



Small Cap Financial Fund

3Q2021
Sector & Specialty

WHY INVEST

- ✓ An opportunity to invest in a select group of geographically diverse regional and community banks
- ✓ Managed by Dave Ellison, the most tenured fund manager in the Financial Services sector
- ✓ Concentrated, actively managed portfolio of 25-50 stocks

PORTFOLIO MANAGEMENT

**David Ellison**
24 Years on Fund**Ryan C. Kelley, CFA**
16 Years on Fund

FUND FACTS

	Inv	Inst
Ticker	HSFNX	HISFX
CUSIP	42588P874	42588P866
Inception Date	1/3/97	5/30/08
Gross Expense Ratio	1.66%	1.30%
Morningstar Category	Financial	
Total Fund Assets	\$154 Million	

OVERVIEW

Actively managed, the Fund maintains a concentrated portfolio of small-cap Financial Services sector stocks.

AVERAGE ANNUALIZED TOTAL RETURN (%)

	QTR	YTD	1 YR	3 YR	5 YR	10 YR	Incep. (1/3/97)
Investor Class - HSFNX	4.23	36.77	115.09	12.28	12.11	14.38	10.90
Institutional Class - HISFX ¹	4.35	37.22	116.14	12.67	12.53	14.76	11.09
Russell 2000® Index Financials	1.48	22.57	65.84	7.98	10.49	14.12	8.99
Russell 2000® Index	-4.36	12.41	47.68	10.54	13.45	14.63	9.00

CALENDAR YEAR TOTAL RETURNS (%)

■ Investor Class - HSFNX ■ Russell 2000® Index Financials

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Investor Class - HSFNX	-15.63	21.42	36.59	-3.40	11.74	33.41	-0.20	-15.86	19.88	2.58
Russell 2000® Index Financials	-2.96	21.30	31.37	8.85	0.60	31.14	5.78	-10.83	24.21	-1.95

RETURNS-BASED STATISTICS

HSFNX Relative to Russell 2000® Index Financials

	3 YR	5 YR	10 YR
Alpha	3.70	0.49	-0.95
Beta	1.21	1.20	1.13
Upside Capture	127.86	116.95	110.25
Downside Capture	119.95	116.90	116.37

SHARPE RATIO

	3 YR	5 YR	10 YR
Investor Class - HSFNX	0.49	0.52	0.71
Institutional Class - HISFX	0.50	0.53	0.73
Russell 2000® Index Financials	0.39	0.53	0.81
Financial Category Average	0.50	0.66	0.80

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.

CONTACT US

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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.

¹ Represents the performance of the Institutional Class shares after 5/30/08 (inception of the share class) and Investor Class for periods prior to that date.

The performance for periods prior to 10/26/12 is that of the predecessor FBR Fund.



PORTFOLIO CHARACTERISTICS

Number of Holdings	32
Active Share vs. Russell 2000® Index Financials	88%
Portfolio Turnover	33%
Median Market Cap	\$2.7 Billion
Median Price/Earnings	11.5x
Median Price/Book	1.2x

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

TOP TEN HOLDINGS (%)

Hingham Institution for Savings	5.0
ConnectOne Bancorp, Inc.	4.7
Flushing Financial Corp.	4.5
WSFS Financial Corp.	4.5
First Bancorp	4.5
Alliance Data Systems Corp.	4.5
Banner Corp.	4.4
Lakeland Bancorp, Inc.	4.4
CIT Group, Inc.	4.3
HomeTrust Bancshares, Inc.	4.1
Total as % of Net Assets	44.7

SECTOR WEIGHTING (%)

	Fund
Financials	94.0
Information Technology	4.5
Cash & Other	1.6

SUB-INDUSTRY WEIGHTING (%)

Regional Banks	75.2
Thrifts & Mortgage Finance	18.8
Data Processing & Outsourced Services	4.4



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Must be preceded or accompanied by a current prospectus.

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 financial services industry; sector funds may be subject to a higher degree of market risk. The Fund invests in small-sized 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.

The Russell 2000® Financial Services Index and The Russell 2000® Index is an unmanaged index commonly used to measure the performance of U.S. small-capitalization financial sector 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. Active Share is a measure of the percentage of stock holdings in a portfolio that differ from the benchmark index.

The Hennessy Funds are distributed by Quasar Distributors, LLC.

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

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