



# Cornerstone Growth Fund

1Q2021  
Domestic Equity

## WHY INVEST

- ✓ Quantitatively-driven, repeatable investment process
- ✓ Combines growth investing with a valuation overlay
- ✓ Focus on undervalued companies that have proven earnings and stock price growth

## INVESTMENT CRITERIA

The Fund utilizes a quantitative formula to identify 50 common stocks with the highest one-year price appreciation that also have:

- Market capitalization > \$175 million
- Price-to-sales ratio below 1.5
- Annual earnings higher than the previous year
- Positive stock price appreciation over the past three- and six-month periods

## PORTFOLIO MANAGEMENT



**Neil J. Hennessy**  
20 Years on Fund



**Ryan C. Kelley, CFA**  
4 Years on Fund



**L. Joshua Wein, CAIA**  
2 Years on Fund

## FUND FACTS

	Inv	Inst
Ticker	HFCGX	HICGX
CUSIP	425888104	425888500
Inception Date	11/1/96	3/3/08
Gross Expense Ratio	1.36%	1.05%
Morningstar Category	Small Blend	
Total Fund Assets	\$168 Million	

## CONTACT US

### Financial Professionals

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### Shareholder Services

800.966.4354  
fundinfo@hennessyfunds.com

## OVERVIEW

Quantitatively managed, the Fund maintains a concentrated portfolio, which seeks growth at a reasonable price.

## AVERAGE ANNUALIZED TOTAL RETURN (%)

	QTR	YTD	1 YR	3 YR	5 YR	10 YR	Incep. (11/1/96)
Investor Class - HFCGX	17.49	17.49	127.77	10.91	10.75	10.30	9.39
Institutional Class - HICGX <sup>1</sup>	17.62	17.62	128.45	11.27	11.12	10.65	9.58
Russell 2000 <sup>®</sup> Index	12.70	12.70	94.85	14.76	16.35	11.68	9.44
S&P 500 <sup>®</sup> Index	6.18	6.18	56.35	16.78	16.29	13.91	9.39

## CALENDAR YEAR TOTAL RETURNS (%)

■ Investor Class - HFCGX ■ Russell 2000<sup>®</sup> Index

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Investor Class - HFCGX	-10.78	30.31	35.89	13.82	-1.09	8.37	16.60	-21.22	20.70	17.73
Russell 2000 <sup>®</sup> Index	-4.18	16.35	38.82	4.89	-4.41	21.31	14.65	-11.01	25.52	19.96

## RETURNS-BASED STATISTICS

HFCGX Relative to Russell 2000<sup>®</sup> Index

	3 YR	5 YR	10 YR
Alpha	-3.42	-5.03	-1.06
Beta	1.07	1.04	1.02
Upside Capture	95.18	86.73	92.03
Downside Capture	105.19	102.53	94.27

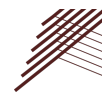
## SHARPE RATIO

	3 YR	5 YR	10 YR
Investor Class - HFCGX	0.46	0.51	0.55
Institutional Class - HICGX	0.47	0.52	0.56
Russell 2000 <sup>®</sup> Index	0.61	0.77	0.65
Small Blend Category Average	0.51	0.65	0.58

Sharpe Ratio is a measure of risk-adjusted return, reflecting the average return earned in excess of the risk-free rate per unit of volatility.

*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).*

<sup>1</sup> Represents the performance of the Institutional Class shares after 3/03/08 (inception of the share class) and Investor Class for periods prior to that date.



## PORTFOLIO CHARACTERISTICS

Number of Holdings	50
Active Share vs. Russell 2000® Index	98%
Portfolio Turnover	124%
Median Market Cap	\$1.4 Billion
Median Price/Earnings	15.2x
Median Price/Book	2.7x
Median Price/Sales	0.8x

Portfolio Turnover, Price/Earnings, and Price/Sales shown reflects the trailing 12-month period.

## TOP TEN HOLDINGS (%)

Hovnanian Enterprises, Inc.	3.9
Danaos Corp.	3.2
Century Aluminum Co.	2.9
Yellow Corp.	2.9
Community Health Systems, Inc.	2.5
Citi Trends, Inc.	2.4
Ultra Clean Holdings, Inc.	2.4
Signet Jewelers, Ltd.	2.3
Big Lots, Inc.	2.3
United Natural Foods, Inc.	2.2
<b>Total as % of Net Assets</b>	<b>27.1</b>

## SECTOR WEIGHTING (%)

	Fund	Index*	Diff
Consumer Discretionary	41.9	14.6	+27.3
Industrials	15.3	16.0	-0.7
Health Care	10.1	19.5	-9.4
Consumer Staples	7.2	3.3	+4.0
Information Technology	7.1	12.7	-5.5
Materials	6.8	4.5	+2.3
Financials	3.7	15.8	-12.1
Energy	3.1	2.6	+0.5
Communication Services	2.5	2.4	+0.1
Utilities	0.0	2.8	-2.8
Real Estate	0.0	5.9	-5.9
Cash & Other	2.2		

\* Russell 2000® Index



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Must be preceded or accompanied by a current prospectus.

**Mutual fund investing involves risk; Principal loss is possible. Small and medium-capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies. Investments in foreign securities involve greater volatility and political, economic and currency risk and differences in accounting methods. 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 2000® are unmanaged indices commonly used to measure the performance of U.S. stocks. One cannot invest directly in an index.

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Fund holdings and sector weightings are subject to change and should not be considered a recommendation to buy or sell any security.

Alpha measures the fund's excess return relative to the return of the benchmark. Beta measures the volatility of the fund compared to that of the benchmark. The beta of the benchmark is 1.00. Capture ratios measure the fund's overall performance in up markets (positive return periods) and down markets (negative return periods). Price/Earnings measures a stock's price per share compared to earnings. Price/Book measures a stock's price per share to book value. Price/Sales measures a stock's price per share to revenue. Active Share is a measure of the percentage of stock holdings in a portfolio that differ from the benchmark index.

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**NOT FDIC-INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED**

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