



## Focus Fund

2Q2022  
Domestic Equity

## WHY INVEST

- ✓ Highly concentrated portfolio of approximately 20 exceptional investment ideas, conviction weighted with 60-80% of assets in the top 10
- ✓ In-depth, rigorous research process developed by a management team who has worked together for nearly two decades
- ✓ Expectation to hold companies five to 10 years or longer, leading to low portfolio turnover

## PORTFOLIO MANAGEMENT

**David Rainey, CFA**  
24 Years on Fund**Brian Macauley, CFA**  
19 Years on Fund**Ira Rothberg, CFA**  
18 Years on Fund

The Fund is sub-advised by Broad Run Investment Management, LLC, an independent, employee-owned investment adviser.

## FUND FACTS

|                      | Inv            | Inst      |
|----------------------|----------------|-----------|
| Ticker               | HFCSX          | HFCIX     |
| CUSIP                | 42588P700      | 42588P809 |
| Inception Date       | 1/3/97         | 5/30/08   |
| Gross Expense Ratio  | 1.49%          | 1.12%     |
| Morningstar Category | Mid-Cap Growth |           |
| Total Fund Assets    | \$828 Million  |           |

## OVERVIEW

Actively managed, the Fund maintains a highly concentrated, best ideas portfolio.

## AVERAGE ANNUALIZED TOTAL RETURN (%)

|  | QTR    | YTD    | 1 YR   | 3 YR | 5 YR  | 10 YR | Incep. (1/3/97) |
|--|--------|--------|--------|------|-------|-------|-----------------|
| Investor Class - HFCSX                   | -14.44 | -22.35 | -15.96 | 5.63 | 7.57  | 10.94 | 12.04           |
| Institutional Class - HFCIX <sup>1</sup> | -14.35 | -22.19 | -15.63 | 6.03 | 7.97  | 11.33 | 12.26           |
| Russell 3000® Index                      | -16.70 | -21.10 | -13.87 | 9.77 | 10.60 | 12.57 | 8.57            |
| Russell Midcap® Growth Index             | -21.07 | -31.00 | -29.57 | 4.25 | 8.88  | 11.50 | 8.64            |

## CALENDAR YEAR TOTAL RETURNS (%)

■ Investor Class - HFCSX ■ Russell 3000® Index

|                        | 2012  | 2013  | 2014  | 2015 | 2016  | 2017  | 2018   | 2019  | 2020  | 2021  |
|------------------------|-------|-------|-------|------|-------|-------|--------|-------|-------|-------|
| Investor Class - HFCSX | 16.64 | 35.33 | 10.20 | 2.88 | 7.16  | 19.27 | -10.47 | 34.86 | 5.49  | 31.55 |
| Russell 3000® Index    | 16.42 | 33.55 | 12.56 | 0.48 | 12.74 | 21.13 | -5.24  | 31.02 | 20.89 | 25.66 |

## RETURNS-BASED STATISTICS

HFCSX Relative to Russell 3000® Index

|                  | 3 YR   | 5 YR   | 10 YR  |
|------------------|--------|--------|--------|
| Alpha            | -4.62  | -3.22  | -2.00  |
| Beta             | 1.20   | 1.12   | 1.08   |
| Upside Capture   | 106.63 | 100.02 | 96.14  |
| Downside Capture | 126.29 | 114.27 | 103.74 |

## SHARPE RATIO

|                                 | 3 YR | 5 YR | 10 YR |
|---------------------------------|------|------|-------|
| Investor Class - HFCSX          | 0.33 | 0.40 | 0.68  |
| Institutional Class - HFCIX     | 0.34 | 0.42 | 0.70  |
| Russell 3000® Index             | 0.55 | 0.60 | 0.86  |
| Mid-Cap Growth Category Average | 0.29 | 0.44 | 0.64  |

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

## Financial Professionals

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## Shareholder Services

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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](http://hennessyfunds.com).

<sup>1</sup> 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                   | 19             |
| Active Share vs. Russell 3000® Index | 99%            |
| Portfolio Turnover                   | 3%             |
| Median Market Cap                    | \$14.4 Billion |
| Median Price/Earnings                | 20.2x          |
| Median Price/Book                    | 2.7x           |

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

## TOP TEN HOLDINGS (%)

|                                   |             |
|-----------------------------------|-------------|
| American Tower Corp.              | 11.5        |
| Markel Corp.                      | 11.2        |
| Encore Capital Group, Inc.        | 11.2        |
| Brookfield Asset Management, Inc. | 11.1        |
| Aon PLC                           | 8.8         |
| CarMax, Inc.                      | 8.4         |
| O'Reilly Automotive, Inc.         | 7.5         |
| SS&C Technologies Holdings, Inc.  | 5.3         |
| Ashtead Group, PLC                | 4.4         |
| American Woodmark Corp.           | 3.8         |
| <b>Total as % of Net Assets</b>   | <b>83.1</b> |

## SECTOR WEIGHTING (%)

|                        | Fund | Index* | Diff  |
|------------------------|------|--------|-------|
| Financials             | 42.4 | 11.6   | +30.8 |
| Consumer Discretionary | 20.7 | 10.6   | +10.2 |
| Real Estate            | 11.5 | 3.7    | +7.8  |
| Industrials            | 10.9 | 8.9    | +2.1  |
| Information Technology | 10.9 | 25.5   | -14.6 |
| Communication Services | 1.8  | 8.1    | -6.3  |
| Utilities              | 0.0  | 3.0    | -3.0  |
| Health Care            | 0.0  | 14.9   | -14.9 |
| Consumer Staples       | 0.0  | 6.4    | -6.4  |
| Energy                 | 0.0  | 4.4    | -4.4  |
| Materials              | 0.0  | 2.9    | -2.9  |
| Cash & Other           | 1.7  |        |       |

\* Russell 3000® Index



*Investing. Uncompromised*

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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. Small and medium-sized companies may have more limited liquidity and greater price volatility than larger companies. Investments in foreign securities may involve political, economic, and currency risk, greater volatility, and differences in accounting method. Funds concentrated in one or more industry sectors may be subject to a higher degree of market risk.**

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

The Russell 3000® Index is an unmanaged index commonly used to measure the performance of U.S. stocks. The Russell Midcap® Growth Index is an unmanaged index commonly used to measure the performance of U.S. medium-capitalization growth 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.

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