%	9.65%	11.26%	7.11%	6.65%
Institutional Class - HTCIX <sup>1</sup>	6.67%	6.67%	19.83%	10.01%	11.61%	7.34%	6.79%
NASDAQ Composite Index	2.59%	2.59%	20.76%	14.27%	18.07%	13.28%	9.57%
S&P 500 Index	-0.76%	-0.76%	13.99%	10.78%	13.31%	9.49%	7.60%
Morningstar % Rank in Category (Investor)*	—	—	78%	93%	99%	96%	—
# of funds in Technology Category	—	—	203	179	172	136	—

Expense Ratio (Gross/Net\*\*): 4.12% / 1.24% (Investor Class) | 3.70% / 0.99% (Institutional Class)

\*Based on total returns

\*\*The Fund's investment manager has contractually agreed to limit fees until 2/28/19.

### CALENDAR YEAR TOTAL RETURNS

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
HTECX	-42.89%	54.93%	12.73%	-10.77%	8.67%	29.75%	1.73%	3.46%	2.03%	20.20%
NASDAQ Comp.	-40.03%	45.32%	18.02%	-0.83%	17.45%	39.36%	14.75%	6.96%	8.87%	29.64%
S&P 500	-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 - 3/31/18)



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.

<sup>1</sup>Represents the performance of the Institutional Class shares after March 12, 2010 (inception of the share class) and Investor Class for periods prior to that date.

Performance for periods prior to 10/26/12 is that of the FBR Technology Fund. The predecessor Technology 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 [hennessyfunds.com](http://hennessyfunds.com).**

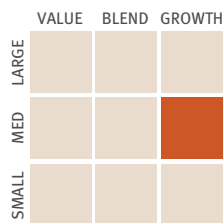
**FUND FACTS**

<b>Ticker/CUSIP</b>	
Investor Class	HTECX/425 88P 858
Institutional Class	HTCIX/425 88P 841
<b>Total Fund Assets</b>	\$4.3 million
<b>Number of Holdings</b>	60
<b>Annual Total Expense Ratio (Gross/Net)</b>	
Investor Class	4.12%/1.24%
Institutional Class	3.70%/0.99%
<b>Inception Dates</b>	
Investor Class	2/01/02
Institutional Class	3/12/10
<b>Dividends Paid</b>	Annually

**PORTFOLIO CHARACTERISTICS**

<b>Portfolio Turnover</b>	253%
<b>Median Price/Earnings</b>	23.69x
<b>Median Price/Book</b>	10.03x
<b>Median Market Cap</b>	\$6.4 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.



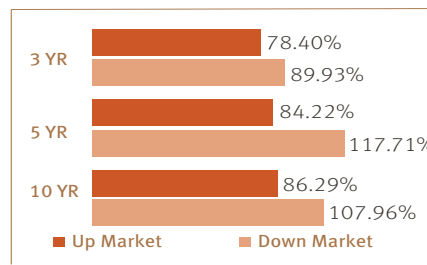
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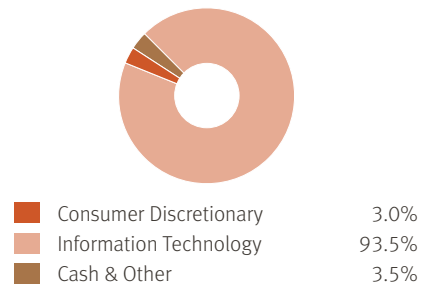
**TOP TEN EQUITY HOLDINGS**

Match Group, Inc.	1.8%
Broadridge Financial Solutions	1.8%
Jabil, Inc.	1.8%
Fortinet, Inc.	1.8%
Science Applications International	1.8%
Seagate Technology PLC.	1.7%
Paylocity Holding Corp.	1.7%
First Data Corp.	1.7%
Pegasystems, Inc.	1.7%
Paycom Software, Inc.	1.7%
<b>Total as % of Net Assets</b>	<b>17.5%</b>

**CAPTURE RATIOS RELATIVE TO NASDAQ INDEX (INVESTOR CLASS)**



**SECTOR WEIGHTING**



**RISK METRICS (INVESTOR CLASS)**

	3 YR	5 YR	10 YR
<b>Standard Deviation</b>			
Technology Fund	13.02	13.62	17.97
NASDAQ Index	12.62	11.91	17.23
<b>Risk Statistics (relative to NASDAQ Index)</b>			
Beta	0.96	1.02	0.98
Alpha	-3.59	-6.20	-5.20

*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. Investments are focused in the technology industry; sector funds may be subject to a higher degree of market risk. Investments in foreign securities may involve political, economic and currency risks, greater volatility and differences in accounting methods. The Fund invests in small and medium sized companies, which may have more limited liquidity and greater volatility compared to larger companies.**

Each Morningstar category average represents a universe of funds with similar objectives. NASDAQ Composite Index is a broad-based capitalization-weighted index of all the NASDAQ National Market and Small Cap stocks. S&P 500 Index is an unmanaged index commonly used to measure the performance of U.S. 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 3/31/18. 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 3/31/18. 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.

The Hennessy Funds are distributed by Quasar Distributors, LLC.