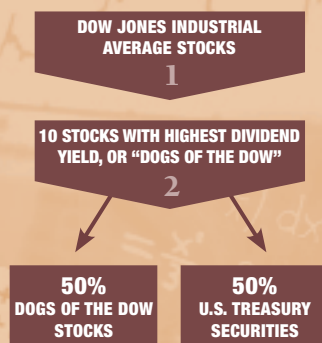


Stock Selection Process



About Hennessy

The Hennessy Cornerstone Series of Funds employ a consistent and repeatable investment process, combining time-tested, purely quantitative stock selection formulas with a highly disciplined management style. Our portfolios are team managed by seasoned asset managers, and our strategies are fully disclosed. We strive to provide products that investors can have confidence in, knowing their money is invested as promised, with their best interest in mind.

Investment Objective

The objective of the Hennessy Balanced Fund is a combination of capital appreciation and current income. The Fund invests 50% of its assets in the ten highest dividend-yielding Dow Jones Industrial Average stocks (known as the "Dogs of the Dow") and 50% in U.S. Treasury securities with a maturity of less than one year.

Historical Performance

AVERAGE ANNUAL TOTAL RETURNS <i>as of 12/31/11</i>							
	3-MONTHS	YTD	1-YEAR	3-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION (3/8/96)
Hennessy Balanced	5.81%	6.90%	6.90%	10.70%	1.47%	2.76%	4.09%
S&P 500 Index	11.82%	2.11%	2.11%	14.11%	-0.25%	2.92%	6.33%
Dow Jones Ind'l Ave.	12.78%	8.38%	8.38%	14.89%	2.37%	4.57%	7.55%

YEAR-BY-YEAR TOTAL RETURNS										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Hennessy Balanced	-4.55%	12.38%	0.20%	-2.08%	16.03%	2.65%	-22.76%	17.31%	8.17%	6.90%
S&P 500 Index	-22.10%	28.68%	10.88%	4.91%	15.80%	5.49%	-37.00%	26.46%	15.06%	2.11%
Dow Jones Ind'l Ave.	-15.01%	28.28%	5.31%	1.72%	19.05%	8.88%	-31.93%	22.68%	14.06%	8.38%

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 www.hennessyfund.com.

Fund Information

FUND DATA		PORTFOLIO COMPOSITION		TOP TEN HOLDINGS	
Total Net Assets	\$19 million	Equity	46.5%	Pfizer, Inc.	5.0%
Beta (vs. S&P 500)*	0.55	Fixed Income	47.5%	Merck & Company, Inc.	5.0%
Expense Ratio	1.66%	Cash	6.0%	Intel Corp.	4.6%
30-day SEC Yield - net	0.44%	EQUITY SECTOR WEIGHTING		Verizon Communications, Inc.	4.5%
12b-1 Fees	0.15%	Consumer Discretionary	3.1%	Kraft Foods, Inc.	4.4%
Inception Date	3/8/96	Consumer Staples	7.8%	AT&T, Inc.	4.2%
Min. Investment	\$2,500	Energy	1.3%	Johnson & Johnson	4.2%
Min. Investment (IRA)	\$250	Financials	0.5%	DuPont (E.I.) De Nemours	4.1%
Distributions Paid	Quarterly	Health Care	14.2%	Procter & Gamble Co.	3.4%
Symbol: HBFBX		Industrials	2.2%	McDonald's Corp.	3.1%
CUSIP: 425 887 106		Information Technology	4.6%		
		Materials	4.1%		
		Telecommunication Services	8.8%		
		DOMESTIC/FOREIGN			
		Domestic	94.0%		

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 1-800-966-4354 or visiting www.hennessyfund.com. Please read it carefully before investing.

The Fund's composition and sector weightings are shown as a percentage of the Fund's total net assets. Portfolio composition and sector weightings are subject to change at any time and should not be considered a recommendation to buy or sell a particular security. The S&P 500 is an unmanaged index commonly used to measure performance of U.S. stocks. The Dow Jones Industrial Average is the property of Dow Jones & Company, Inc. Dow Jones & Company, Inc. is not affiliated with the Hennessy Funds or their investment advisors. Dow Jones & Company, Inc. has not participated in any way in the creation of the Hennessy Funds or in the selection of stocks included in the Hennessy Funds and has not approved any information provided. One cannot invest directly in an index. **The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund, making it more exposed to individual stock volatility than a diversified fund.**

* Beta is a measure of a portfolio's sensitivity to market movements (as represented by the S&P 500). The index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the index.