

# BP Midstream Fund

## WHY INVEST

- ✓ Opportunity to invest in core midstream energy companies that should benefit from the growth in production and demand for U.S. energy
- ✓ Concentrated, actively managed portfolio
- ✓ In-depth, rigorous "boots-on-the-ground" research led by managers with decades of combined energy investing experience

## PORTFOLIO MANAGEMENT



**Toby Loftin**  
7 Years on Fund



**Ben Cook, CFA**  
4 Years on Fund

The Fund is sub-advised by Dallas-based BP Capital Fund Advisors, LLC. Having worked alongside legendary energy investor and BP Capital founder, Boone Pickens, the portfolio managers have developed deep relationships across the energy industry and maintain a sole focus on energy investing.

## FUND FACTS

	Inv	Inst
Ticker	HMSFX	HMSIX
CUSIP	42588P726	42588P718
Inception Date	12/31/13	12/31/13
Gross Expense Ratio	2.12%	1.79%
Net Expense Ratio*	1.78%	1.53%
Morningstar Category	Energy Limited Partnership	
Total Fund Assets	\$37 Million	

\* The Fund's investment manager has contractually agreed to limit expenses until 02/28/2022.

## CONTACT US

### Financial Professionals

800.890.7118  
advisors@hennessyfunds.com

### Shareholder Services

800.966.4354  
fundsinfo@hennessyfunds.com

## OVERVIEW

Actively managed, the Fund maintains a concentrated portfolio of midstream energy companies and seeks to deliver a significant and predictable income stream.

## AVERAGE ANNUALIZED TOTAL RETURN (%)

	QTR	YTD	1 YR	3 YR	5 YR	Incep. (12/31/13)
Investor Class - HMSFX	19.87	41.56	50.85	-2.73	-2.56	-3.05
Institutional Class - HMSIX	19.90	41.61	51.36	-2.52	-2.33	-2.81
Alerian US Midstream Energy Index	19.70	45.60	63.77	3.08	3.38	0.33
S&P 500® Index	8.55	15.25	40.79	18.67	17.65	14.15

## CALENDAR YEAR TOTAL RETURNS (%)

■ Investor Class - HMSFX ■ Alerian US Midstream Energy Index

	2014	2015	2016	2017	2018	2019	2020
Investor Class - HMSFX	11.55	-28.17	21.55	-4.97	-21.20	11.76	-31.28
Alerian US Midstream Energy Index	15.95	-37.54	33.80	-5.97	-10.91	15.56	-24.96

## RETURNS-BASED STATISTICS

HMSFX Relative to Alerian US Midstream Energy Index

	3 YR	5 YR
Alpha	-5.92	-5.98
Beta	0.98	0.97
Upside Capture	91.38	86.04
Downside Capture	103.67	101.71

## YIELD (%)

	Inv	Inst
Distribution Rate	11.72	11.43
30-Day SEC Yield	0.00	0.00
Distribution Frequency	Quarterly	
Most Recent Distribution Paid on 06/01/2021	\$0.2575	

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). The performance for periods on or prior to 10/26/18 is that of the predecessor BP Capital TwinLine MLP Fund.

Must be preceded or accompanied by a current prospectus.

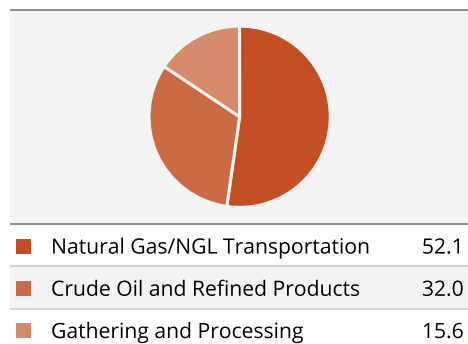
Each Morningstar category average represents a universe of funds with similar objectives.

**Master Limited Partnerships (MLPs) and MLP investments have unique characteristics. The Fund does not receive the same tax benefits as a direct investment in an MLP.**

A significant portion of the BP Midstream Fund's distributions to shareholders will be characterized as a "return of capital" because of its MLP investments. Please refer to the 19a-1 Notice sent to shareholders or Tax Forms 8937 for additional information regarding the composition of distributions. Final determination of a distribution's tax character will be made on Form 1099 DIV sent to shareholders each year.



## PORTFOLIO ALLOCATION (%)



## TOP TEN HOLDINGS (%)

Energy Transfer LP	12.7
MPLX, LP	11.9
Enterprise Products Partners, LP	10.4
Williams Companies, Inc.	9.0
Targa Resources Corp.	8.7
Plains All American Pipeline, LP	7.6
Kinder Morgan, Inc.	7.3
ONEOK, Inc.	6.3
Magellan Midstream Partners, LP	5.8
DCP Midstream, LP	4.9
<b>Total as % of Net Assets</b>	<b>84.5</b>

## SECTOR WEIGHTING (%)

	Fund
Energy	99.7
Cash & Other	0.3

## SUB-INDUSTRY WEIGHTING (%)

Oil & Gas Storage & Transportation	99.7
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## PORTFOLIO CHARACTERISTICS

Number of Holdings	16
Active Share vs. Alerian US Midstream Energy Index	32%
Portfolio Turnover	43%
Median Market Cap	\$20.6 Billion
Median Price/Earnings	31.8x
Median Price/Book	1.9x

Portfolio Turnover and Price/Earnings reflect the trailing 12-month period.



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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. Small and medium-capitalization companies may have more limited liquidity and greater price volatility than large-capitalization companies. Funds that concentrate in a single sector may be subject to a higher degree of risk. Energy-related companies are subject to specific risks, including fluctuations in commodity prices and consumer demand, substantial government regulation, and depletion of reserves. The prices of MLP units may fluctuate abruptly and trading volume may be low, making it difficult for the Fund to sell its units at a favorable price. MLP general partners have the power to take actions that adversely affect the interests of unit holders. Most MLPs do not pay U.S. federal income tax at the partnership level, but an adverse change in tax laws could result in MLPs being treated as corporations for federal income tax purposes, which could reduce or eliminate distributions paid by MLPs to the Fund. The Fund is treated as a regular corporation, or "C" corporation, for U.S. federal income tax purposes, and therefore, is subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently a maximum rate of 21%) as well as state and local income taxes. The Fund will not benefit from current favorable federal income tax rates on long-term capital gains, and Fund income and losses will not be passed on to shareholders. The Fund accrues deferred income taxes for future tax liabilities associated with the portion of MLP distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments. This deferred tax liability is reflected in the daily NAV and as a result, the Fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked.

The Alerian US Midstream Energy Index is comprised of US energy infrastructure companies that earn the majority of their cash flow from midstream activities. The S&P 500<sup>®</sup> Index is an unmanaged index commonly used to measure the performance of U.S. stocks. One cannot invest directly in an index. Alerian US Midstream Energy Index is a servicemark of GKD Index Partners, LLC d/b/a Alerian ("Alerian"), and its use is granted under a license from Alerian. Alerian does not permit any party to rely upon and does not accept any liability for any errors, omissions, interruptions, or defects in the Alerian indexes or underlying data.

**Distribution Rate** reflects the investment income per share during the last 12 months divided by the share price at the end of the period, expressed as an annual percentage rate. It is calculated by annualizing the Fund's most recent distribution. The annualized dividend yield may not reflect the actual yield an investor would receive. **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 30-Day SEC Yield should be regarded as an estimate of the Fund's rate of recent investment income, and it may not equal the Fund's actual distribution rate. **Past yields are no guarantee of future yields.** Investor: 30 day SEC Yield subsidized 0.00%; unsubsidized 0.00% as of 6/30/21. Subsidized yields reflect fee waivers in effect. Institutional: 30 day SEC Yield subsidized 0.00%; unsubsidized 0.00% as of 6/30/21. Subsidized yields reflect fee waivers in effect.

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.

The Hennessy Funds are distributed by Quasar Distributors, LLC.

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

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