



# Cornerstone Growth Fund

**3Q2022**  
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**  
22 Years on Fund



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



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

## FUND FACTS

	Inv	Inst
Ticker	HFCGX	HICGX
CUSIP	425888104	425888500
Inception Date	11/1/96	3/3/08
Gross Expense Ratio	1.34%	1.01%
Morningstar Category	Small Blend	
Total Fund Assets	\$148 Million	

## 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	-3.00	-17.20	-8.38	11.64	4.37	8.86	8.42
Institutional Class - HICGX <sup>1</sup>	-2.96	-17.03	-8.11	11.97	4.71	9.19	8.61
Russell 2000® Index	-2.19	-25.10	-23.50	4.29	3.55	8.55	7.74
S&P 500® Index	-4.88	-23.87	-15.47	8.16	9.24	11.70	8.48

## CALENDAR YEAR TOTAL RETURNS (%)

■ Investor Class - HFCGX ■ Russell 2000® Index

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Investor Class - HFCGX	30.31	35.89	13.82	-1.09	8.37	16.60	-21.22	20.70	17.73	28.89
Russell 2000® Index	16.35	38.82	4.89	-4.41	21.31	14.65	-11.01	25.52	19.96	14.82

## RETURNS-BASED STATISTICS

HFCGX Relative to Russell 2000® Index

	3 YR	5 YR	10 YR
Alpha	7.71	1.44	0.94
Beta	1.09	1.04	0.96
Upside Capture	124.22	103.89	92.81
Downside Capture	104.44	101.42	88.97

## SHARPE RATIO

	3 YR	5 YR	10 YR
Investor Class - HFCGX	0.50	0.25	0.49
Institutional Class - HICGX	0.51	0.27	0.51
Russell 2000® Index	0.27	0.22	0.49
Small Blend Category Average	0.27	0.20	0.47

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

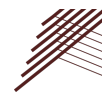
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### Shareholder Services

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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 3/03/08 (inception of the share class) and Investor Class for periods prior to that date.



## PORTFOLIO CHARACTERISTICS

Number of Holdings	49
Active Share vs. Russell 2000® Index	98%
Portfolio Turnover	103%
Median Market Cap	\$3.8 Billion
Median Price/Earnings	6.9x
Median Price/Book	1.6x
Median Price/Sales	0.5x

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

## TOP TEN HOLDINGS (%)

PBF Energy, Inc.	4.2
Alliance Resource Partners LP	3.8
Alpha Metallurgical Resources	3.3
Peabody Energy Corp.	3.2
Chesapeake Energy Corp.	3.1
Antero Resources Corp.	3.0
Marathon Petroleum Corp.	2.8
McKesson Corp.	2.7
BJ's Wholesale Club Holdings	2.4
Equinor, ASA	2.4
<b>Total as % of Net Assets</b>	<b>30.9</b>

## SECTOR WEIGHTING (%)

	Fund	Index*	Diff
Energy	43.0	6.1	+36.9
Industrials	15.5	14.8	+0.6
Materials	9.7	4.0	+5.7
Consumer Staples	9.2	3.5	+5.8
Health Care	8.3	18.9	-10.6
Financials	8.1	17.3	-9.2
Consumer Discretionary	2.9	10.2	-7.3
Communication Services	1.5	2.7	-1.2
Utilities	0.0	3.4	-3.4
Real Estate	0.0	6.4	-6.4
Information Technology	0.0	12.8	-12.8
Cash & Other	1.8		

\* 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-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. 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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