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012024-09-30 Â FORM 10-K Â Table of Contents UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Â Â FORM 10-K Â Â â˜’Â Â Â Â ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 Â For the Fiscal Year Ended September 30, 2024 Â or Â Â Â Â Â â˜Â Â Â Â TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 Â For the Transition Period from _____ to _____ Â Commission File Number 001-36423 Â Â HENNESSY ADVISORS, INC. (Exact name of registrant as specified in its charter) Â Â California68-0176227 (State or other jurisdictionÂ of incorporation or organization) (I.R.S. Employer Identification No.) Â Â 7250 Redwood Boulevard, Suite 200Â Novato, California94945(Address of principal executive office)(Zip code) Â (415) 899-1555 (Registrantâ€™s telephone number, including area code) Â Securities registered pursuant to Section 12(b) of the Act: Â Title of each class Trading symbol(s) Name of each exchange on which registered Common stock, no par value HNNA The Nasdaq Stock Market LLC 4.875% Notes due 2026 HNNAZ The Nasdaq Stock Market LLC Â Â Table of Contents Â Securities registered pursuant to Section 12(g) of the Act: None. Â Â Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.Â Â Â YesÂ â˜Â Â Â NoÂ â˜’ Â Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.Â Â YesÂ â˜Â Â Â NoÂ â˜’ Â Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.Â Â Â YesÂ â˜’Â Â Â NoÂ â˜ Â Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Â§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).Â Â Â YesÂ â˜’Â Â Â NoÂ â˜ Â Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of â€œlarge accelerated filer,â€ â€œaccelerated filer,â€ â€œsmaller reporting company,â€ and â€œemerging growth companyâ€ in Rule 12b-2 of the Exchange Act: Â Large accelerated filer â˜ Accelerated filer â˜Â Â Â Â Non-accelerated filer â˜’ Smaller reporting company â˜’Â Â Â Â Â Â Emerging growth company â˜ Â Â Table of Contents Â If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. â˜ Â Indicate by check mark whether the registrant has filed a report on and attestation to its managementâ€™s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15Â U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. â˜ Â If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.Â â˜ Â Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrantâ€™s executive officers during the relevant recovery

period pursuant to Â§240.10D-1(b).Â â˜Â Â Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).Â Â Â YesÂ â˜Â Â Â NoÂ â˜’ Â The aggregate market value of common stock held by non-affiliates (as affiliates are defined in Rule 12b-2 of the Exchange Act) of the registrant, based on the closing price as reported on the Nasdaq National Market System of $6.90 on March 28, 2024Â (the last trading day of the registrantâ€™s most recently completed second fiscal quarter), was $33,176,187. Â Indicate the number of shares outstanding of each of the registrantâ€™s classes of common stock, as of the latest practicable date: Â As of December 4, 2024, there were 7,780,319 shares of common stock issued and outstanding. Â Â Auditor's Name: Marcum LLPÂ Auditor's Location: San Francisco, CA Auditors PCAOB ID Number: 688 Â DOCUMENTS INCORPORATED BY REFERENCE: Â Portions of the registrantâ€™s definitive proxy statement for its 2025 annual meeting of shareholders to be filed within 120 days after the close of the fiscal year to which this report relates, will be, when filed, incorporated by reference in Part III. Â Â Â Table of Contents Â Â HENNESSY ADVISORS, INC. Â TABLE OF CONTENTS Â Â Â   Â i Table of Contents Â Â PART I Â ITEM 1. BUSINESS Â GENERAL Â Hennessy Advisors, Inc. (the â€œCompany,â€ â€œwe,â€ â€œus,â€ or â€œourâ€) is a publicly traded investment management firm whose primary business activity is providing investment advisory services toÂ a family of 16 open-end mutual funds (collectively, the â€œHennessy Mutual Fundsâ€) and one exchangeâ€‘traded fund (â€œETFâ€) branded as the Hennessy Funds. We are committed to providing superior service to investors and employing a consistent and disciplined approach to investing based on a buyâ€‘andâ€‘hold philosophy that rejects the idea of market timing. Our goal is to provide products that investors can have confidence in, knowing their money is invested as promised and with their best interests in mind. Our firm was founded on these principles 35 years ago, and the same principles guide us today. Â We earn revenues primarily by providing investment advisory services to the Hennessy Funds and secondarily by providing shareholder services to investors in the Hennessy Mutual Funds. Investment advisory services include managing the composition of each fundâ€™s portfolio (including the purchase, retention, and disposition of portfolio securities in accordance with each fundâ€™s investment objectives, policies, and restrictions), monitoring each fundâ€™s compliance with its investment objectives and restrictions and federal securities laws, monitoring the liquidity of each fund, reviewing each fundâ€™s investment performance, overseeing the selection and continued employment of sub-advisors and monitoring such sub-advisorsâ€™ adherence to the fundâ€™s investment objectives, policies, and restrictions, overseeing other service providers, maintaining inâ€‘house marketing and distribution departments, preparing and distributing regulatory reports, and overseeing distribution of the funds through thirdâ€‘party financial institutions. Shareholder services include maintaining a tollâ€‘free number that the current investors in the Hennessy Funds may call to ask questions about their accounts or the funds and actively participating as a liaison between investors in the Hennessy Funds and U.S. Bank Global Fund Services, the Hennessy Fundsâ€™ administrator. The fees we receive for investment advisory and shareholder services are calculated as a percentage of the average daily net asset values of the Hennessy Funds. Accordingly, our total revenue increases or decreases as our average assets under management rises or falls. The percentage amount of the investment advisory fees varies from fund to fund, but the percentage amount of the shareholder service fees is consistent across all Hennessy Mutual Funds. Â We have delegated the dayâ€‘toâ€‘day portfolio management responsibilities to subâ€‘advisors, subject to our oversight, for some of the Hennessy Funds. In exchange for these subâ€‘advisory services, we pay each subâ€‘advisor a fee out of our own assets, which is calculated as a percentage of the average daily net asset values of the subâ€‘advised funds. Accordingly, the subâ€‘advisory fees we pay increase or decrease as our average assets under management in our subâ€‘advised funds increases or decreases, respectively. Â Our average assets under management for fiscal year 2024 was $3.7Â billion, and our total assets under management as of the end of fiscal year 2024 was $4.6Â billion. Our business strategy centers on (i) organic growth through our marketing, sales, and distribution efforts and (ii) growth through strategic purchases of managementâ€‘related assets. Â HISTORICAL CALENDAR YEAR TIMELINE Â 1989 In February, we were founded as a California corporation under our previous name, EdwardÂ J.Â Hennessy, Inc., and registered as a broker-dealer with the Financial Industry Regulatory Authority. Â Â 1996 In March, we launched our first mutual fund, the Hennessy Balanced Fund. Â Â 1998 In October, we launched our second mutual fund, the Hennessy Total Return Fund. Â Â 2000 In June, we successfully completed our first asset purchase by purchasing the assets related to the management of two mutual funds previously managed by Netfolio, Inc. (â€œNetfolioâ€) and changed the fund names to the Hennessy Cornerstone Growth Fund and the Hennessy Cornerstone Value Fund. The amount of the purchased assets as of the closing date totaled approximately $197Â million. Â Â 1 Table of Contents Â 2002 In May, we successfully completed a self-underwritten initial public offering of our stock by raising $5.7Â million at an offering price of $1.98 (HNNA.OB) and changed our firm name to Hennessy Advisors, Inc. Our total assets under management at the time of our initial public offering was approximately $358Â million. Â Â 2003 In September, we purchased the assets related to the management of a mutual fund previously managed by SYM Financial Corporation and reorganized the assets of such fund into the newly created Hennessy Cornerstone Mid Cap 30 Fund. The amount of the purchased assets as of the closing date was approximately $35Â million. Â Â 2004 In March, we purchased the assets related to the management of five mutual funds previously managed by Lindner Asset Management, Inc. and reorganized the assets of such funds into four of our existing Hennessy Funds. The amount of the purchased assets as of the closing date totaled approximately $301Â million. Â Â 2005 In July, we purchased the assets related to the management of a mutual fund previously managed by Landis Associates LLC and changed the fund name to the Hennessy Cornerstone Growth, Series II Fund. The amount of the purchased assets as of the closing date was approximately $299Â million. Â Â 2007 In November, we launched the Hennessy Micro Cap Growth Fund, LLC, a nonâ€‘registered private pooled investment fund. Â Â 2009 In March, we purchased the assets related to the management of two mutual funds previously managed by RBC Global Asset Management (U.S.) Inc. and reorganized the assets of such funds into the newly created Hennessy Cornerstone Large

Growth Fund and the Hennessy Large Value Fund. In conjunction with the completion of the transaction, RBC Global Asset Management (U.S.) Inc. became the subâ€‘advisor to the Hennessy Large Value Fund. The amount of the purchased assets as of the closing date totaled approximately $158Â million. Â In September, we purchased the assets related to the management of two mutual funds previously managed by SPARX Investment & Research, USA, Inc. and subâ€‘advised by SPARX Asset Management Co., Ltd. and changed the fund names to the Hennessy Japan Fund and the Hennessy Japan Small Cap Fund. In conjunction with the completion of the transaction, SPARX Asset Management Co., Ltd. became the subâ€‘advisor to both funds. The amount of the purchased assets as of the closing date totaled approximately $74Â million. Â Â 2011 In October, we reorganized the assets of the Hennessy Cornerstone Growth, Series II Fund into the Hennessy Cornerstone Growth Fund. Â Â 2012 In October, we purchased the assets related to the management of 10 mutual funds previously managed by FBR Fund Advisers (the â€œFBR Fundsâ€). We reorganized the assets of three of the FBR Funds into existing Hennessy Funds and reorganized the assets of the seven other FBR Funds into newly created series of the Hennessy Funds. In conjunction with the completion of the transaction, Broad Run Investment Management, LLC became the subâ€‘advisor to the Hennessy Focus Fund, FCI Advisors became the subâ€‘advisor to the Hennessy Equity and Income Fund (fixed income allocation) and the Hennessy Core Bond Fund, and The London Company of Virginia, LLC became the subâ€‘advisor to the Hennessy Equity and Income Fund (equity allocation). The amount of the purchased assets as of the closing date was approximately $2.2Â billion. Â In December, we closed the Hennessy Micro Cap Growth Fund, LLC. Â Â 2014 In April, our common stock began trading on The Nasdaq Capital Market. Â 2 Table of Contents Â 2015 In September, we completed a self-tender offer, under which we repurchased 1,500,000 shares of our common stock at $16.67 per share. Â In June, we launched Institutional Class shares for the Hennessy Japan Small Cap Fund and the Hennessy Large Cap Financial Fund. Â Â 2016 In September, we purchased the assets related to the management of two mutual funds previously managed by Westport Advisers, LLC and reorganized the assets of such funds into the Hennessy Cornerstone Mid CapÂ 30 Fund. The amount of the purchased assets as of the closing date totaled approximately $435Â million. Â Â 2017 In February, we liquidated the Hennessy Core Bond Fund and reorganized the Hennessy Large Value Fund into the Hennessy Cornerstone Value Fund. Additionally, for the Hennessy Technology Fund, we implemented changes to the investment strategy and the portfolio management team. Â In March, we launched Institutional Class shares for the Hennessy Gas Utility Fund. Â In December, we purchased the assets related to the management of two mutual funds previously managed by Rainier Investment Management, LLC (â€œRainierâ€) and reorganized the assets of such funds into the Hennessy Cornerstone Large Growth Fund and the Hennessy Cornerstone Mid Cap 30 Fund. The amount of the purchased assets as of the closing date totaled approximately $122Â million. Â Â 2018 In January, we purchased the assets related to the management of a third mutual fund previously managed by Rainier and reorganized the assets of such fund into the Hennessy Cornerstone Mid Cap 30 Fund. The amount of the purchased assets as of the closing date totaled approximately $253Â million. Â In October, we purchased the assets related to the management of two mutualÂ funds previously managed by BP Capital Fund Services, LLC (â€œBP Capitalâ€) and reorganized the assets of such funds into the newly created Hennessy Energy Transition Fund and the Hennessy Midstream Fund. In connection with the transaction, BP Capital Fund Services, LLC became the subâ€‘advisor to both funds. The amount of the purchased assets as of the closing date totaled approximately $200Â million. Â Â 2019 During the year, we repurchased an aggregate of 560,734Â shares of our common stock pursuant to our stock buyback program. Â Â 2020 In the first three months of the year, we repurchased an aggregate of 206,109 shares of our common stock pursuant to our stock buyback program. Â Â 2021 In October, we transferred listing of our common stock from The Nasdaq Capital Market to The Nasdaq Global Market. Also in October, we completed a public offering of 4.875% notes due 2026 (the â€œ2026 Notesâ€) in the aggregate principal amount of $40.25Â million, which included the full exercise of the underwritersâ€™Â overallotment option. Â Â 2022 In January, we mutually agreed with BP Capital to terminate the subâ€‘advisory agreement for the Hennessy Energy Transition Fund and the Hennessy Midstream Fund and began managing such funds internally. Â In December, we purchased the assets related to the management of an ETF previously managed by Red Gate Advisers, LLC and reorganized the assets of such fund intoÂ the newly created Hennessy Stance ESG ETF. In connection with the transaction, Stance Capital, LLC (â€œStance Capitalâ€) and Vident Investment Advisory, LLC (â€œVIAâ€) became subâ€‘advisors to the fund. The amount of the purchased assets as of the closing date totaled approximately $43Â million. Â Â 2023 In July, VIA completed an acquisition transaction that resulted in a change of control of VIA and automatic termination of our subâ€‘advisory agreement with VIA. On the same date, we entered into a new subâ€‘advisory agreement with Vident Advisory, LLC (â€œVident Advisoryâ€). Â In November, we purchased the assets related to the management of a mutual fund previously managed by Community Capital Management, LLC (â€œCCMâ€) and reorganized the assets of such fund into the Hennessy Stance ESG ETF. The amount of the purchased assets as of the closing date totaled approximately $12 million. Â Â 2024 In February, we purchased the assets related to the management of a second mutual fund previously managed by CCM and reorganized the assets of such fund into the Hennessy Stance ESG ETF. The amount of the purchased assets as of the closing date totaled approximately $59 million. Â 3 Table of Contents Â PRODUCT INFORMATION Â Investment Strategies of the Hennessy Funds Â We manage 16 mutual funds and one ETF, each of which is categorized as a Domestic Equity, Multiâ€‘Asset, or Sector and Specialty product. Shares of the funds generally are available for purchase only by U.S.Â residents and, in certain circumstances, U.S.Â citizens living abroad. Â The Hennessy Funds Family Â Domestic Equity Â Multi-Asset Â Sector and Specialty Hennessy Cornerstone Growth Fund Â Hennessy Total Return Fund Â Hennessy Energy Transition Fund Â Â Â Â Â Hennessy Focus Fund Â Hennessy Equity and Income Fund Â Hennessy Midstream Fund Â Â Â Â Â Hennessy Cornerstone Mid Cap 30 Fund Â Hennessy Balanced Fund Â Hennessy Gas Utility Fund Â Â Â Â Â Hennessy Cornerstone Large Growth Fund Â Â Â Hennessy Japan Fund Â Â Â Â Â Hennessy Cornerstone Value Fund Â Â Â Hennessy Japan Small Cap Fund Â Â Â Â Â Â Â Â Â Hennessy Large Cap Financial Fund Â Â Â Â Â Â Â Â Â Hennessy Small Cap Financial Fund Â Â Â Â Â Â Â Â Â Hennessy Technology Fund Â Â Â Â Â Â Â Â Â Hennessy Stance ESG ETF Â Domestic Equity Funds Â Five of the Hennessy Funds are categorized as Domestic Equity products. Of those five funds, four utilize a quantitative investment strategy and one is actively managed, and they all employ consistent and disciplined approaches to investing. Following is a brief description of the investment objectives and principal investment strategies of the Hennessy Funds in the Domestic Equity product category: Â Â â— Hennessy Cornerstone Growth FundÂ (Investor Class symbol HFCGX; Institutional Class symbol HICGX). The Hennessy Cornerstone Growth Fund seeks long-term growth of capital by investing in growth-oriented common stocks using a quantitative formula. From the investable common stocks of public companies in the S&P Capital IQ Database with market capitalizations exceeding $175Â million, this fund invests in the 50 common stocks with the highest one-year price appreciation that also have price-to-sales ratios below 1.5, higher annual earnings than in the previous year, and positive stock price appreciation over the prior three-month and six-month periods. Â Â â— Hennessy Focus FundÂ (Investor Class symbol HFCSX; Institutional Class symbol HFCIX). The Hennessy Focus Fund seeks capital appreciation through a concentrated portfolio of approximately 25 companies that the portfolio managersÂ believe are highâ€‘quality businesses with large growth opportunities, excellent management, low tail risk, and discount valuations. This fundâ€™s holdings are conviction-weighted, with the top ten positions comprising approximately 60â€‘80% of the fundâ€™s assets. Â Â â— Hennessy Cornerstone Mid Cap 30 FundÂ (Investor Class symbol HFMDX; Institutional Class symbol HIMDX). The Hennessy Cornerstone Mid Cap 30 Fund seeks long-term growth of capital by investing in midâ€‘cap growthâ€‘oriented common stocks using a quantitative formula. From the investable common stocks of public companies in the S&P Capital IQ Database with market capitalizations between $1 billion and $10 billion, this fund invests in the 30 common stocks with the highest one-year price appreciation that also have price-to-sales ratios below 1.5, higher annual earnings than in the previous year, and positive stock price appreciation over the prior threeâ€‘month and sixâ€‘month periods. Â 4 Table of Contents Â Â â— Hennessy Cornerstone Large Growth FundÂ (Investor Class symbol HFLGX; Institutional Class symbol HILGX). The Hennessy Cornerstone Large Growth Fund seeks long-term growth of capital by investing in growth-oriented common stocks of larger companies using a quantitative formula. From the investable common stocks of public companies in the S&P Capital IQ Database, this fund invests in the 50 stocks that meet the following criteria, in the specified order: (1) above-average market capitalization; (2) a priceâ€‘toâ€‘cashâ€‘flow ratio less than the median of the remaining securities; (3) positive total capital; and (4)Â the highest one-year return on total capital. Â Â â— Hennessy Cornerstone Value FundÂ (Investor Class symbol HFCVX; Institutional Class symbol HICVX). The Hennessy Cornerstone Value Fund seeks total return, consisting of capital appreciation and current income, by investing in larger, dividend-paying common stocks using a quantitative formula. From the investable common stocks of public companies in the S&P Capital IQ Database, this fund invests in the 50 stocks with the highest dividend yield that also have aboveâ€‘average market capitalizations, aboveâ€‘average number of shares outstanding, 12â€‘month sales that are 50% greater than the average, and aboveâ€‘average cash flows. Â Multi-Asset Funds Â Three of the Hennessy Funds are categorized as Multi-Asset products. Of those three funds, two utilize a quantitative investment strategy and one is actively managed. These funds follow a more conservative investment strategy focused on generating income and providing an alternative to funds containing only equity stocks. Following is a brief description of the investment objectives and principal investment strategies of the Hennessy Funds in the Multiâ€‘Asset product category: Â Â â— Hennessy Total Return FundÂ (Investor Class symbol HDOGX). The Hennessy Total Return Fund seeks total return, consisting of capital appreciation and current income, by investing approximately 50% of its assets in the 10 highest dividend-yielding common stocks of the Dow Jones Industrial Average (known as the â€œDogs of the Dowâ€) in roughly equal dollar amounts and the remaining 50% of its assets in U.S. Treasury securities with a maturity of less than one year. This fund then utilizes a borrowing strategy that allows the fundâ€™s performance to approximate what it would be if the fund had an asset allocation of roughly 75% Dogs of the Dow stocks and 25% U.S.Â Treasury securities. Â Â â— Hennessy Equity and Income FundÂ (Investor Class symbol HEIFX; Institutional Class symbol HEIIX). The Hennessy Equity and Income Fund seeks income and long-term capital appreciation with reduced volatility of returns by investing up to 70% of its assets in common stock, preferred stock, and equityâ€‘like instruments and its remaining assets in assetâ€‘backed and mortgageâ€‘backed securities and debt instruments, including highâ€‘yield bonds. Â Â â— Hennessy BalancedÂ Fund (Investor Class symbol HBFBX). The Hennessy Balanced Fund seeks a combination of capital appreciation and current income by investing approximately 50% of its assets in roughly equal dollar amounts in the Dogs of the Dow stocks but limits exposure to market risk and volatility by investing approximately 50% of its assets in U.S. Treasury securities with a maturity of less than one year. Â Sector and Specialty Funds Â Nine of the Hennessy Funds are categorized as Sector and Specialty products. Of those nine funds, one is designed as an index fund and the other eight are actively managed, and each focuses on a niche sector of the stock market. Following is a brief description of the investment objectives and principal investment strategies of the Hennessy Funds in the Sector and Specialty product category: Â Â â— Hennessy Energy Transition Fund (Investor Class symbol HNRGX; Institutional Class symbol HNRIX). The Hennessy Energy Transition Fund seeks total return by investing in companies operating in the United States across the full spectrum of the energy supply/demand value chain, including traditional upstream, midstream, and downstream energy companies, as well as renewable energy companies and energy end users. The portfolio managers use a proprietary research and investment process that involves fundamental and quantitative analysis of various macroeconomic and commodity price and other factors to select this fundâ€™s investments and determine the weighting of each investment. Â 5 Table of Contents Â Â â— Hennessy Midstream Fund (Investor Class symbol HMSFX; Institutional Class symbol HMSIX). The Hennessy Midstream Fund seeks capital appreciation through distribution growth and current income by investing in midstream energy infrastructure companies, including master limited partnerships, that own and operate assets used in the transporting, storing, gathering, processing, distributing, or marketing of natural gas, natural gas liquids, crude oil, refined products, coal, or electricity or that provide energy-related equipment and services. The portfolio managers combine a top-down deductive reasoning approach with a detailed bottom-up analysis of individual companies. Â Â â— Hennessy Gas Utility FundÂ (Investor Class symbol GASFX; Institutional Class symbol HGASX). The Hennessy Gas Utility Fund seeks income and capital appreciation by investing in companies that are members of the American Gas Association (â€œAGAâ€) in approximately the same percentage as the percentage weighting of such company in the AGA Stock Index. The AGA Stock Index is a capitalizationâ€‘weighted index that consists of all member companies of the AGA whose securities are traded on a U.S. stock exchange. The index is adjusted monthly for the percentage of natural gas assets on each companyâ€™s balance sheet. Â Â â— Hennessy Japan FundÂ (Investor Class symbol HJPNX; Institutional Class symbol HJPIX). The Hennessy Japan Fund seeks long-term capital appreciation by investing in equity securities of Japanese companies. Using in-depth analysis and onâ€‘site research, the portfolio managers focus on stocks with a potential â€œvalue gapâ€Â by screening for companies that they believe have strong businesses and management and are trading at attractive prices. The portfolio managers limit the portfolio to what they consider to be their best ideas and maintain a concentrated number of holdings. Â Â â— Hennessy Japan Small Cap FundÂ (Investor Class symbol HJPSX; Institutional Class symbol HJSIX). The Hennessy Japan Small Cap Fund seeks long-term capital appreciation by investing in equity securities of smaller Japanese companies, typically considered to be companies with market capitalizations in the bottom 20% of all publicly traded Japanese companies. Using inâ€‘depth analysis and onâ€‘site research, the portfolio managers focus on stocks with a potential â€œvalue gapâ€Â by screening for small-cap companies that the portfolio managers believe have strong businesses and management and are trading at attractive prices. The portfolio managers limit the portfolio to what they consider to be their best ideas and is unconstrained by its benchmarks. Â Â â— Hennessy Large Cap

Financial FundÂ (Investor Class symbol HLFNX; Institutional Class symbol HILFX). The Hennessy Large Cap Financial Fund seeks capital appreciation by investing in securities of largeâ€‘cap companies principally engaged in the business of providing financial services, including information technology companies that are primarily engaged in providing products or services to financial services companies. Â Â â— Hennessy Small Cap Financial FundÂ (Investor Class symbol HSFNX; Institutional Class symbol HISFX). The Hennessy Small Cap Financial Fund seeks capital appreciation by investing in securities of smallâ€‘cap companies principally engaged in the business of providing financial services. Â Â â— Hennessy Technology FundÂ (Investor Class symbol HTECX; Institutional Class symbol HTCIX). The Hennessy Technology Fund seeks long-term capital appreciation by investing in securities of companies principally engaged in the research, design, development, manufacturing, or distributing of products or services in the technology industry. From the investable common stocks of public companies in the S&P Capital IQ Database with market capitalizations exceeding $175Â million, this fund invests in approximately 60 stocks (weighted equally by dollar amount) that the portfolio managers believe demonstrate sectorâ€‘leading cash flows and profits, a history of delivering returns in excess of cost of capital, attractive relative valuations, ability to generate cash, attractive balance sheet risk profiles, and prospects for sustainable profitability. Â Â Â â— Hennessy Stance ESG ETF (NYSE: STNC). The Hennessy Stance ESG ETF seeks longâ€‘term growth of capital by combining environmental, social, and governance (â€œESGâ€) and machine learning/artificial intelligence (â€œML/AIâ€) in an ETF structure. The portfolio managers seek exposure to companies that score well on ESG metrics and that the portfolio managers believe will outperform based on ML/AI models. The fund leverages optimization in an attempt to reduce portfolio level tail risk and mitigate downside losses. Â 6 Table of Contents Â Historical Investment Performance of the Hennessy Funds Â The following table presents the average annualized returns for each Hennessy Fund and its relevant benchmark indices for the one-year, three-year, five-year, and tenâ€‘year (or since inception for Hennessy Funds that commenced operations less than ten years ago) periods ended September 30, 2024. Â Returns are presented net of all expenses borne by fund investors, but not net of fees waived or expenses borne by the Company. The past investment performance of the Hennessy Funds is not a guarantee of future performance, and all of the Hennessy Funds have experienced negative performance over various periods in the past and may do so again in the future. Â Hennessy Cornerstone Growth Fund Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HICGX Â Â 42.60 % Â Â 18.78 % Â Â 20.69 % Â Â 11.76 % Investor Class Share - HFCGX Â Â 42.16 % Â Â 18.40 % Â Â 20.31 % Â Â 11.42 % Russell 2000Â® Index (1) Â Â 26.76 % Â Â 1.84 % Â Â 9.39 % Â Â 8.78 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â 15.98 % Â Â 13.38 % Â Hennessy Focus Fund* Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HFCIX Â Â 36.56 % Â Â 6.04 % Â Â 10.31 % Â Â 10.69 % Investor Class Share - HFCSX Â Â 36.04 % Â Â 5.64 % Â Â 9.90 % Â Â 10.28 % Russell 3000Â® Index (3) Â Â 35.19 % Â Â 10.29 % Â Â 15.26 % Â Â 12.83 % Russell MidcapÂ® Growth Index (4) Â Â 29.33 % Â Â 2.32 % Â Â 11.48 % Â Â 11.30 % Â Hennessy Cornerstone Mid Cap 30 Fund Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HIMDX Â Â 44.44 % Â Â 24.34 % Â Â 24.70 % Â Â 13.38 % Investor Class Share - HFMDX Â Â 43.89 % Â Â 23.89 % Â Â 24.24 % Â Â 13.00 % Russell MidcapÂ® Index (5) Â Â 29.33 % Â Â 5.75 % Â Â 11.30 % Â Â 10.19 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â 15.98 % Â Â 13.38 % Â Hennessy Cornerstone Large Growth Fund Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HILGX Â Â 21.13 % Â Â 8.83 % Â Â 13.04 % Â Â 10.09 % Investor Class Share - HFLGX Â Â 20.83 % Â Â 8.53 % Â Â 12.73 % Â Â 9.81 % Russell 1000Â® Index (6) Â Â 35.68 % Â Â 10.83 % Â Â 15.64 % Â Â 13.10 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â 15.98 % Â Â 13.38 % Â Hennessy Cornerstone Value Fund Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HICVX Â Â 19.52 % Â Â 11.63 % Â Â 10.85 % Â Â 8.64 % Investor Class Share - HFCVX Â Â 19.24 % Â Â 11.37 % Â Â 10.61 % Â Â 8.42 % Russell 1000Â® Value Index (7) Â Â 27.76 % Â Â 9.03 % Â Â 10.69 % Â Â 9.23 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â 15.98 % Â Â 13.38 % Â Hennessy Total Return Fund Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Investor Class Share - HDOGX Â Â 16.77 % Â Â 7.05 % Â Â 5.18 % Â Â 5.98 % 75/25 Blended DJIA/Treasury Index (8) Â Â 22.74 % Â Â 8.58 % Â Â 9.67 % Â Â 9.58 % Dow Jones Industrial Average (9) Â Â 28.85 % Â Â 9.97 % Â Â 11.78 % Â Â 12.03 % Â 7 Table of Contents Â Hennessy Equity and Income Fund* Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HEIIX Â Â 17.98 % Â Â 4.65 % Â Â 7.19 % Â Â 6.53 % Investor Class Share - HEIFX Â Â 17.66 % Â Â 4.28 % Â Â 6.81 % Â Â 6.14 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â 15.98 % Â Â 13.38 % Â Hennessy Balanced Fund Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Investor Class Share - HBFBX Â Â 12.21 % Â Â 4.33 % Â Â 3.54 % Â Â 4.13 % 50/50 Blended DJIA/Treasury Index (10) Â Â 17.09 % Â Â 6.54 % Â Â 7.23 % Â Â 6.99 % Dow Jones Industrial Average (9) Â Â 28.85 % Â Â 9.97 % Â Â 11.78 % Â Â 12.03 % Â Hennessy Energy Transition Fund* Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HNRIX Â Â 6.63 % Â Â 20.91 % Â Â 15.80 % Â Â 3.30 % Investor Class Share - HNRGX Â Â 6.27 % Â Â 20.52 % Â Â 15.44 % Â Â 3.00 % S&P 500Â® Energy Index (11) Â Â 0.85 % Â Â 24.14 % Â Â 13.90 % Â Â 3.99 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â 15.98 % Â Â 13.38 % Â Hennessy Midstream Fund* Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HMSIX** Â Â 26.41 % Â Â 24.78 % Â Â 12.70 % Â Â 2.67 % Investor Class Share - HMSFX Â Â 26.06 % Â Â 24.49 % Â Â 12.42 % Â Â 2.42 % Alerian US Midstream Energy Index (12) Â Â 36.49 % Â Â 26.52 % Â Â 16.79 % Â Â 4.96 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â 15.98 % Â Â 13.38 % Â Hennessy Gas Utility Fund* Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HGASX** Â Â 29.32 % Â Â 12.31 % Â Â 7.19 % Â Â 6.49 % Investor Class Share - GASFX Â Â 28.91 % Â Â 11.97 % Â Â 6.86 % Â Â 6.23 % AGA Stock Index (13) Â Â 30.16 % Â Â 13.01 % Â Â 7.90 % Â Â 7.39 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â 15.98 % Â Â 13.38 % Â Hennessy Japan Fund Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HJPIX Â Â 37.43 % Â Â 0.72 % Â Â 7.23 % Â Â 9.31 % Investor Class Share - HJPNX Â Â 36.86 % Â Â 0.34 % Â Â 6.81 % Â Â 8.90 % Russell/Nomura Total MarketTM Index (14) Â Â 22.40 % Â Â 3.40 % Â Â 7.46 % Â Â 6.91 % Tokyo Stock Price Index (TOPIX) (15) Â Â 21.62 % Â Â 3.10 % Â Â 7.26 % Â Â 6.76 % Â Hennessy Japan Small Cap Fund Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HJSIX** Â Â 19.81 % Â Â 0.16 % Â Â 5.08 % Â Â 8.04 % Investor Class Share - HJPSX Â Â 19.26 % Â Â -0.24 % Â Â 4.66 % Â Â 7.67 % Russell/Nomura Small CapTM Index (16) Â Â 19.48 % Â Â 1.24 % Â Â 4.63 % Â Â 6.09 % Tokyo Stock Price Index (TOPIX) (15) Â Â 21.62 % Â Â 3.10 % Â Â 7.26 % Â Â 6.76 % Â 8 Table of Contents Â Hennessy Large Cap Financial Fund* Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HILFX** Â Â 34.70 % Â Â -3.45 % Â Â 6.45 % Â Â 7.15 % Investor Class Share - HLFNX Â Â 34.28 % Â Â -3.75 % Â Â 6.10 % Â Â 6.79 % Russell 1000Â® Index Financials (17) Â Â 41.42 % Â Â 10.17 % Â Â 14.64 % Â Â 13.29 % Russell 1000Â® Index (6) Â Â 35.68 % Â Â 10.83 % Â Â

15.64 % Â Â 13.10 % Â Hennessy Small Cap Financial Fund* Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HISFX Â Â 33.79 % Â Â 1.43 % Â Â 10.11 % Â Â 9.31 % Investor Class Share - HSFNX Â Â 33.44 % Â Â 1.09 % Â Â 9.74 % Â Â 8.92 % Russell 2000Â® Index Financials (18) Â Â 38.64 % Â Â 4.14 % Â Â 7.59 % Â Â 8.84 % Russell 2000Â® Index (1) Â Â 26.76 % Â Â 1.84 % Â Â 9.39 % Â Â 8.78 % Â Hennessy Technology Fund* Â One Year Â Â Three Years Â Â Five Years Â Â Ten Years Â Institutional Class Share - HTCIX** Â Â 29.82 % Â Â 5.64 % Â Â 13.90 % Â Â 11.74 % Investor Class Share - HTECX Â Â 29.42 % Â Â 5.38 % Â Â 13.60 % Â Â 11.44 % NASDAQ Composite Index (19) Â Â 38.64 % Â Â 8.84 % Â Â 18.81 % Â Â 16.13 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â 15.98 % Â Â 13.38 % Â Hennessy Stance ESG ETF* Â One Year Â Â Three Years Â Â Five Years Â Â Since Inception (3/15/21) Â STNC - Net Asset Value Â Â 24.31 % Â Â 6.56 % Â Â - Â Â Â 6.87 % STNC - Market Price Â Â 24.23 % Â Â 6.50 % Â Â - Â Â Â 6.87 % S&P 500Â® Index (2) Â Â 36.35 % Â Â 11.91 % Â Â - Â Â Â 12.80 % Â * Performance information from prior to the date that we acquired the assets related to the management of the fund is included because the previous investment manager managed the fund using a similar investment strategy. ** Performance shown for periods prior to the inception of Institutional Class shares represents the performance of Investor Class shares of the fund and includes expenses that are not applicable to, and are higher than, those of Institutional Class shares. (1) The Russell 2000Â®Â Index comprises the smallest 2,000Â companies in the Russell 3000Â®Â Index based on market capitalization and current index membership, representing approximately 7% of the total market capitalization of the Russell 3000Â®Â Index. (2) The S&P 500Â®Â Index is a capitalizationâ€‘weighted index that is designed to represent the broad domestic economy through changes in the aggregate market value of 500 stocks across all major industries. (3) The Russell 3000Â®Â Index comprises the 3,000 largest U.S. companies based on market capitalization, representing approximately 96% of the investable U.S.Â equities market. (4) The Russell MidcapÂ®Â Growth Index comprises those companies in the Russell MidcapÂ®Â Index with relatively higher priceâ€‘toâ€‘book ratio, higher forecasted growth values, and higher sales per share historical growth. (5) The Russell MidcapÂ®Â Index comprises approximately 800 of the smallest securities in the Russell 1000Â®Â Index, representing approximately 27% of the total market capitalization of the Russell 1000Â®Â Index. (6) The Russell 1000Â®Â Index comprises the 1,000 largest companies in the Russell 3000Â®Â Index based on market capitalization and current index membership, representing approximately 93% of the total market capitalization of the Russell 3000Â®Â Index. (7) The Russell 1000Â®Â Value Index comprises those companies in the Russell 1000Â®Â Index with relatively lower priceâ€‘toâ€‘book ratios, lower forecasted growth value, and lower sales per share historical growth. (8) The 75/25 Blended DJIA/Treasury Index consists of 75% common stocks represented by the Dow Jones Industrial Average and 25% short-duration Treasury securities represented by the ICE BofAML U.S.Â 3â€‘Month Treasury Bill Index, which comprises U.S. Treasury securities maturing in three months. (9) The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange or The Nasdaq Stock Market LLC. Â 9 Table of Contents Â (10) The 50/50 Blended DJIA/Treasury Index consists of 50% common stocks represented by the Dow Jones Industrial Average and 50% short-duration Treasury securities represented by the ICE BofAML 1-Year U.S.Â Treasury Note Index, which comprises U.S. Treasury securities maturing in approximately one year. (11) The S&P 500Â®Â Energy Index comprises those companies included in the S&P 500Â®Â that are classified in the Energy sector. (12) The Alerian US Midstream Energy Index comprises companies that earn a majority of their cash flow from midstream activities involving energy commodities. (13) The AGA Stock Index is a capitalizationâ€‘weighted index consisting of members of the American Gas Association whose securities are traded on a U.S. stock exchange. (14) The Russell/Nomura Total Marketâ„¢Â Index represents approximately 98% of the investable Japan equity market. (15) The Tokyo Stock Price Index (TOPIX) is a capitalization-weighted index of all of the companies listed on the First Section of the Tokyo Stock Exchange. (16) The Russell/Nomura Small Capâ„¢Â Index comprises the bottom 15% of the Russell/Nomura Total Marketâ„¢Â Index based on market capitalization. (17) The Russell 1000Â®Â Index Financials is a subset of the Russell 1000Â®Â Index that measures the performance of securities classified in the Financials sector of the largeâ€‘cap U.S. equity market. (18) The Russell 2000Â®Â Index Financials is a subset of the Russell 2000Â®Â Index that measures the performance of securities classified in the Financials sector of the smallâ€‘cap U.S. equity market. (19) The NASDAQ Composite Index is a broad-based capitalization-weighted index of all common stocks listed on The Nasdaq Stock Market LLC. Â Investors cannot invest directly in an index. Performance data for an index does not reflect any deductions for fees, expenses, or taxes. Â RussellÂ® is a trademark of the London Stock Exchange Group (â€œLSEGâ€) and is used by Frank Russell Company (â€œRussellâ€) under license. Neither we nor the Hennessy Funds are in any way sponsored, endorsed, sold, or promoted by Russell or by LSEG, and neither Russell nor LSEG makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the applicable indexes above and/or the figure at which such indexes stand at any particular time on any particular day or otherwise. Such indexes are compiled and calculated by Russell in connection with Nomura Securities Co., Ltd. (â€œNomuraâ€). However, neither Russell, LSEG, nor Nomura shall be liable (whether in negligence or otherwise) to any person for any inaccuracies in such indexes and neither Russell, LSEG, nor Nomura shall be under any obligation to advise any person of any inaccuracies therein. No further distribution of Russell data is permitted without Russellâ€™s express written consent. Â Standard & Poorâ€™s Financial Services LLC is the source and owner of the S&PÂ® and S&PÂ 500Â® trademarks. Â The Dow Jones Industrial Average is the property of the Dow Jones & Company, Inc. Dow Jones & Company, Inc. is not affiliated with the Hennessy Funds or its investment advisor. 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 included in this communication. Â The Alerian US Midstream Energy Index is a servicemark of GKD Index Partners. LLC d/b/a Alerian (â€œAlerianâ€), and its use is granted under a license from Alerian. Alerian makes no express or implied warranties, representations, or promises regarding the originality, merchantability, suitability, or fitness for a particular purpose or use with respect to the Alerian indices. No party may rely on, and Alerian does not accept any liability for any errors, omissions, interruptions, or defects in, the Alerian indices or underlying data. Â Development of New Investment Strategies and Expanding Our Product Offerings Â We develop new investment strategies and expand our product offerings by identifying investor needs and reviewing asset allocation tables to determine where we can augment our family of funds. Once we identify an attractive market segment, we select one of the following methods to initiate the new strategy: Â Â â— We screen the appropriate universe of stocks with a set of parameters that we believe identifies stocks that will produce higher long-term returns with lower associated risk than their relative indices, and we then introduce the new investment strategy into the marketplace by opening and directly marketing a new fund; Â 10 Table of Contents Â Â â— We purchase the assets related to the management of an existing fund that we then manage ourselves; Â Â â— We purchase the assets related to the management of an existing fund and then engage the existing portfolio managers or strategic firm to act as a sub-advisor to manage the fund; or Â Â â— We purchase the assets related to the management of an existing fund and then employ the existing portfolio management team to manage the fund. Â ASSETS UNDER MANAGEMENT, SOURCES OF REVENUES, AND 12B-1 PLANS Â We earn revenues primarily by providing investment advisory services to the Hennessy Funds and secondarily by providing shareholder services to investors in the Hennessy MutualÂ Funds. The fees we receive for these services are calculated as a percentage of the average daily net asset values of the Hennessy Funds. In addition, the subâ€'advisory fees that we pay are also calculated as a percentage of the average daily net asset values of the subâ€'advised Hennessy Funds. The amount of our assets under management fluctuates as a result of organic inflows (purchases of shares of the Hennessy Funds by new or existing investors), acquisition inflows, outflows (redemptions of shares of the Hennessy Funds by investors), and market appreciation or depreciation. Â The following table summarizes our assets under management for the past three fiscal years: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â 2022 Â Â Â (In thousands) Â Beginning assets under management Â $ 3,032,042 Â Â $ 2,895,717 Â Â $ 4,065,922 Â Acquisition inflows Â Â 71,656 Â Â Â 43,088 Â Â Â - Â Organic inflows Â Â 1,554,303 Â Â Â 598,119 Â Â Â 656,491 Â Redemptions Â Â (1,005,191) Â Â (915,397) Â Â (1,147,888) Market appreciation (depreciation) Â Â 989,553 Â Â Â 410,515 Â Â Â (678,808) Ending assets under management Â $ 4,642,363 Â Â $ 3,032,042 Â Â $ 2,895,717 Â Â As stated above, the amount of fees we receive for providing investment advisory and shareholder services increases or decreases as our average assets under management rises or falls. Â The following table summarizes our sources of revenues, net of sub-advisory fees, for the past three fiscal years: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â 2022 Â Â Â (In thousands) Â Investment advisory fees Â $ 27,524 Â Â $ 22,090 Â Â $ 27,468 Â Shareholder service fees Â Â 2,122 Â Â Â 1,930 Â Â Â 2,199 Â Subtotal Â Â 29,646 Â Â Â 24,020 Â Â Â 29,667 Â Sub-advisory fees Â Â (4,169) Â Â (3,759) Â Â (5,727) Revenue, net of sub-advisory fees Â $ 25,477 Â Â $ 20,261 Â Â $ 23,940 Â Â 11 Table of Contents Â Investment Advisory Agreements and Fees Â We provide investment advisory services to the Hennessy Funds pursuant to investment advisory agreements with Hennessy Funds Trust. Our provision of investment advisory services to the Hennessy Funds is subject to the oversight of the Board of Trustees of Hennessy Funds Trust (the â€œFundsâ€™ Board of Trusteesâ€) and must be in accordance with the applicable Hennessy Fundâ€™s investment advisory agreement, Prospectus, and Statement of Additional Information. The services that we provide to each Hennessy Fund pursuant to these investment advisory agreements include, among other things, the following: Â Â â— acting as portfolio manager for the fund or overseeing the subâ€'advisor acting as portfolio manager for the fund, which includes managing the composition of the fundâ€™s portfolio (including the purchase, retention, and disposition of portfolio securities in accordance with the fundâ€™s investment objectives, policies, and restrictions), seeking best execution for the fundâ€™s portfolio, managing the use of soft dollars for the fund, and managing proxy voting for the fund; Â Â â— performing a daily reconciliation of portfolio positions and cash for the fund; Â Â â— monitoring the liquidity of the fund; Â Â â— monitoring the fundâ€™s compliance with its investment objectives and restrictions and federal securities laws; Â Â â— maintaining a compliance program (including a code of ethics), conducting ongoing reviews of the compliance programs of the fundâ€™s service providers (including any subâ€'advisor), including their codes of ethics, as appropriate, conducting onâ€'site visits to the fundâ€™s service providers (including any subâ€'advisor) as feasible, monitoring incidents of abusive trading practices, reviewing fund expense accruals, payments, and fixed expense ratios, evaluating insurance providers for fidelity bond, directors and officers and errors and omissions insurance, and cybersecurity insurance coverage, managing regulatory examination compliance and responses, conducting employee compliance training, reviewing reports provided by service providers, and maintaining books and records; Â Â â— if applicable, overseeing the selection and continued employment of the fundâ€™s subâ€'advisor, reviewing the fundâ€™s investment performance, and monitoring the sub-advisorâ€™s adherence to the fundâ€™s investment objectives, policies, and restrictions; Â Â â— overseeing service providers that provide accounting, administration, distribution, transfer agency, custodial, sales, marketing, public relations, audit, information technology, and legal services to the fund; Â Â â— maintaining inâ€'house marketing and distribution departments on behalf of the fund; Â Â â— preparing or directing the preparation of all regulatory filings for the fund, including writing and annually updating the fundâ€™s prospectus and related documents; Â Â â— for each annual report of the fund, preparing or reviewing a written summary of the fundâ€™s performance during the most recent 12â€'month period; Â Â â— monitoring and overseeing the accessibility of the fund on financial institution platforms; Â Â â— paying the incentive compensation of the fundâ€™s compliance officers and employing other staff such as legal, marketing, national accounts, distribution, sales, administrative, and trading oversight personnel, as well as management executives; Â Â â— providing a quarterly compliance certification to the Fundsâ€™Â Board of Trustees; and Â Â â— preparing or reviewing materials for the Fundsâ€™Â Board of Trustees, presenting to or leading discussions with the Fundsâ€™Â Board of Trustees, preparing or reviewing all meeting minutes, and arranging for training and education of the Fundsâ€™Â Board of Trustees. Â 12 Table of Contents Â The investment advisory agreements also provide that we are responsible for performing any ordinary clerical and bookkeeping services needed by the Hennessy Funds that are not provided by the fundsâ€™ custodian, administrator, or transfer agent. The Fundsâ€™ Board of Trustees comprises five trustees who are not interested persons of the Hennessy Funds (the â€œdisinterested trusteesâ€) and Neil J. Hennessy, who is our Chief Executive Officer and Chairman of our Board of Directors. Under the Investment Company Act of 1940, as amended (the â€œ1940 Actâ€), a majority of the trustees must be disinterested trustees, and the disinterested trustees must approve entering into and continuing our investment advisory agreements. The disinterested trustees also have sole responsibility for selecting and nominating other disinterested trustees. Â In exchange for the services described above, we receive an investment advisory fee from each Hennessy Fund that is calculated as a percentage of such fundâ€™s average daily net asset value. As of the end of fiscal year 2024, the percentages of each fundâ€™s assets used to calculate the annual investment advisory fees payable to us are as follows: Â Hennessy Fund Â Investment Advisory Fee Â (All Class Shares) Â (as a % of fund assets) Â Hennessy Cornerstone Growth Fund Â Â 0.74% Â Hennessy Focus Fund Â Â 0.90% Â Hennessy Cornerstone Mid Cap 30 Fund Â Â 0.74% Â Hennessy Cornerstone Large Growth Fund Â Â 0.74% Â Hennessy Cornerstone Value Fund Â Â 0.74% Â Hennessy Total Return Fund Â Â 0.60% Â Hennessy Equity and Income Fund Â Â 0.80% Â Hennessy Balanced Fund Â Â 0.60% Â Hennessy Energy Transition Fund Â Â 1.25% Â Hennessy Midstream Fund Â Â 1.10% Â Hennessy Gas Utility Fund Â Â 0.40% Â Hennessy Japan Fund Â Â 0.80% Â Hennessy Japan Small Cap Fund Â Â 0.80% Â Hennessy Large Cap Financial Fund Â Â 0.90% Â Hennessy Small Cap Financial Fund Â Â 0.90% Â Hennessy Technology Fund Â Â 0.74% Â Hennessy Stance ESG ETF Â Â 0.95% Â Â We waive a portion of our fees with respect to the HennessyÂ Midstream Fund, the Hennessy Technology Fund, and the

Hennessy Stance ESG ETF to comply with contractual expense ratio limitations. The fee waivers are calculated daily by the Hennessy Fundsâ€™ accountants at U.S. Bank Global Fund Services, reviewed by management, and then charged to expense monthly as offsets to our revenues. Each waived fee is then deducted from investment advisory fee income and reduces the aggregate amount of advisory fees we receive from such fund in the subsequent month. Total fee waivers duringÂ fiscal yearsÂ 2024 andÂ 2023 were $0.18Â million and $0.15 million, respectively. To date, we have only waived fees based on contractual obligations, but we have the ability to waive fees at our discretion. Any decision to waive fees would apply only on a goingâ€‘forward basis. Â 13 Table of Contents Â Our investment advisory agreements must be renewed annually (except in limited circumstances) by (i)Â the Fundsâ€™ Board of Trustees or the vote of a majority of the outstanding shares of the applicable Hennessy Fund and (ii)Â the vote of a majority of the disinterested trustees. If an investment advisory agreement is not renewed, it terminates automatically. There are two additional circumstances in which an investment advisory agreement terminates. First, an investment advisory agreement automatically terminates if we assign it to another advisor (assignment includes â€œindirect assignment,â€ which is the direct or indirect transfer of our common stock in sufficient quantities deemed to constitute a controlling block). Second, an investment advisory agreement may be terminated prior to its expiration upon 60Â daysâ€™ written notice by either the applicable Hennessy Fund or us. Â Sub-Advisory Agreements and Fees Â We have delegated the day-to-day portfolio management responsibilities to subâ€‘advisors, subject to our oversight, for some of the Hennessy Funds. In each case, the subâ€‘advisor entity or the individuals working at the subâ€‘advisor entity is the same entity or are the same individuals who advised the fund prior to our purchase of assets related to the management of such fund. The provision of subâ€‘advisory services must be in accordance with the applicable Hennessy Fundâ€™s subâ€‘advisory agreement, Prospectus, and Statement of Additional Information. The services that each subâ€‘advisor provides to the applicable Hennessy Fund pursuant to the terms of the subâ€‘advisory agreement include, among other things, the following (except these responsibilities are divided between Stance Capital and Vident Advisory for the Hennessy Stance ESG ETF): Â Â â— acting as portfolio manager for the fund, which includes managing the composition of the fundâ€™s portfolio (including the purchase, retention, and disposition of portfolio securities in accordance with the fundâ€™s investment objectives, policies, and restrictions), seeking best execution for the fundâ€™s portfolio, managing the use of soft dollars for the fund, and managing proxy voting for the fund; Â Â â— ensuring that its compliance programs include policies and procedures relevant to the fund and the subâ€‘advisorâ€™s duties as a portfolio manager to the fund; Â Â â— for each annual report of the fund, preparing a written summary of the fundâ€™s performance during the most recent 12â€‘month period; and Â Â â— providing a quarterly certification to Fundsâ€™Â Board of Trustees regarding trading and allocation practices, supervisory matters, the subâ€‘advisorâ€™s compliance program (including its code of ethics), compliance with the fundâ€™s policies, and general firm updates. Â 14 Table of Contents Â In exchange for sub-advisory services, we pay subâ€‘advisory fees to the subâ€‘advisors out of our own assets. Sub-advisory fees are calculated as a percentage of the applicable fundâ€™s average daily net asset value. The following table lists each of our subâ€‘advised funds, the subâ€‘advisor for such fund, and the percentage used to calculate the annual subâ€‘advisory fees payable by us to such fundâ€™s subâ€‘advisor as of the end of fiscal year 2024: Â Hennessy Fund Â Â Â Sub-Advisory Fee (All Class Shares) Â Sub-Advisor Â (As a % of Fund Assets) Hennessy Focus Fund Â Broad Run Investment Management, LLC Â Â 0.29% Hennessy Equity and Income Fund Â FCI Advisors (fixed income allocation) Â Â 0.27% Â Â The London Company of Virginia, LLC (equity allocation) Â Â 0.33% Hennessy Japan Fund Â SPARX Asset Management Co., Ltd. Â $0-$500 million: 0.35% Â Â Â Â Above $500 million-$1 billion: 0.40% Â Â Â Â Above $1 billion: 0.42% Hennessy Japan Small Cap Fund Â SPARX Asset Management Co., Ltd. Â $0-$500 million: 0.35% Â Â Â Â Above $500 million-$1 billion: 0.40% Â Â Â Â Above $1 billion: 0.42% Hennessy Stance ESG ETF Â Stance Capital, LLC (portfolio composition sub-advisor) Â $0-$125 million: 0.40% Â Â Â Â Above $125-$250 million: 0.37% Â Â Â Â Above $250 million: 0.35% Â Â Vident Advisory, LLC* (trading sub-advisor) Â $0-$250 million: 0.05% Â Â Â Â Above $250-$500 million: 0.05% Â Â Â Â Above $500 million: 0.04% Â *Subject to a minimum sub-advisory fee to Vident Advisory, LLC of $18,750 on an annual basis. Â The subâ€‘advisory agreements must be renewed annually in the same manner as the investment advisory agreements and are subject to the same termination provisions, including automatic termination in the event the agreement is assigned. Assignment is generally defined under the 1940 Act and the Advisers Act to include direct assignments as well as assignments that are deemed to occur due to the change in control of the investment advisor, which includes us or one of the subâ€‘advisors that we have engaged on behalf of certain of the Hennessy Funds. However, a transaction is not an assignment under the 1940 Act or the Investment Advisers Act of 1940, as amended (the â€œAdvisers Actâ€) if it does not result in a change of actual control or management of us or, in the context of a sub-advisor, a change of actual control or management of the sub-advisor. Â 15 Table of Contents Â If a subâ€‘advisor experienced a change of control but we did not, we could continue acting as an advisor to the applicable Hennessy Fund, but the shareholders of such Hennessy Fund would have to approve a new subâ€‘advisory agreement for the subâ€‘advisor. Because obtaining shareholder approval for a new subâ€‘advisor can be costly both in terms of expense and time, we sought and received an exemptive order from the Securities and Exchange Commission (â€œSECâ€) in 2023 to operate under a manager of managers structure. The manager of managers structure permits us to appoint and replace unaffiliated sub-advisors and to enter into and make material amendments to the related sub-advisory agreements on behalf of the Hennessy Funds without shareholder approval, but subject in each case to the approval of the Hennessy Fundsâ€™ Board of Trustees. Under the manager of managers structure, we have ultimate responsibility, subject to oversight by the Hennessy Fundsâ€™ Board of Trustees, for overseeing the Hennessy Fundsâ€™ unaffiliated sub-advisors and recommending their hiring, termination, or replacement. Even with the exemptive order from the SEC, we cannot implement the manager of managers structure on behalf of a particular Hennessy Fund until the shareholders of such Hennessy Fund approve its implementation. Â We obtained shareholder approval for the Hennessy Stance ESG ETF in 2023 to operate under a manager of managers structure and are evaluating the timing and process for obtaining shareholder approval for the Hennessy Mutual Funds that have a subâ€‘advisor. With respect to the Hennessy Stance ESG ETF, our subâ€‘advisory agreement with VIA, one of the subâ€‘advisors for the fund, terminated automatically on July 14, 2023, in connection with an acquisition transaction that resulted in a change of control of VIA. As a result of the transaction, VIA ceased to exist and Vident Advisory became the sole Vident enterprise carrying out Videntâ€™s business and operations. On the same date, we entered into a new subâ€‘advisory agreement with Vident Advisory pursuant to which Vident Advisory now provides subâ€‘advisory services to the Hennessy Stance ESG ETF. The new subâ€‘advisory agreement was approved by the Hennessy Fundsâ€™ Board of Trustees and by vote of the shareholders of the Hennessy Stance ESG ETF. At the same meeting, the shareholders of the Hennessy Stance ESG ETF also approved the implementation of the manager of managers structure for the fund. Â Shareholder Servicing Agreements and Fees Â Pursuant to a shareholder servicing agreement with Hennessy Funds Trust, we provide shareholder services to investors in the Hennessy Mutual Funds including, among other things, maintaining a tollâ€‘free number that the current investors in the Hennessy Funds may call to ask questions about their accounts or the funds and actively participating as a liaison between investors in the Hennessy Funds and U.S. Bank Global Fund Services. In exchange for these services, we receive a shareholder service fee from each Hennessy Mutual Fund of 0.10% of the average daily net assets of such fundâ€™s Investor Class shares. Â The shareholder servicing agreement must be renewed annually by the Fundsâ€™ Board of Trustees, including the vote of a majority of the disinterested trustees. If the shareholder servicing agreement is not renewed, it terminates automatically. In addition, the shareholder servicing agreement may be terminated prior to its expiration upon 60Â daysâ€™ written notice by Hennessy Funds Trust or us. Â 12b-1 Plans Â All of the Hennessy Mutual Funds have adopted a 12b-1 plan. These plans are named after Rule 12b-1 of the 1940 Act, which permits a fund to adopt a plan that allows the fund to collect fees to use to make payments to third parties in connection with the distribution of fund shares. Amounts paid under a plan may be spent on any activities or expenses primarily intended to result in sale of shares of the fund, including, but not limited to (i)Â advertising, (ii)Â compensation paid to financial institutions, broker-dealers, and others for sales and marketing, (iii)Â shareholder accounting servicing, (iv) printing and mailing prospectuses to possible new investors, and (v) printing and mailing sales literature. A fund may also employ a distributor to distribute and market fund shares and then use 12b-1 fees to pay the distributor for expenses relating to telephone use, overhead, employing employees who engage in or support the distribution of the fund shares, printing prospectuses and other reports for possible new investors, advertising, and preparing and distributing sales literature. Â The 12bâ€‘1 fee for each Hennessy Mutual Fund is 0.15% of the average daily net assets of such fundâ€™s Investor Class shares. Â CUSTODIAL, DISTRIBUTION, AND BROKERAGE ARRANGEMENTS Â We use independent third parties for custody and distribution of our assets under management. Â 16 Table of Contents Â All trades for the Hennessy Funds are executed by independent brokerage firms following our direction or the direction of our subâ€‘advisors. When selecting brokers, we and our subâ€‘advisors are required to seek best execution. Although there is no single statutory definition, SEC releases and other legal guidelines make clear that this duty requires us to seek â€œthe most advantageous terms reasonably available under the circumstances for a customerâ€™s account.â€ The lowest possible commission, while important, is not the sole determinative factor. We and our subâ€‘advisors also consider factors such as order size and market depth, availability of competing markets and liquidity, trading characteristics of the security, financial responsibility of the brokerâ€‘dealer, and the brokerâ€™s ability to address current market conditions. Â Currently, we participate in soft dollar arrangements with one of our brokers. This means we receive research reports and real-time electronic research to assist us in trading and managing the Hennessy Funds. Under these soft dollar arrangements, the Hennessy Funds pay brokerage commissions for securities trades at the regular market rate, and some or all of the value of those commissions is received by us in the form of research or other services that benefit the Hennessy Funds. We believe our soft dollar arrangements comply with SEC guidance regarding soft dollars. Â LICENSE AGREEMENT Â Our ability to use the names and formulaic investment strategies of the Hennessy Cornerstone Growth Fund and the Hennessy Cornerstone Value Fund are governed by the terms and conditions of a license agreement, dated as of AprilÂ 10, 2000, with Netfolio. Under the license agreement, Netfolio granted us a perpetual, paid-up, royaltyâ€‘free, exclusive license to use certain trademarks, such as â€œStrategy Indexing,â€ â€œCornerstone Growth,â€ and â€œCornerstone Value,â€ as well as the formula investment strategies used by the Hennessy Cornerstone Growth Fund and the Hennessy Cornerstone Value Fund. All of our advertising, marketing, promotional, and other materials incorporating or referring to the trademarks are subject to the prior written approval of Netfolio, except that we do not need Netfolioâ€™s prior written approval to use the trademarks in a manner that is not substantially unchanged from any prior use by Netfolio in its own business or from any prior use by us previously approved by Netfolio. We have the right to assign the license to another person or entity if the assignee agrees in writing to be bound by the terms of the license agreement. There are no ongoing licensing fees associated with this license agreement, and Netfolio does not have any contractual rights to terminate the license agreement. Â BUSINESS STRATEGY Â From the time we launched our first mutual fund in 1996, we have consistently pursued a growth strategy centered on organic growth through our marketing, sales, and distribution efforts and growth through strategic purchases of managementâ€‘related assets. The implementation of this business strategy is described below. Â â— Seeking to deliver strong investment performance of the Hennessy Funds Â One of the most effective ways we can grow the assets of the Hennessy Funds is by delivering strong investment performance, which we believe should: Â Â â— result in an increase in the value of existing assets of the Hennessy Funds; Â Â â— encourage more investors to buy shares of the Hennessy Funds and decrease the number of investors who redeem their shares and leave the Hennessy Funds; and Â Â â— motivate current investors to invest additional money in the Hennessy Funds. Â â— Utilizing our branding and marketing campaign to attract assets Â We believe we can attract investors to the Hennessy Funds by effectively marketing our consistent and disciplined approach to investing based on a buyâ€‘andâ€‘hold philosophy that rejects the idea of market timing. We offer quantitative funds, actively managed funds, and income-generating funds. We believe our quantitative funds attract investors who want to understand exactly how their investments are managed and who favor statistical analysis and empirical evidence as the basis for investment decisions. We also believe that our actively managed funds attract investors who appreciate a fundamental, hands-on investment management approach and talented portfolio managers. Finally, we believe our more conservative, incomeâ€‘generating funds attract investors seeking alternatives to funds invested entirely in equities. Â 17 Table of Contents Â We run a comprehensive and far-reaching public relations program designed to disseminate our message to a wide variety of potential investors through frequent television appearances, radio spots, feature articles, and print media mentions. We have partnered with an industry-leading public relations firm, SunStar Strategic, to proactively promote the Hennessy Funds to national financial media. This public relations program has consistently resulted in the Hennessy Funds being mentioned an average of once every two to three days in national print and broadcast media such as CNBC, Fox News, Bloomberg radio and TV, The Wall Street Journal, Kiplinger, and Barronâ€™s, among others. To facilitate our presence in the media, we utilize LiveStudio, an in-house studio providing a direct link to media broadcasts, at our office in Novato, California. We have several spokespeople who help us expand our public relations program and provide comprehensive media coverage of our products, including (i) NeilÂ J.Â Hennessy, who is our Chief Executive Officer and Chairman of our Board of Directors as well as President, Chief Market Strategist, and a Portfolio Manager of the Hennessy Funds, (ii) Ryan Kelley, Chief Investment Officer and a Portfolio Manager of the Hennessy Funds, and (iii) Portfolio Managers Ben Cook, David Ellison, and JoshÂ Wein, as well as the Portfolio Managers at our subâ€‘advisors. Â We maintain and regularly update a robust website and social media presence. Our core marketing efforts include targeted outreach to both current and prospective investors in the Hennessy Funds, including financial advisors and retail investors. Our content marketing includes overall market and sectorâ€‘specific thought leadership, promotional investment ideas, fund updates, and commentary from our portfolio managers, as well as feature news articles and broadcast appearances. We attend select investment advisor trade shows and strategic industryâ€‘related conferences, and we seek opportunities to moderate or speak on industry-related panels.Â Â â— Expanding our distribution network to additional distribution platforms Â Investors may purchase shares of the Hennessy Funds throughÂ financial institutions, including fund supermarkets, national wirehouses and brokerâ€‘dealers, independent and regional broker-dealers, and registered investment advisors. Â Fund supermarkets, such as Schwab, Fidelity, TD Ameritrade, and Pershing, generally offer funds of many different investment companies to investors in exchange for a services fee paid by the applicable fund or that fundâ€™s investment advisor. The ability to purchase various funds in a single location is very attractive to investors, and the majority of our assets under management as of the end of fiscal year 2024 was held at fund supermarkets. Additionally, we continually seek opportunities to form new relationships with financial institutions to make the Hennessy FundsÂ even more accessible to investors. We oversee distribution of the Hennessy Funds through all financial institutions. Â Investors may also purchase shares of the Hennessy Mutual Funds directly through the Hennessy Funds' website or by calling us or U.S. Bank Global Fund Services, the Hennessy Fundsâ€™ administrator. Â â— Increasing our current base of financial advisors and investment professionals Â Investment professionals generally have access to a wide variety of investment products they may recommend to their clients. A recommendation by an investment professional to a client to buy one of the Hennessy Funds may greatly influence that investor. Thus, we believe that expanding our current base of investment professionals who utilize no-load funds for their clients will help us increase our assets under management, which will in turn increase our revenues. Â â— Securing participation on the platforms of national full-service firms Â We continually strive to develop relationships with national full-service firms that permit their investment professionals to offer no-load funds to their clients as a way to increase the amount of assets that we manage, which will in turn increase our revenues. Â 18 Table of Contents Â â— Pursuing strategic purchases of management agreements for additional funds Â A primary component of our growth strategy is to selectively pursue strategic purchases of the assets related to the management of additional funds. We believe the regulatory burden imposed upon the fund industry, along with increased competition, has compressed the margins of smaller to mid-sized fund managers, making those managers more receptive to an asset purchase. The longâ€‘term trend toward lower fees has made it more challenging to identify accretive asset purchases, but we believe that we are well positioned to move quickly once we identify any attractive purchase targets from the large supply of potential targets. Â Through our asset purchase strategy, we have completed 12Â purchases of the assets related to the management of investment funds over a nearly 25â€‘year period, integrating $4.4 billion in net assets of 33Â different investment funds into the Hennessy Funds family. Â â— Delivering strong, highâ€‘quality financial results. Â We seek to maintain a strong financial position and to manage our investment advisory business to meet the highest regulatory, ethical, and business standards and to maintain continuity of service to all of the investors in the Hennessy Funds. Â COMPETITION Â The investment advisory industry is highly competitive, with new competitors continually entering the industry. We compete directly with numerous global and U.S.Â investment managers, commercial banks, savings and loans associations, brokerage and investment banking firms, broker-dealers, insurance companies, and other financial institutions that often provide investment products with similar features and objectives to those we offer. These institutions range from small boutique firms to large financial services complexes. We are considered a small investment advisory company. Many competing companies are part of larger financial services companies that conduct business in more markets and have greater marketing, financial, technical, research, and distribution resources and other capabilities than we do. Most of the larger firms offer a broader range of financial services to the same retail and institutional investors we seek to serve. These factors may place us at a competitive disadvantage, and we can give no assurance that our strategies and efforts to maintain and enhance our current investor relationships, as well as to create new ones, will be successful. To grow our business, we must be able to compete effectively for assets under management. Key competitive factors include: Â Â â— the investment performance of the Hennessy Funds; Â Â â— the breadth of our product offerings; Â Â â— industry rankings of the Hennessy Funds; Â Â â— the quality of our services; Â Â â— our ability to further develop and market our brand; Â Â â— our commitment to placing the interests of investors first; and Â Â â— our general business reputation. Â Increased competition could reduce the demand for our products and services, which could have a material adverse effect on our business, results of operations, and financial condition. Â Competition is an important risk that our business faces and should be considered along with other risk factors that we discuss in ItemÂ 1A, â€œRisk Factors.â€ Â 19 Table of Contents Â REGULATORY ENVIRONMENT Â We are subject to an increasing number of extensive and complex federal and state laws and regulations intended to protect investors in funds and investors of registered investment advisors. We believe we are in compliance in all material respects with all applicable laws and regulations. Â We are registered as an investment advisor with the SEC and, therefore, must comply with the requirements of the Advisers Act and related SEC regulations. Such requirements relate to, among other things, fiduciary duties to investors, transactions with investors, compliance program effectiveness, solicitation arrangements, conflicts of interest, advertising, recordkeeping and reporting, disclosure, and anti-fraud matters. Â We manage accounts for the Hennessy Funds on a discretionary basis, meaning that we have the authority to buy and sell securities for each portfolio, select brokerâ€‘dealers to execute trades, and negotiate brokerage commission rates. In connection with certain of these transactions, we receive soft dollar credits from broker-dealers that have the effect of reducing certain of our expenses. All of our soft dollar arrangements are intended to be within the safe harbor provided by SectionÂ 28(e) of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€). If our ability to use soft dollars were reduced or eliminated as a result of the implementation of statutory amendments or new regulations, our operating expenses would increase. Â The Hennessy Funds are registered with the SEC under the 1940Â Act, which imposes additional obligations on both the Hennessy Funds and us, as the advisor to the Hennessy Funds, including detailed operational requirements. While we exercise broad discretion over the day-to-day management of the business, affairs, and investment portfolios of the Hennessy Funds, our operations are subject to oversight and management by the Fundsâ€™ Board of Trustees. The responsibilities of the Fundsâ€™ Board of Trustees include, among other things, annually approving the continuation of our investment advisory agreements and shareholder servicing agreement with the Hennessy Funds and our sub-advisory agreements with the subâ€‘advisors to the Hennessy Funds, approving other service providers, determining the method of valuing assets, and monitoring transactions involving affiliates. The 1940Â Act also imposes on us a fiduciary duty with respect to receiving investment advisory fees. That fiduciary duty may be enforced by the SEC, by administrative action, or through litigation initiated by investors in the Hennessy Funds pursuant to a private right of action. Â The SEC is authorized to institute proceedings and impose sanctions for violations of the Advisers Act of 1940 and the 1940Â Act, ranging from fines and censures to the suspension of individual employees to termination of our registration as an investment advisor. A violation of applicable law or regulations could also subject us, our directors, and our employees to civil actions brought by private parties. We believe we are in compliance in all material respects with all applicable SEC requirements. Â EMPLOYEES Â As of the end of fiscal year 2024, we had 18Â employees, 17Â of whom were full-time employees. Our 18Â employees had an average tenure of 14Â years as of the end of fiscal year 2024. We focus on providing our employees competitive compensation, a friendly and flexible office environment, and fostering close-knit working relationships among our team members. Over 50% of our employees are women, and with an executive team that is 50% women and 25% minority, we believe we have created an environment in which all team members can be successful and supported. Â Our executive officers are (i)Â Neil J. Hennessy, Chief Executive Officer and Chairman of our Board of Directors, (ii)Â Teresa M. Nilsen, President, Chief Operating Officer, Secretary, and a member of our Board of Directors, (iii)Â Kathryn R. Fahy, Chief Financial Officer and Senior Vice President, and (iv)Â Daniel B. Steadman, Executive Vice President. In addition to our executive officersâ€™ responsibilities at Hennessy Advisors, Inc., (a)Â Mr.Â Hennessy is President, Chief Market Strategist, and a Portfolio Manager of the Hennessy Funds and is a member of the Fundsâ€™ Board of Trustees, (b)Â Ms.Â Nilsen is an Executive Vice President and Treasurer of the Hennessy Funds, (c)Â Ms. Fahy is Senior Vice President, Assistant Treasurer, and Assistant Secretary of the Hennessy Funds, and (d)Â Mr.Â Steadman is an Executive Vice President and Secretary of the Hennessy Funds. Â 20 Table of Contents Â AVAILABLE INFORMATION Â We make available free of charge through a link on our website, www.hennessyadvisors.com, our Annual Report on Form 10-K, Quarterly Reports on FormÂ 10â€‘Q, Current Reports on Form 8-K, and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. We are not including the information contained on our website as part of, or incorporating it by reference into, this Annual Report on Form 10-K. Â ITEM 1A. RISK FACTORS Â We face many risks and uncertainties, many of which are inherent in the financial services industry and the investment advisory business. Investors should carefully consider the risks described below, together with all of the other information included in this Annual Report on FormÂ 10â€‘K, in evaluating us and our common stock. Our business, results of operations, financial condition, and stock price could be materially adversely affected by any of the risks we face, including those described below. Â RISKS RELATING TO OUR ASSETS UNDER MANAGEMENT Â Investors in the Hennessy Funds can redeem their investments at any time and for any reason, including poor investment performance and volatile equity markets. A decline in our assets under management adversely affects our revenues. Â Investors in the Hennessy Funds may redeem their investments at any time and for any reason without prior notice. Success in the investment advisory and fund business is largely dependent on investment performance, as well as investor servicing and distribution. If the Hennessy Funds perform poorly compared to the investment products offered by other investment advisory firms, we may experience a decrease in purchases of shares and an increase in redemptions of shares of the Hennessy Funds. Further, sharp declines in the stock marketÂ have and may continue to cause increases in redemptions of shares of the Hennessy Funds. Such redemptions reduce our assets under management and adversely affect our revenues. Â Adverse opinions of the Hennessy Funds by third parties, including rating agencies or industry analysts, could decrease new investments in, or accelerate redemptions from, the Hennessy Funds, which would adversely affect our revenues. Â The Hennessy Funds are rated, ranked, and assessed by independent third parties, including rating agencies, industry analysts, distribution partners, and industry periodicals. These ratings, rankings, and assessments often influence the investment decisions of investors, but they can be affected by a number of factors that are not under our direct control and may change frequently. For example, a ranking agency like Morningstar may change its ranking designs and methodology, which could result in a decrease in the ratings of the Hennessy Funds without any action on our part. If the Hennessy Funds received an adverse rating, ranking, or assessment from a third party, it could result in an increase in the withdrawal of assets from the Hennessy Funds by existing investors and the inability to attract additional investments into the Hennessy Funds from existing and new investors, thereby reducing our assets under management and adversely affecting our revenues. Â Volatility in and disruption of the capital markets and changes in the economy has and may continue to significantly affect our assets under management and revenues. Â The securities markets are inherently volatile and may be affected by factors beyond our control, including global economic conditions, industry trends, interest and inflation rate fluctuations, political factors, the imposition of economic sanctions, public health crises, natural disasters, and other factors that are difficult to predict. Because our assets under management is largely concentrated in equity products, our results are particularly susceptible to downturns in the equity markets. We derive all of our operating revenues from investment advisory fees and shareholder service fees paid to us by the Hennessy Funds. These fees are calculated as a percentage of the average daily net asset value of the Hennessy Funds. Accordingly, our revenues increase or decrease as our average assets under management increases or decreases, which is affected by market appreciation or depreciation and purchases and redemptions of shares of the Hennessy Funds. Changing market conditions could also cause an impairment to the value of our management contractÂ asset. Â 21 Table of Contents Â The failure or negative performance of products offered by competitors may have a negative impact on the Hennessy Funds within such similar product type, irrespective of our fund performance. Â Many competitors offer similar products to the Hennessy Funds, and the failure or negative performance of competitorsâ€™ products could lead to a loss of confidence in the corresponding products in the Hennessy Funds lineup, irrespective of the performance of the Hennessy Funds. Any loss of confidence in a product type could lead to redemptions in the Hennessy Fund within such product type, which could have a material adverse effect on our business, results of operations, and financial condition. Â Our business and operations are subject to adverse effects from market reactions to the outbreak of contagious diseases. Â The outbreak and spread of contagious diseases may adversely impact global commercial activity, contribute to significant volatility in global equity and debt markets, and disrupt supply chains, operations, and economic activity. Such outbreaks may adversely impact the value and performance of the Hennessy Funds, which may result in declines in our revenues and limit our ability to source and pursue potential acquisitions. Future outbreaks of contagious diseases could have adverse impacts on our business and financial performance. Â RISKS RELATING TO OUR INDUSTRY Â Investor behavior is influenced by short-term investment performance. Â Investor behavior may be based on many factors, including short-term investment performance. Poor shortâ€‘term performance of the Hennessy Funds, irrespective of longerâ€‘term success, could potentially lead to a decrease in purchases of shares of the Hennessy Funds and an increase in redemptions, thereby reducing our assets under management and adversely affecting our revenues. Â Assets invested throughÂ financial institutionsÂ can be quickly redeemed, which could reduce our revenues. Â Financial institutions are attractive to investors because of the ease of accessibility to a variety of funds, but this may cause the investments to be more sensitive to fluctuations in performance, especially in the short term. If we were unable to retain the assets of the Hennessy Funds held through financial institutions, our assets under management would be reduced. As a result, our revenues could decline and our business, results of operations, and financial condition could be materially adversely affected. Â 22 Table of Contents Â We face intense competition in attracting investors and retaining net assets in the Hennessy Funds. Â The investment advisory industry is intensely competitive and new participants are continually entering the industry. We compete directly with numerous global and U.S. investment advisors, commercial banks, savings and loan associations, brokerage and investment banking firms, broker-dealers, insurance companies, and other financial institutions that often provide investment products with similar features and objectives to those we offer. These institutions range from small boutique firms to large financial services complexes. We are considered a small investment advisory company. Many competing companies are part of larger financial services companies that conduct business in more markets and have greater marketing, financial, technical, research, and distribution resources and other capabilities than we do. Most of the larger firms offer a broader range of financial services to the same retail and institutional investors that we seek to serve. If we are unable to attract investors and retain net assets in the Hennessy Funds due to increased competition, our revenues could decline and we could experience a material adverse effect on our business, results of operations, and financial condition. Â For more information regarding competitive factors, see the â€œCompetitionâ€ subheading in ItemÂ 1, â€œBusiness.â€ Â We may be unable to develop or acquire new products and the development of new products may expose us to reputational harm, additional costs, or operational risk. Â Our continued financial performance may depend on our ability to react to changes in the asset management industry, respond to evolving investor demands and develop, market, and manage new investment products. Conversely, the development and introduction of new products requires continued innovative effort on our part and may require significant time and resources, as well as ongoing support and investment. Substantial risks and uncertainties are associated with the introduction of new products, including the implementation of new and appropriate operational controls and procedures, shifting investor and market preferences, the introduction of competing products, constraints on our ability to manage growth, and compliance with regulatory and disclosure requirements. A growing number of new products also depend on data provided by third parties as analytical inputs and are subject to additional risks, including with respect to data quality, cost, availability, and provider relationships. There can be no assurance that we will be able to develop or acquire new products that address the needs of investors on the timescale they require. Any failure to successfully develop or acquire new products, or effectively manage associated operational risks, could harm our reputation and expose us to additional costs, which may reduce our assets under management and adversely affect our revenues. Â Market consolidation and industry trends could negatively impact our business. Â In recent years, there have been several instances of industry consolidation in both the distribution and investment management areas. Further consolidation may occur in these areas in the future. The increasing size and market influence of certain distributors of our products and of certain direct competitors may have a negative impact on our ability to compete at the same levels of profitability in the future. Additionally, the market environment has increasingly led some investors to favor lowerâ€"fee, passive products. As a result, investment advisors that emphasize passive products have gained, and may continue to gain, market share from active managers like us. Â Industry trends and market pressure to lower our investment advisory fees could reduce our profit margin. Â Our profits are highly dependent on the fees we are able to charge to the Hennessy Funds for investment advisory services. To the extent we are forced to compete on the basis of the investment advisory fees we charge to the Hennessy Funds, we may not be able to maintain our current fee structures. We have historically competed primarily on the performance of the Hennessy Funds and not on the level of our investment advisory fees relative to those of our competitors, but there has been downward pressure on fees in the investment advisory industry for many years. To maintain our fee structures in a competitive environment, we must be able to provide investors in the Hennessy Funds with investment returns and service that will adequately compensate them for investing in our funds with our current fee structures. We may not succeed in maintaining our current fee structures, and fee reductions on existing or future business could have a material adverse effect on our results of operations. Â Higher insurance premiums and increased insurance coverage risks could increase our costs and reduce our profitability. Â We carry insurance in amounts and under terms that we believe are appropriate, but we cannot guarantee that our insurance policies will cover all liabilities and losses to which we may be exposed or, if covered, that such liabilities and losses will not exceed insurance coverage limits or that our insurers will remain solvent and meet their obligations. In addition, insurance premiums and required retentions have increased in the past and may do so again in the future. Â 23 Table of Contents Â We are subject to regulatory and governmental inquiries and civil litigation. An adverse outcome of any such proceeding could involve substantial financial penalties. Various claims may also arise against us in the ordinary course of business, such as employment-related claims. There has been increased incidence of litigation and regulatory investigations in the financial services industry in recent years, including customer claims and class action suits alleging substantial monetary damages. Certain insurance coverage may not be available or may be prohibitively expensive in future periods. As our insurance policies come up for renewal, we may need to assume higher deductibles or co-insurance liabilities, or pay higher premiums, which would increase our expenses and have a material adverse effect on our results of operations. Â We are exposed to legal risk and litigation, which could increase our expenses and reduce our profitability. Â We are subject to a number of sources of potential legal liability, including, by way of example, investors in the Hennessy Funds, our own shareholders, our employees, or regulators. Lawsuits or investigations that we may become involved in could be very expensive and highly damaging to our reputation, even if the underlying claims are without merit. Â Our business is extensively regulated, which increases our costs of doing business, and our failure to comply with regulatory requirements may harm our financial condition. Â Our business is subject to extensive regulation in the United States, particularly by the SEC. We are subject to regulation under the Securities Act of 1933, as amended, the Exchange Act, the 1940Â Act, the Advisers Act, and various other statutes. The laws to which we are subject are designed primarily to protect investors in the Hennessy Funds as opposed to our shareholders. In addition to an increased number of applicable laws, the investment fund industry has undergone increased scrutiny by the SEC and state regulators in recent years, resulting in numerous enforcement actions and sweep examinations. Increased regulation has increased our costs in managing the Hennessy Funds, and we could continue to experience higher costs if new laws require us to spend more time, hire additional personnel, or buy new technology to comply effectively. Any change in law could also have a material adverse effect on us by limiting the sources of our revenues and increasing our costs. In addition to securities regulations, our business also may be materially adversely affected by other types of laws and policies. Â Any determination of a failure to comply with applicable laws, rules, or regulations could expose us or our employees to civil liability, criminal liability, or disciplinary or enforcement action, with penalties that could include the disgorgement of fees, fines, sanctions, suspensions, or censure of individual employees, or revocation or limitation of business activities or registration, and may result in monetary losses that are not covered by insurance in adequate amounts or at all, any of which could have an adverse impact on our financial condition and results of operations. Further, if we or our employees were to fail to comply with applicable laws, rules, or regulations, or be named as a subject of an investigation or other regulatory action, the public announcement and potential publicity surrounding any such investigation or action could have an adverse effect on our reputation and our stock price and result in increased costs, even if we or our employees were found not to have violated such laws, rules, or regulations. Â Changes to U.S. or state tax laws, our failure to adequately comply with U.S. or state tax laws, or the outcome of any audits or regulatory disputes with respect to our compliance with U.S. or state tax laws could adversely affect us. Â Changes to U.S. or state tax law could be enacted in the future that could have a material adverse effect on our business, results of operations, and financial condition. Further, we are subject to potential tax audits in various jurisdictions and in such event, tax authorities may disagree with certain positions we have taken and assess penalties or additional taxes. While we assess regularly the likely outcomes of these potential audits, there can be no assurance that we will accurately predict the outcome of a potential audit, and an audit could have a material adverse impact on our business, results of operations, and financial condition. Â Our investment advisory agreements require us to adhere to the investment policies and strategies of the Hennessy Funds; any failure to comply with such requirements could result in claims, losses, or regulatory sanctions. Â Our investment advisory agreements with the Hennessy Funds contain contractual provisions that require us to comply with the investment policies and strategies of the Hennessy Funds when we provide our investment advisory services. We are also required to comply with numerous investment, asset valuation, distribution, and tax requirements under applicable law and regulations. Any allegation of a failure to adhere to these requirements could result in investor claims, reputational damage, withdrawal of assets, and potential regulatory sanctions, any of which could negatively impact our revenues and earnings. We have implemented procedures and utilize the services of experienced administrators, accountants, and lawyers to assist in satisfying these requirements, but there can be no assurance that these precautions will protect us from potential liabilities. Â 24 Table of Contents Â We may need to raise additional capital to fund new business initiatives, and resources may not be available to us in sufficient amounts or on acceptable terms, which could have an adverse impact on our business. Â Our ability to meet our future cash needs is dependent upon our ability to generate cash. Although we have been successful in generating sufficient cash in the past, we may not be successful in the future. We may need to raise additional capital to fund new business initiatives or repay the 2026Â Notes, and financing may not be available to us in sufficient amounts, on acceptable terms, or at all. Our ability to access bank financing or capital markets efficiently depends on a number of factors, including the state of credit and equity markets, interest rates, and credit spreads. If we are unable to access sufficient capital on acceptable terms, our business could be adversely impacted. Â Failure to establish adequate controls and risk management policies, as well as circumvention of established controls and policies by employees, could harm us by impairing our ability to attract and retain investors in the Hennessy Funds and by subjecting us to significant legal liability, regulatory scrutiny, and reputational harm. Â Our reputation is critical to attracting and retaining investors in the Hennessy Funds. In recent years, there have been a number of highly publicized cases involving fraud, conflicts of interest, or other misconduct by individuals in the financial services industry. We have implemented controls and risk management policies to monitor and manage risks, but we cannot be certain that such controls and policies will successfully identify and manage internal and external risks. Further, although we strive to conduct our business in accordance with the highest ethical standards and emphasize the importance of doing so to our employees, there is a risk that our employees could engage in misconduct that adversely affects our business. For example, if an employee were to engage in, or be accused of engaging in, illegal or suspicious activity (such as improper trading, disclosure of confidential information, or breach of fiduciary duties), we could be subject to regulatory sanctions and suffer serious harm to our reputation, financial position, and ability to maintain and grow the number of investors in the Hennessy Funds. Â The historical performance of the Hennessy Funds should not be considered indicative of the future results of the Hennessy Funds or of any returns expected on our common stock. Â The historical performance of the Hennessy Funds is relevant to returns on our common stock only insofar as the fees we have earned in the past and may earn in the future, which are based on average assets under management, may impact the performance of our common stock. Positive performance of the Hennessy Funds typically increases our revenues, which in turn could positively affect our business, and poor performance typically reduces our revenues, which in turn could adversely affect our business. However, the historical and potential future returns of the Hennessy Funds are not directly linked to returns on our common stock, such that positive performance of the Hennessy Funds will not necessarily result in positive returns on our common stock and poor performance of the Hennessy Funds will not necessary result in negative returns on our common stock. Moreover, the historical performance of the Hennessy Funds should not be considered indicative of the future results that should be expected from such funds. Â RISKS RELATING TO OUR BUSINESS MODEL AND OPERATIONS Â We derive a substantial portion of our revenues from a limited number of the Hennessy Funds. Â For the past several years, approximately 75% of our assets under management has been concentrated in five or six of our funds. During fiscal year 2024, our average assets under management was concentrated in the following five funds: (i)Â the Hennessy Cornerstone Mid Cap 30Â Fund (27% of average assets under management); (ii) the Hennessy Focus Fund (18% of average assets under management); (iii)Â the Hennessy Gas Utility Fund (12% of average assets under management); (iv)Â the Hennessy Japan Fund (10% of average assets under management); and (v) the Hennessy Cornerstone Growth Fund (9% of average assets under management). Consequently, our revenues followed a similar pattern of concentration: (a)Â the Hennessy Cornerstone Mid Cap 30 Fund (26% of total revenue); (b) the Hennessy Focus Fund (21% of total revenue); (c)Â the Hennessy Japan Fund (10% of total revenue); (d)Â the Hennessy Cornerstone Growth Fund (9% of total revenue); and (e) the Hennessy Cornerstone Value Fund (8% of total revenue). As a result, our operating results are particularly dependent upon the performance of a small number of funds and our ability to maintain and grow assets under management in these funds. These funds have from time to time experienced significant redemptions and may do so again in the future. A significant increase in redemptions for any reason would reduce our assets under management and revenues. Â We pursue strategic asset purchases as part of our regular business strategy, and such acquisitions involve inherent risks that could adversely affect our operating results and financial condition and potentially dilute the holdings of current shareholders. Â As part of our regular business strategy, we pursue strategic purchases of the assets related to the management of additional funds. This strategy is accompanied by risks including, among others, the possibility of the following: Â Â â— the potential unavailability of attractive acquisition opportunities; Â Â â— a high level of competition from other companies that may have greater financial resources than we do; Â Â â— our inability to value potential asset purchases accurately and negotiate acceptable purchase terms; Â Â â— our inability to obtain quorum and secure enough affirmative votes to gain approval of the proposed fund reorganization from the target fundâ€™s investors; Â Â â— the loss of fund assets paid for in an asset purchase through redemptions by investors of the funds involved in the asset purchase; Â Â â— higher than anticipated asset purchase expenses; Â 25 Table of Contents Â Â â— our inability to successfully integrate and maintain adequate infrastructure to support business growth; Â Â â— increasing our leverage; Â Â â— the potential diversion of our managementâ€™s time and attention; Â Â â— dilution to our shareholders if we fund an asset purchase in whole or in part with our common stock; and Â Â â— adverse effects on our earnings if purchased intangible assets become impaired. Â Changes in the distribution channels on which we depend could reduce our net revenues and hinder our growth. Â Our primary source of distribution of the Hennessy Funds is through a variety of financial institutions. Our success is highly dependent on access to these various distribution channels. We cannot guarantee we will be able to retain access to these channels at similar pricing or at all. Increasing competition for these distribution channels could cause our distribution costs to rise, which could have a material adverse effect on our net income. These financial institutions generally can terminate their relationships with us on short notice. Mergers and other corporate transactions among distributors also may affect our relationships with financial institutions. Certain of the financial institutions upon whom we rely to distribute the Hennessy Funds also sell their own competing proprietary investment products, which could limit the distribution of our products. Investors increasingly rely on external consultants and other third parties for advice on the choice of investment manager. These consultants and third parties tend to exert a significant degree of influence over their clientsâ€™ choices, and they may favor one of our competitors as better meeting their particular clientsâ€™ needs. There is no assurance that the Hennessy Funds will be among their recommended choices in the future. Â Additionally, particularly in the United States, certainÂ financial institutions have substantially reduced the number of investment funds they make available to their clients. If a material portion of the financial institutions with whom we do business were to substantially narrow their product offerings, it could have a significant adverse effect on our assets under management, revenues, and net income. More broadly, in both retail and institutional channels, financial institutions (distribution firms and consultants) are seeking to reduce the number of investment management firms with which they do business. This poses risks of additional lost business if a particular financial institution chooses to stop or significantly reduce its business relationship with us. Any failure to maintain strong business relationships with these financial institutions and the consultant community due to any of the above-described factors would impair our ability to distribute the Hennessy Funds, which in turn would have a negative effect on our assets under management, revenues, and net income. Â We depend on key personnel to manage our business, and the loss of any key personâ€™s services, combined with our inability to identify and retain a suitable replacement for such person, could materially adversely affect us. Additionally, the cost to retain our key personnel could put pressure on our operating margins. Â Our success is largely dependent on the skills, experience, and performance of our key personnel. The business acumen, investment advisory expertise, and business relationships of our key personnel are critical elements in operating and expanding our business. Financial services professionals are in high demand, and we face significant competition for qualified employees. The loss of services of any of our key personnel for any reason, combined with our inability to identify and retain a suitable replacement for such person, could have a material adverse effect on our business, results of operations, and financial condition. Moreover, in order to retain key personnel, we may be required to increase compensation to such individuals, resulting in additional expense. Â We utilize a unitary fee structure for the Hennessy Stance ESG ETF, and we bear the risk that the Fundâ€™s operating expenses may increase and lead to a reduction in our revenues from the fund. Â The Hennessy Stance ESG ETF pays us a unitary fee under its investment advisory agreement with us.Â Under a unitary fee structure, we bear all operating expenses incurred in connection with providing services to the fund.Â The operating expenses covered by the unitary fee include third party data providers, transfer agency, custody, fund administration, legal, audit and other services.Â Additionally, for no compensation, we pay all other operating expenses of the fund, including sub-advisory fees, with the exception of the following: (i) the management fees paid to us; (ii) distribution fees and expenses paid by the fund under any distribution plan adopted pursuant to Rule 12b-1 under the Investment Company Act; (iii) interest expenses; (iv) brokerage expenses, trading expenses, and other expenses (such as stamp taxes) in connection with the execution of portfolio transactions or in connection with creation or redemption transactions; (v) compensation paid to the independent trustees of the fund and fees paid to independent trusteesâ€™ counsel; (vi) tax expenses and governmental fees; and (vii) extraordinary expenses not incurred in the course of ordinary business (the â€œExcluded Feesâ€).Â The fund and its shareholders bear the costs of Excluded Fees. The unitary fee structure generally eliminates the possibility for any decrease in the total fund expense ratio during periods when assets under management increase, which could lead to increased profitability for us if we are able to achieve economies of scale. On the other hand, if the fundâ€™s operating expenses increase (other than Excluded Fees), this will lead to a reduction in our profitability from the fund. Â We utilize unaffiliated subâ€‘advisors to manage the portfolio composition of certain of the Hennessy Funds, and any matters that have an adverse impact on their businesses or any change in our relationships with our subâ€‘advisors could lead to a reduction in assets under management, which would adversely affect our revenues. Â We utilize unaffiliated subâ€‘advisors to manage the portfolio composition of some of the Hennessy Funds. Although we perform due diligence on our subâ€‘advisors, we do not manage their dayâ€‘toâ€‘day business activities. Our financial condition and profitability may be adversely affected by situations that are specific to such subâ€‘advisors, such as disruption of their operations, their exposure to disciplinary action, or reputational harm to them. Â We periodically negotiate the terms and conditions of these subâ€‘advisory relationships, and there can be no assurance that such terms will remain acceptable to us or our subâ€‘advisors. These relationships may also be terminated by us or the applicable subâ€‘advisor without penalty on 60Â daysâ€™ notice. In addition, each subâ€‘advisory agreement must be renewed annually by the Fundsâ€™ Board of Trustees (or by the vote of a majority of the outstanding shares of the applicable Hennessy Fund), includingÂ a majority of the disinterested trustees. Furthermore, a subâ€‘advisory agreement automatically terminates if it is assigned. Assignment is generally defined under the 1940 Act and the Advisers Act to include direct assignments as well as assignments that are deemed to occur due to the change in control of the investment advisor, which includes us or one of the subâ€‘advisors that we have engaged on behalf of certain of the Hennessy Funds. However, a transaction is not an assignment under the 1940 Act or the Advisers Act if it does not result in a change of actual control or management of us or, in the context of a sub-advisor, a change of actual control or management of the sub-advisor. Â 26 Table of Contents Â Generally, if a subâ€‘advisor experiences a change of control but we do not, we could continue acting as an advisor to the applicable Hennessy Fund, but the shareholders of such Hennessy Fund would have to approve a new subâ€‘advisory agreement for the subâ€‘advisor.

However, for the Hennessy Stance ESG ETF, we have the authority to appoint and replace unaffiliated subâ€‘advisors and to enter into and make material amendments to the related subâ€‘advisory agreements without shareholder approval. This is because we sought and received an exemptive order from the SEC in 2023 to operate under a manager of managers structure and subsequently obtained shareholder approval to implement such structure for the Hennessy Stance ESG ETF. Under the manager of managers structure, we have ultimate responsibility, subject to oversight of and approval by the Hennessy Fundsâ€™ Board of Trustees, for overseeing the Hennessy Fundsâ€™ unaffiliated sub-advisors and recommending their hiring, termination, or replacement. We have not yet received, and do not have an estimated timeline for receiving, shareholder approval to operate under a manager of managers structure for the Hennessy Mutual Funds that are subâ€‘advised. Â Any interruption or termination of our subâ€‘advisory relationships, whether due to a change of control or any other circumstance, could affect our ability to market our subâ€‘advised funds and result in a reduction in assets under management, which would adversely affect our revenues. Â We depend on information technology, and any failures of or damage to, attack on or unauthorized access to our information technology systems or facilities, or those of third parties with which we do business, including as a result of cyber attacks, could result in significant limits on our ability to conduct our operations and activities, costs, and reputational damage. Â We use software and related technologies throughout our business and also utilize third-party vendors who use software and related technologies to provide services to us and the Hennessy Funds. We are dependent on the effectiveness of our information and cybersecurity policies, procedures, and capabilities we maintain to protect our computer and telecommunications systems and the data that resides on or is transmitted through them, including data provided by third parties that is significant to our business. An information security incident, such as a cyber-attack involving a phishing scam, business email compromise, malware, or ransomware attack, or an internally caused incident or disruption, such as misuse or a failure to control access to sensitive systems, could materially interrupt our business operations or cause disclosure or modification of sensitive or confidential investor or competitive information. Moreover, our growing reliance on mobile and cloud technology and any failure by mobile technology and cloud service providers to adequately safeguard their systems and prevent cyber-attacks could disrupt our operations and result in misappropriation, corruption, or loss of personal, confidential, or proprietary information or third-party data. Additionally, although we take precautions to password protect and encrypt our laptops and other mobile electronic hardware, if such hardware is stolen, misplaced, or left unattended, it may become vulnerable to hacking or other unauthorized use, creating a possible security risk and resulting in potentially costly actions. Furthermore, there is a risk that encryption and other protective measures may be circumvented, particularly to the extent that new computing technologies increase the speed and computing power available. Â The financial services industry has been the subject of cyber-attacks involving the dissemination, theft, and destruction of corporate information or other assets as a result of failure to follow procedures by employees or as a result of actions by third parties, including actions by terrorist organizations and nation state actors. Although we have implemented policies and controls to prevent and address potential data breaches, inadvertent disclosures, increasingly sophisticated cyber-attacks, and cyber-related fraud, there can be no assurance that any of these measures will prove effective. Because the techniques used to obtain unauthorized access, disable, or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques, to implement adequate preventative measures, or to address them until they are discovered. In addition, a successful cyber-attack may persist for an extended period of time before being detected, and it may take a considerable amount of time for an investigation to be completed and the severity and potential impact to be known. While such an investigation is ongoing, we may not necessarily know the extent of the harm or how best to remediate it, certain errors or actions could be repeated or compounded before they are discovered and remediated, and communication to the public, regulators, shareholders, and investors in the Hennessy Funds may be inaccurate, any or all of which could further increase the costs and consequences of an information security incident. Â 27 Table of Contents Â If any of these events were to occur, we could suffer a financial loss, a disruption of our business, liability to the Hennessy Funds and their investors, regulatory intervention, or reputational damage, any of which could have a material adverse effect on our business, results of operations, and financial condition. We also may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures. In addition, our cybersecurity insurance may not cover all losses and damages from such events and our ability to maintain or obtain sufficient insurance coverage in the future may be limited. Â Finally, cybersecurity and data privacy are high priorities for many regulators, and many jurisdictions have enactedÂ laws and regulations in these areas. Enactment of privacy laws or regulations have, and may continue to, result in additional costs of compliance or litigation. In addition, while we strive to comply with the relevant laws and regulations, any failure to comply could result in regulatory investigations and penalties as well as negative publicity, which could materially adversely affect our business, results of operations, and financial condition. Â We may be required to forego all or a portion of our fees under our investment advisory agreements with the Hennessy Funds. Â On an annual basis, the Fundsâ€™ Board of Trustees must assess the reasonableness of our investment advisory fees. While the Fundsâ€™ Board of Trustees has found our investment advisory fees to be reasonable in the past, we cannot guarantee that it will continue to do so. Additionally, we regularly analyze the expense ratios of the Hennessy Funds and have the right to waive fees to compete with other funds with lower expense ratios (although in the past we have only waived fees based on contractual obligations). Any waiver of or reduction in fees would cause our revenues to decline and could adversely affect our business, results of operations, and financial condition. Any fee waiver would apply only on a goingâ€‘forward basis. Â Our investment advisory and shareholder servicing agreements can be terminated on short notice, are not freely assignable, and must be renewed annually; the loss of such agreements would reduce our revenues. Â We generate all of our operating revenues from the investment advisory and shareholder servicing agreements with the Hennessy Funds. These agreements may be terminated without penalty on 60 daysâ€™ notice and may not be assigned without the consent of investors in the Hennessy Funds. In addition, they each must be renewed annually by the Fundsâ€™ Board of Trustees (or, in the case of our investment advisory agreements, by the vote of a majority of the outstanding shares of the applicable Hennessy Fund), includingÂ a majority of the disinterested trustees. The termination or non-renewal of these agreements, or the renegotiation of the terms of these agreements in a manner detrimental to us, could result in a substantial reduction in revenues, which could have a material adverse effect on our business, results of operations, and financial condition. Â 28 Table of Contents Â The Hennessy Japan Fund and the Hennessy Japan Small Cap Fund invest in the Japanese stock market in yen, which involves foreign exchange and economic uncertainties. Â The Hennessy Japan Fund and the Hennessy Japan Small Cap Fund are invested in securities listed on the Japanese stock market, which exposes these funds to risks that are not typically associated with an investment in a U.S. issuer. The values of these funds fluctuate with changes in the value of the Japanese yen versus the U.S.Â dollar. Investments in Japanese securities also expose these funds to the economic uncertainties affecting Japan, which may differ from those affecting the United States. Further, Japanese financial accounting standards and practices may differ, and there may be less information on Japanese companies available publicly. If these circumstances result in a reduction in the total assets of the Hennessy Japan Fund and the Hennessy Japan Small Cap Fund, our assets under management would be reduced, which would adversely affect our revenues. Â We utilize quantitative investment strategies for some of the Hennessy Funds that require us to invest in specific portfolios of securities and hold these positions for a specified period of time regardless of performance. Â Our formulaâ€'driven funds adhere to quantitative investment strategies, and the portfolios of stocks held by such funds are rescreened and rebalanced at designated times in accordance with such investment strategies. Adhering to our investment strategies regardless of any adverse developments that may arise could result in substantial losses to the formulaâ€'driven Hennessy Funds if, for example, the stocks selected for a fund are experiencing financial difficulty or are out of favor with investors in a given period. This could, in theory, result in relatively low performance of the formulaâ€'driven Hennessy Funds and adversely affect the net assets of such Hennessy Funds. A decrease in the net assets of the Hennessy Funds would adversely affect our revenues. Â Management contracts purchased by us are currently classified as an indefiniteâ€'life asset subject to impairment analysis. The impairment analysis is based on subjective criteria, and an impairment loss could be recorded. Â The management contracts we have purchased, an $82.3Â million asset on the balance sheet as of the end of fiscal year 2024, are considered an intangible asset with an indefinite useful life. Management reviews the indefinite life classification of our management contractÂ asset each reporting period. If the management contractÂ asset is ever reclassified as an asset with a definite life, we would begin amortizing the management contracts over their remaining useful life. If the management contract asset continues to be classified as an indefiniteâ€'life asset, we will continue to periodically review the carrying value to determine if any impairment has occurred. The impairment analysis is based on anticipated future cash flows, which are calculated based on assets under management. Although the management contract asset is not currently impaired, there is always a possibility of impairment in the future, which could require us to write off all or a portion of the asset. A write-off, depending on the amount, could have operational risks and could have a significant impact on the value of our equity and our earnings per share. Â We have debt and may incur additional debt, which may increase the risk of investing in us and may harm our financial condition and results of operations. Â Borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and therefore increase the risks associated with investing in our securities.Â Â 29 Table of Contents Â On October 20, 2021, we completed a public offering of the 2026Â Notes in the aggregate principal amount of $40.25Â million, which included the full exercise of the underwritersâ€™ overallotment option. The 2026 Notes mature on December 31, 2026, and may be redeemed in whole or in part at any time or from time to time at our option on or after DecemberÂ 31, 2023. The 2026 Notes bear interest at 4.875% per annum, payable on the last day of each calendar quarter and at maturity, beginning December 31, 2021. The 2026 Notes are direct unsecured obligations, rank equally in right of payment with any of our future unsecured unsubordinated indebtedness, senior to any of our future indebtedness that expressly provides that it is subordinate to the 2026Â Notes, effectively subordinate to all of our future secured indebtedness, and structurally subordinated to all future indebtedness and other obligations of any future subsidiaries of ours. Â We may incur additional debt in the future. Our indebtedness could (i)Â decrease our ability to obtain additional financing for working capital, capital expenditures, general corporate or other purposes, (ii)Â limit our flexibility to make acquisitions, (iii)Â increase our cash requirements to support the payment of interest, (iv)Â limit our flexibility in planning for, or reacting to, changes in our business and our industry, and (v) increase our vulnerability to adverse changes in general economic and industry conditions. Our ability to make payments of principal and interest on our indebtedness depends upon our future performance, which is subject to general economic conditions and financial, business, and other factors affecting our operations, many of which are beyond our control. Â While we seek to mitigate these risks through, among other things, due diligence and indemnification provisions, these or other risk-mitigating measures that we put in place may not be sufficient to address these risks. If one or more of these risks occur, we may be unable to successfully complete a purchase of managementâ€'related assets (thereby requiring us to write off any related expenses), we may experience an impairment of our management contractÂ asset, we may receive negative publicity or suffer other negative impacts on our reputation, and we may not achieve the expected return on investment. Any of these results could have an adverse effect on our business, results of operations, and financial condition. Â RISKS RELATING TO OUR COMMON STOCK Â Ownership of a large percentage of our common stock is concentrated with a small number of shareholders, which could increase the volatility in our stock trading and significantly affect our share price and causes us to experience limited trading volume in our securities. Â We have a limited number of shareholders, and a large percentage of our common stock is held by an even fewer number of shareholders. If our larger shareholders were to decide to liquidate their ownership positions, it could cause significant fluctuations in the share price of our common stock. Having a limited number of shareholders also causes us to experience limited trading volume in our securities. Â 30 Table of Contents Â We intend to pay regular dividends to our shareholders, but our ability to do so is subject to the discretion of our Board of Directors. Â We have consistently paid dividends each year since 2005, but the declaration, amount, and payment of dividends to our shareholders by us are subject to the discretion of our Board of Directors. Our Board of Directors takes into account general economic and business conditions, our strategic plans, our financial results and condition, any contractual, legal, and regulatory restrictions on our payment of dividends, and such other factors as our Board of Directors deems relevant to determining whether to declare dividends and the amount of such dividends. Â Certain provisions in our employment agreements and bonus agreements with key personnel could delay or discourage an acquisition of the Company. Â Our employment agreements with key personnel provide for certain payments in the event of certain terminations of employment of such persons or changes of control of the Company The obligation of the Company to make such payments upon the occurrence of such events could significantly increase the cost of an acquisition of the Company and make potential acquirers hesitant to proceed. Â ITEM 1C. CYBERSECURITY Â We have policies and procedures for identifying, assessing, and managing material risks associated with cybersecurity threats. We seek to address cybersecurity risks through a comprehensive approach focused on preserving the confidentiality, security, and availability of the information that we collect and store by identifying, preventing, and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur. We implement and maintain technical and physical safeguards and other organizational measures, including, for example, the use of antivirus software, intrusion prevention and detection systems, virtual private networks, firewalls, email security, link protection, the regular deployment of updates and patches as they become available, a general policy against providing access to our network to any third party (with the exception of our thirdâ€'party information technology vendor), the use of a thirdâ€‘party service to conduct mandatory online training for all employees regarding identifying and mitigating cybersecurity risks, regular phishing testing, regular penetration testing, regular reviews of access to systems and networks, and routine monitoring of compliance with our written information security plan. We also maintain cybersecurity insurance that provides for certain protection against potential losses arising from a cybersecurity incident. Â We have an Information Technology committee that meets at least quarterly and includes members of our management team and compliance team. The members of the Information Technology committee have gained cybersecurity experience through years of training, internal and external discussions, and the development, implementation, and periodic evaluation of our cybersecurity policies. Â We have not experienced a material cybersecurity incident, any expenses we have incurred from cybersecurity breaches have been immaterial, and we are not aware of any cybersecurity incidents that are reasonably likely to materially affect our business. Our business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previously identified cybersecurity incidents. However, future incidents could have a material and adverse impact on our business strategy, results of operations, or financial condition. For additional discussion of the risks posed by cybersecurity threats, see Item 1A, â€œRisk Factors.â€ Â Our Board of Directors oversees cybersecurity risk management as part of its general oversight function. The Companyâ€™s management team provides updates to the Board of Directors regarding cybersecurity as appropriate. Â ITEM 2. PROPERTIES. Â Our principal executive office is located at 7250 Redwood Boulevard, Suite 200, Novato, California 94945, where we occupy approximately 14,000 square feet and have the right to use all common areas. We also lease office space in Austin, Texas, Dallas, Texas, Boston, Massachusetts, and Chapel Hill, North Carolina. We consider these arrangements to be suitable and adequate for the management and operations of our business. We do not own any real property. Â ITEM 3. LEGAL PROCEEDINGS. Â None. Â 31 Table of Contents Â ITEM 4. MINE SAFETY DISCLOSURES. Â Not applicable. Â Â PART II Â ITEM 5. MARKET FOR REGISTRANTâ€™S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES Â Our common stock trades on The Nasdaq Global Market under the stock symbol â€œHNNA.â€ Â We have paid regular cash dividends to our shareholders and intend to continue to do so, although the declaration of a dividend is always subject to the discretion of our Board of Directors. Â As of the end of fiscal year 2024, we had 119Â holders of record of our common stock. In addition, there were 42Â brokerage firm accounts that represent 1,997 additional individual shareholders for a total of 2,116Â shareholders. Â The equity compensation plan information required by ItemÂ 201(d) of RegulationÂ Sâ€‘K is set forth in the â€œEquity Compensation Plan Informationâ€ subheading under ItemÂ 12, â€œSecurity Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.â€ Â 32 Table of Contents Â PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS Â During fiscal year 2024, we repurchased shares underlying vested restricted stock units (â€œRSUsâ€) from employees to satisfy tax withholding obligations arising in connection with the vesting of RSUs. The stock repurchases are presented in the following table for the three months ended September 30, 2024: Â Period Â Total Number of Shares Purchased Â Â Average Price Paid per Share Â Â Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs Â Â Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1) Â July 1-31, 2024 Â Â - Â Â $ - Â Â Â - Â Â Â 1,096,368 Â August 1-31, 2024 Â Â - Â Â Â - Â Â Â - Â Â Â 1,096,368 Â September 1-30, 2024 (2) Â Â 39,410 Â Â Â 10.24 Â Â Â - Â Â Â 1,096,368 Â Total Â Â 39,410 Â Â $ 10.24 Â Â Â - Â Â Â 1,096,368 Â Â Â (1) We are authorized to purchase a maximum of 2,000,000 shares under our stock buyback program. We announced the stock buyback program in August 2010, and the program has no expiration date. In AugustÂ 2022, the Board of Directors increased the number of shares that may be repurchased under the stock buyback program by 500,000Â shares, to a total of 2,000,000Â shares. A total of 1,096,368 shares remain available for repurchase under the stock buyback program. We did not repurchase any shares pursuant to the stock buyback program during the three months ended September 30, 2024. Â Â (2) The shares that we repurchased in September 2024 are not subject to a maximum per plan or program because we did not repurchase them pursuant to a plan or program. Â ITEM 7. MANAGEMENTâ€™S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS Â FORWARDâ€‘LOOKING STATEMENTS Â This report contains â€œforward-looking statementsâ€ within the meaning of the securities laws, for which we claim the protection of the safe harbor for forwardâ€‘looking statements contained in the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by terminology such as â€œexpect,â€ â€œanticipate,â€ â€œintend,â€ â€œmay,â€ â€œplan,â€ â€œwill,â€ â€œshould,â€ â€œcould,â€ â€œwould,â€ â€œassume,â€ â€œbelieve,â€ â€œestimate,â€ â€œpredict,â€ â€œpotential,â€ â€œproject,â€ â€œcontinue,â€ â€œseek,â€ and similar expressions, as well as statements in the future tense. We have based these forward-looking statements on our current expectations and projections about future events, based on information currently available to us. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at which, or means by which, such performance or results will be achieved. Â Forward-looking statements are subject to risks, uncertainties, and assumptions, including those described in the section titled â€œRisk Factorsâ€ and elsewhere in this Annual Report on FormÂ 10â€‘K. Unforeseen developments could cause actual performance or results to differ substantially from those expressed in or suggested by the forwardâ€‘looking statements. Management does not assume responsibility for the accuracy or completeness of these forwardâ€‘looking statements. There is no regulation requiring an update of any of the forward-looking statements after the date of this report to conform these statements to actual results or to changes in our expectations. Â Our business activities are affected by many factors, including, without limitation, redemptions by investors in the Hennessy Funds, taxes, general economic and business conditions, interest rate movements, inflation, the personal savings rate, competitive conditions, industry regulation, and fluctuations in the stock market, many of which are beyond the control of our management. Further, the business and regulatory environments in which we operate remain complex, uncertain, and subject to change. We expect that regulatory requirements and developments will cause us to incur additional administrative and compliance costs. Notwithstanding the variability in our economic and regulatory environments, we remain focused on the investment performance of the Hennessy Funds and on providing highâ€‘quality customer service to investors. Â Our business strategy centers on (i)Â the identification, completion, and integration of future acquisitions and (ii)Â organic growth, through both the retention of the fund assets we currently manage and the generation of inflows into the funds we manage. The success of our business strategy may be influenced by the factors discussed in ItemÂ 1A, â€œRisk Factors.â€ All statements regarding our business strategy, as well as statements regarding market trends and risks and assumptions about changes in the marketplace, are forwardâ€‘looking by their nature. Â 33 Table of Contents Â OVERVIEW Â Our primary business activity is providing investment advisory services to a family of 16 open-end mutual funds and one ETF branded as the

Hennessy Funds. We manage 12 of the 17Â Hennessy Funds internally. For the remaining five funds, we have delegated the dayâ€toâ€‘day portfolio management responsibilities to subâ€‘advisors, subject to our oversight. We oversee the selection and continued employment of each subâ€‘advisor, review each fundâ€™s investment performance, and monitor each subâ€‘advisorâ€™s adherence to each applicable fundâ€™s investment objectives, policies, and restrictions. In addition, we conduct ongoing reviews of the compliance programs of subâ€‘advisors and make onsite visits to subâ€‘advisors, as feasible. Our secondary business activity is providing shareholder services to investors in the Hennessy Mutual Funds. Â We derive our operating revenues from investment advisory fees paid to us by the Hennessy Funds and shareholder service fees paid to us by the Hennessy Mutual Funds. These fees are calculated as a percentage of the average daily net assets of each Hennessy Fund. The percentage amount of the investment advisory fees varies by fund. The percentage amount of the shareholder service fees is consistent across all Hennessy Mutual Funds, but shareholder service fees are charged on Investor Class shares only. The dollar amount of the fees we receive fluctuates with changes in the average net asset value of each Hennessy Fund, which is affected by each fundâ€™s investment performance, purchases and redemptions of shares, general market conditions, and the success of our marketing, sales, and public relations efforts. Â U.S. equities had strong, positive performance for the oneâ€‘year period ended SeptemberÂ 30, 2024, with the S&PÂ 500Â® Index returning 36.35% and the Dow Jones Industrial Average returning 28.85% for the period (on a total return basis). Equity prices advanced in anticipation of the Federal Reserve lowering its benchmark interest rate, which ultimately happened in September. Further, the markets have appeared to continue pricing in the prospect of several more rate cuts over the next year as market participants have appeared to continue to view recent inflation data in a favorable light. While lower short-term interest rates have propelled the market higher, a strong second quarter earnings season and the expectation of a reasonably robust third quarter earnings season seem to have given investors increased confidence that the economy is on firm footing. According to Bloomberg, consensus estimates call for the economy to grow 2.6% in 2024. While that rate is slightly behind last yearâ€™s growth rate of 2.9%, we believe it is nonetheless a stronger rate than many had predicted at the beginning of the year. Â Yields on long-term U.S. bonds decreased meaningfully during the oneâ€‘year period ended SeptemberÂ 30, 2024, as the Federal Reserve has started to lower its benchmark interestÂ rate. After the rate cut in September 2024, investors appear to have continued to price in further reductions in interest rates. According to Bloomberg, the market is currently pricing in nearly two more rate cuts by the end of the year and roughly six rate cuts by the end of 2025. Recent inflation data seems to have calmed the nerves of investors who feared that inflation would continue to be a headwind. Inflation data released for September 2024 indicated that consumer prices increased 2.4% from a year earlier, compared to 2.5% in August 2024, according to the Labor Department. The 2.4% rate is the smallest annual increase since February 2021 and now only modestly above the Federal Reserveâ€™s stated goal of 2.0% inflation. For the oneâ€‘year period ended SeptemberÂ 30, 2024, 10-year U.S. Treasury Note yields fell from approximately 4.57% to 3.78%. Â The Japanese equity market increased 21.6% (in U.S. dollar terms) for the oneâ€‘year period ended SeptemberÂ 30, 2024, as measured by the Tokyo Stock Price Index (TOPIX). In our view, business sentiment in Japan remains strong, with the Bank of Japan stating that it expects large companies to increase capital spending by 10.6% in the current fiscal year through March 2025. Bank of Japan Governor Kazuo Ueda has said that the central bank will continue to raise interest rates as long as business conditions remain strong, which is expected to help keep inflation under control around 2.0%. Â Against this positive equity performance backdrop, all 17Â Hennessy Funds posted positive returns for the oneâ€‘year period ended SeptemberÂ 30, 2024. The longerâ€‘term performance numbers remain strong, with 15 of the Hennessy Funds posting positive returns for the three-year period ended SeptemberÂ 30, 2024. Finally, all 16 Hennessy Funds with at least 10Â years of operating history posted positive returns for both the 5-year and 10â€‘year periods ended SeptemberÂ 30, 2024. Â 34 Table of Contents Â Â As always, we are committed to providing superior service to investors and employing a consistent and disciplined approach to investing based on a buyâ€‘andâ€‘hold philosophy that rejects the idea of market timing. Our goal is to provide products that investors can have confidence in, knowing their money is invested as promised and with their best interests in mind. Accordingly, we continually seek new and improved ways to support investors in the Hennessy Funds, including by providing market insights, sector highlights, and other resources to help them manage their fund investments with confidence. We operate a robust and leadingâ€‘edge marketing automation and customer relationship management (CRM) system, with a database of over 100,000 financial advisors in addition to retail investors. We utilize this technology both to help retain assets and drive new purchases into the Hennessy Funds. We employ a comprehensive marketing and sales program consisting of content, digital, social media, and traditional marketing initiatives and proactive meetings. In addition, our consistent annual public relations campaign has resulted in the Hennessy brand name appearing on TV, radio, print, or online media on average once every two to three days. Â We provide service to over 198,500Â fund accounts nationwide, including accounts held by investors who employ financial advisors to assist them with investing as well as accounts held by retail investors who invest directly with us. We serve approximately 11,200Â financial advisors who utilize the Hennessy Funds on behalf of their clients, including nearly 500Â who purchased one of our Funds for the first time during fiscal year 2024. Approximately 18% of such advisors own two or more Hennessy Funds, and over 650Â advisors hold a position of over $500,000. While numbers have declined in recent years, we continue to focus significant efforts on financial advisors who own two or more Hennessy Funds or hold a position of over $500,000 in an effort to build and maintain brand loyalty among our top tier of advisors.Â Â Total assets under management as of the end of fiscal year 2024 wasÂ $4.6 billion, an increase ofÂ $1.6 billion, or 53.1%, compared to the end of fiscal year 2023. The increase in total assets was attributable to market appreciation, net inflows of the Hennessy Funds, and the purchase of assets related to the management of two mutual funds previously managed by CCM that were reorganized into the Hennessy Stance ESG ETF. Â The following table illustrates the year-by-year changes in our assets under management over the past three fiscal years: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â 2022 Â Â Â (In thousands) Â Beginning assets under management Â $ 3,032,042 Â Â $ 2,895,717 Â Â $ 4,065,922 Â Acquisition inflows Â Â 71,656 Â Â Â 43,088 Â Â Â - Â Organic inflows Â Â 1,554,303 Â Â Â 598,119 Â Â Â 656,491 Â Redemptions Â Â (1,005,191) Â Â (915,397) Â Â (1,147,888) Market appreciation (depreciation) Â Â 989,553 Â Â Â 410,515 Â Â Â (678,808) Ending assets under management Â $ 4,642,363 Â Â $ 3,032,042 Â Â $ 2,895,717 Â Â As stated above, the fees we receive for providing investment advisory and shareholder services are based on average assets under management. The following table shows average assets under management by share class over the past three fiscal years: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â 2022 Â Â Â (In thousands) Â Hennessy Mutual Funds Â Â Â Â Â Â Â Â Â Â Â Â Investor Class Â $ 2,121,824 Â Â $ 1,930,294 Â Â $ 2,199,250 Â Institutional Class Â Â 1,475,335 Â Â Â 1,027,166 Â Â Â 1,445,112 Â Hennessy Stance ESG ETF Â Â 89,784 Â Â Â 34,230 Â Â Â -

Â Average assets under management Â $ 3,686,943 Â Â $ 2,991,690 Â Â $ 3,644,362 Â Â The principal asset on our balance sheet, the management contract asset, represents the capitalized costs incurred in connection with the purchase of assets related to the management of investment funds. As of the end of fiscal year 2024, this asset had a net balance of $82.3Â million, an increase ofÂ $1.0Â million since the end of fiscal year 2023. This increase is related to the purchase of assets related to the management of two mutual funds previously managed by CCM that were reorganized into the Hennessy Stance ESG ETF. (See NoteÂ 5 in ItemÂ 8, â€œFinancial Statements and Supplementary Data.â€) Â 35 Table of Contents Â On October 20, 2021, we completed a public offering of the 2026Â Notes in the aggregate principal amount of $40.25Â million, which included the full exercise of the underwritersâ€™ overallotment option. The 2026 Notes mature on December 31, 2026, and may be redeemed in whole or in part at any time or from time to time at our option on or after DecemberÂ 31, 2023. The 2026 Notes bear interest at 4.875% per annum, payable on the last day of each calendar quarter and at maturity, beginning December 31, 2021. The 2026 Notes are direct unsecured obligations, rank equally in right of payment with any of our future unsecured unsubordinated indebtedness, senior to any of our future indebtedness that expressly provides that it is subordinate to the 2026Â Notes, effectively subordinate to all of our future secured indebtedness, and structurally subordinate to all future indebtedness and other obligations of any future subsidiaries of ours. The 2026Â Notes are the principal liability on our balance sheet at $39.5Â million, net of issuance costs. Â LIQUIDITY AND CAPITAL RESOURCES Â We continually review our capital requirements to ensure that we have funding available to support our business model. Management anticipates that cash and other liquid assets on hand as of the end of fiscal year 2024 will be sufficient to meet our capital requirements for one year from the issuance date of this report, as well as our longer term capital requirements for periods beyond one year from the issuance date of this report. To the extent that liquid resources and cash provided by operations are not adequate to meet long-term capital requirements, management plans to raise additional capital by either, or both, seeking bank financing or accessing the capital markets. There can be no assurance that we will be able to raise additional capital. Â As discussed above, on October 20, 2021, we completed a public offering of our 2026 Notes in the aggregate principal amount of $40.25 million, which included the full exercise of the underwritersâ€™ overallotment option. The 2026 Notes mature on December 31, 2026, and may be redeemed in whole or in part at any time or from time to time at our option on or after December 31, 2023. Â Our total assets under management as of the end of fiscal year 2024 wasÂ $4.6 billion, an increase ofÂ $1.6 billion, or 53.1%, compared to the end of fiscal year 2023. The primary sources of our revenues, liquidity, and cash flow are our investment advisory fees and shareholder service fees, which are based on, and generated by, our average assets under management. Our average assets under management for fiscal year 2024 wasÂ $3.7 billion. As of the end of fiscal year 2024, we had cash and cash equivalents of $63.9 million. Â The following table summarizes key financial data relating to our liquidity and use of cash: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â Â (In thousands) Â Net cash provided by operating activities Â $ 9,277 Â Â $ 7,134 Â Net cash used in investing activities Â Â (1,303) Â Â (819) Net cash used in financing activities Â Â (4,528) Â Â (4,326) Net increase in cash and cash equivalents Â $ 3,446 Â Â $ 1,989 Â Â The increase in cash provided by operating activities of $2.1Â million was mainly due to increased net income in the current period. Â The increase in cash used in investing activities of $0.5Â million was due to the purchase of assets related to the management of two mutual funds previously managed by CCM that were reorganized into the Hennessy Stance ESG STF. Â The increase in cash used inÂ financing activities of $0.2 million was due to repurchases of shares underlying vested restricted stock units (â€œRSUsâ€) from employees to satisfy tax withholding obligations arising in connection with the vesting of RSUs in the current period. Â Dividend Payments. We have consistently paid dividends each year since 2005. Our quarterly dividend rate remained constant during fiscal years 2024 and 2023, and our dividend payments totaled $4.2Â million in each such fiscal year. Â 2026 Notes. On October 20, 2021, we completed a public offering of our 2026 Notes in the aggregate principal amount of $40.25 million, which included the full exercise of the underwritersâ€™ overallotment option. The 2026 Notes bear interest at 4.875% per annum, payable on the last day of each calendar quarter and at maturity, beginning December 31, 2021. The 2026 Notes mature on December 31, 2026. Â 36 Table of Contents Â RESULTS OF OPERATIONS Â The following table sets forth items in the statements of income as dollar amounts and as percentages of total revenue: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â Â Amounts Â Â Percent of Total Revenue Â Â Amounts Â Â Percent of Total Revenue Â Â Â (In thousands, except percentages) Â Revenue Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Investment advisory fees Â $ 27,524 Â Â Â 92.8 % Â $ 22,090 Â Â Â 92.0 % Shareholder service fees Â Â 2,122 Â Â Â 7.2 Â Â Â 1,930 Â Â Â 8.0 Â Total revenue Â Â 29,646 Â Â Â 100.0 Â Â Â 24,020 Â Â Â 100.0 Â Operating expenses Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Compensation and benefits Â Â 9,064 Â Â Â 30.5 Â Â Â 7,732 Â Â Â 32.2 Â General and administrative Â Â 6,484 Â Â Â 21.9 Â Â Â 5,479 Â Â Â 22.8 Â Fund distribution and other Â Â 818 Â Â Â 2.8 Â Â Â 486 Â Â Â 2.0 Â Sub-advisory fees Â Â 4,169 Â Â Â 14.1 Â Â Â 3,759 Â Â Â 15.6 Â Depreciation Â Â 244 Â Â Â 0.8 Â Â Â 230 Â Â Â 1.0 Â Total operating expenses Â Â 20,779 Â Â Â 70.1 Â Â Â 17,686 Â Â Â 73.6 Â Net operating income Â Â 8,867 Â Â Â 29.9 Â Â Â 6,334 Â Â Â 26.4 Â Interest income Â Â (3,112) Â Â (10.5) Â Â (2,522) Â Â (10.5) Interest expense Â Â 2,275 Â Â Â 7.7 Â Â Â 2,256 Â Â Â 9.4 Â Income before income tax expense Â Â 9,704 Â Â Â 32.7 Â Â Â 6,600 Â Â Â 27.5 Â Income tax expense Â Â 2,607 Â Â Â 8.8 Â Â Â 1,829 Â Â Â 7.6 Â Net income Â $ 7,097 Â Â Â 23.9 % Â $ 4,771 Â Â Â 19.9 % Â Revenue â€“ Investment Advisory Fees and Shareholder Service Fees Â Total revenue comprises investment advisory fees and shareholder service fees. Comparing fiscal year 2024 to fiscal year 2023, total revenueÂ increasedÂ by 23.4%, from $24.0 million to $29.6Â million, investment advisory fees increasedÂ by 24.6%, from $22.1Â million toÂ $27.5 million, and shareholder service feesÂ increased by 9.9%, fromÂ $1.9 million toÂ $2.1 million. Â The increase in investment advisory fees was due mainly to increased average daily net assets of the Hennessy Funds. The increase in shareholder service fees was due to an increase in the average daily net assets held in Investor Class shares of the Hennessy Mutual Funds. Assets held in Investor Class shares of the Hennessy Mutual Funds are subject to a shareholder service fee, whereas assets held in Institutional Class shares of the Hennessy Mutual Funds are not subject to a shareholder service fee. Â We collect investment advisory fees from each Hennessy Fund at differing annual rates. These annual rates range between 0.40% and 1.25% of average daily net assets. Average daily net assets of the Hennessy Funds for fiscal year 2024 wasÂ $3.7 billion, which represents an increase ofÂ $0.7 billion, or 23.2%, compared to fiscal year 2023. The Hennessy Fund with the largest average daily net assets for fiscal year 2024 was the Hennessy Cornerstone Mid Cap 30 Fund, with $981 million. We collect an investment advisory fee from the Hennessy Cornerstone Mid Cap 30 Fund at an annual rate of 0.74% of average daily net assets.Â The Hennessy Fund with the second largest average daily net assets for fiscal year 2024 was the Hennessy Focus Fund, with $645Â million. We collect an investment advisory fee from the Hennessy Focus Fund at an annual rate of 0.90% of average daily net assets. However, we pay a subâ€'advisory fee at an annual rate of 0.29% to the fundâ€™s subâ€'advisor, which reduces the net operating profit contribution of the fund to our financial operations.   37 Table of Contents   Total assets under management as of the end of fiscal year 2024 was $4.6 billion, an increase of $1.6 billion, or 53.1%, compared to the end of fiscal year 2023. The increase in total assets was attributable to market appreciation, net inflows of the Hennessy Funds, and the purchase of assets related to the management of two mutual funds previously managed by CCM that were reorganized into the Hennessy Stance ESG ETF.   The Hennessy Funds with the three largest amounts of net inflows were as follows: Fiscal Year Ended September 30, 2024 Fund Name   Amount Hennessy Cornerstone Mid Cap 30 Fund $ 564   million Hennessy Cornerstone Growth Fund $ 252   million Hennessy Japan Fund $ 29   million   The Hennessy Funds with the three largest amounts of net outflows were as follows: Fiscal Year Ended September 30, 2024 Fund Name   Amount Hennessy Focus Fund $ (95) million Hennessy Gas Utility Fund $ (81) million Hennessy Value Fund $ (28) million   Redemptions as a percentage of assets under management decreased from an average of 2.5% per month during fiscal year 2023 to an average of 2.3% per month during fiscal year 2024.   Operating Expenses   Comparing fiscal year 2023 to fiscal year 2024, total operating expenses increased by 17.5%, from $17.7 million to $20.8 million. As a percentage of total revenue, total operating expenses decreased 3.5 percentage points to 70.1%. The increase in dollar value of operating expenses was primarily due to increases in compensation and benefits and general and administrative expenses.   Compensation and Benefits Expense: Comparing fiscal year 2023 to fiscal year 2024, compensation and benefits expense increased by 17.2%, from $7.7 million to $9.1 million. As a percentage of total revenue, compensation and benefits expense decreased 1.7 percentage points to 30.5%. The increase in dollar value of compensation and benefits expense was due primarily to an increase in incentive-based compensation during fiscal year 2024.   General and Administrative Expense: Comparing fiscal year 2023 to fiscal year 2024, general and administrative expense increased by 18.3% from $5.5 million to $6.5 million. As a percentage of total revenue, general and administrative expense decreased 0.9 percentage points to 21.9%. The dollar value increase in general and administrative expense was primarily due to increases in sales and distribution expenses (not including fees paid to various financial institutions that offer the Hennessy Funds as potential investments to their clients, which are reflected in â€œFund Distribution and Other Expenseâ€), as well as professional services expenses, in the current period.   Fund Distribution and Other Expense: The distribution component of fund distribution and other expense consists of fees paid to various financial institutions that offer the Hennessy Funds as potential investments to their clients. When the Hennessy Funds are purchased through one of these financial institutions, the institution typically charges an assetâ€'based fee, which is recorded as a fund distribution expense on our statement of operations to the extent paid by us. The Hennessy Mutual Funds, with the exception of the Hennessy Stance ESG ETF, may be purchased directly, and when purchased directly, we do not incur any such expense. These fees generally increase or decrease in line with the net assets of the Hennessy Funds held through these financial institutions, which are affected by inflows, outflows, and fund performance. In addition, some financial institutions charge a minimum fee if the average daily net assets of a Hennessy Fund held by such an institution are less than a threshold amount. In such cases, we pay the minimum fee.   38 Table of Contents   The distribution component of fund distribution and other expenses is affected by many factors, including the following: â— average daily net assets held by financial institutions;   â— the split of average daily net assets held by financial institutions in Institutional Class shares of the Hennessy Mutual Funds versus Investor Class shares of the Hennessy Mutual Funds; and   â— fee minimums at various financial institutions.   The other component of fund distribution and other expense consists of fees incurred by us for the operations of the Hennessy Stance ESG ETF. We receive a unitary investment advisory fee from the Hennessy Stance ESG ETF and then pay all of its operating expenses (with limited exceptions), including fund administration, fund accounting, transfer agency, custody, licensing, audit, and tax services.   Comparing fiscal year 2023 to fiscal year 2024, fund distribution and other expense increased by 68.3%, from $0.49 million to $0.82 million. As a percentage of total revenue, fund distribution and other expense increased 0.8 percentage points to 2.8%. The increase of fund distribution and other expense was due to increased average daily net assets of the Hennessy Mutual Funds, which in turn increases the fees we pay to financial institutions. Additionally, fund distribution and other expense increased due to the additional expenses relating to the Hennessy Stance ESG ETF resulting from the purchase of assets related to the management of the two mutual funds previously managed by CCM that were reorganized into the Hennessy Stance ESG ETF.   Sub-Advisory Fees Expense: Comparing fiscal year 2023 to fiscal year 2024, subâ€'advisory fees expense increased by 10.9%, from $3.8 million to $4.2 million. As a percentage of total revenue, subâ€'advisory fees expense decreased 1.5 percentage points to 14.1%. The dollar value increase in subâ€'advisory fees expense was due to an increase in average daily net assets of the subâ€'advised Hennessy Funds, with an additional increase due to the expense associated with new subâ€'advisory relationships relating to the Hennessy Stance ESG ETF that began in December 2022.   Depreciation Expense: Comparing fiscal year 2023 to fiscal year 2024, depreciation expense increased by 6.1% from $0.23 million to $0.24 million due to additional fixed asset purchases. As a percentage of total revenue, depreciation expense decreased 0.2 percentage points to 0.8%.   Interest Income   Comparing fiscal year 2023 to fiscal year 2024, interest income increased from $2.52 million to $3.11 million. The increase was due to increased interest rates and increased principal balances.   Interest Expense   Comparing fiscal year 2023 to fiscal year 2024, interest expense increased by 0.8% from $2.26 million to $2.28 million. The increase in interest expense was due to the manner in which interest expense is calculated under U.S. GAAP. The issuance costs related to the 2026 Notes that have been capitalized are amortized over time and therefore increase the carrying amount of the 2026 Notes. As the carrying amount of the 2026 Notes increases, the interest expense on the 2026 Notes for financial statement purposes also increases.   Income Tax Expense   Comparing fiscal year 2023 to fiscal year 2024, income tax expense increased by 42.5%, from $1.8 million to $2.6 million. The increase in income tax expense was due to higher net operating income in the current period, partially offset by a lower effective income tax rate in the current period. The lower effective tax rate in the current period is due to an increased tax benefit in the current period due to restricted stock vesting at a higher share price.   Net Income   Comparing fiscal year 2023 to fiscal year 2024, net income increased by 48.8%, from $4.8 million to $7.1 million. The increase in net income was primarily due to increased average assets under management in the current period, which resulted in higher revenue and net operating income.   39 Table of Contents   CRITICAL ACCOUNTING ESTIMATES AND POLICIES   Our financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States, which require the use of estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. These accounting policies, methods, and estimates are an integral part of the financial statements prepared by management and are based upon managementâ€™s current judgments. Those judgments are normally based on knowledge and experience with regard to past and current events and assumptions about future events. Certain accounting policies, methods, and estimates are particularly sensitive because of their significance to the financial statements and because future events affecting them may differ markedly from managementâ€™s current judgment. Described below are the accounting policies that we believe are most critical to understanding our results of operations and financial position. Â Our operating revenues consist of contractual investment advisory and shareholder service fees. We earn our investment advisory fees through portfolio management of the Hennessy Funds, and we earn our shareholder service fees by assisting investors in the Hennessy Mutual Funds. These fee revenues are earned and calculated daily by the Hennessy Fundsâ€™ accountants. In accordance with Financial Accounting Standards Board (â€œFASBâ€) guidance on revenue recognition, we recognize fee revenues monthly. Our contractual agreements provide persuasive evidence that an arrangement exists with fixed and determinable fees, and the services are rendered daily. The collectability is probable as the fees are received from the Hennessy Funds in the month subsequent to the month in which the services are provided. Â The management contracts we have purchased are considered intangible assets with an indefinite life and we account for them in accordance with Accounting Standards Codification 350: Intangibles â€“ Goodwill and Other (â€œASC 350â€). Pursuant to ASCÂ 350, an entity first assesses qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform a quantitative impairment test. The more-likely-than-not threshold is defined as having a likelihood of more than 50 percent. If an entity determines that it is more likely than not that an indefiniteâ€'lived intangible asset is impaired, then it must conduct an impairment analysis. We were able to forego the annual impairment analysis for fiscal year 2024 as the more-likely-than-not threshold was not met as of the end of fiscal year 2024. Â The costs related to our purchase ofÂ assets related to the management of investment funds are capitalized as incurred. The costs are defined as an intangible asset per the FASB standard â€œIntangibles â€“ Goodwill and Other.â€ The acquisition costs include legal fees, fees for soliciting shareholder approval, and a percent of asset costs to purchase the management contracts. The amounts are included in the management contractÂ asset, totalingÂ $82.3 million as of the end of fiscal year 2024. Â RECENTLY ISSUED AND ADOPTED ACCOUNTING STANDARDS Â We reviewed accounting pronouncements issued between December 7, 2023, the filing date of our most recent previously filed Annual Report on Form 10-K, and December 11, 2024, the filing date of this Annual Report on Form 10-K, and are currently in the process of evaluating the impact of adoption on our financial position, results of operations, and disclosures. Â There have been no other significant changes to our critical accounting policies and estimates during fiscal year 2024. Â 40 Table of Contents Â Â ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA Â Index to Financial Statements: Â Report of Independent Registered Public Accounting Firm 42 Balance Sheets 43 Statements of Income 44 Statements of Changes in Stockholdersâ€™Â Equity 45 Statements of Cash Flows 46 Notes to Financial Statements 47 Â 41 Table of Contents Â Report of Independent Registered Public Accounting Firm Â Â To the Stockholders and Board of Directors of Hennessy Advisors, Inc.: Â Opinion on the Financial Statements Â We have audited the accompanying balance sheets of Hennessy Advisors, Inc. (the â€œCompanyâ€) as of September 30, 2024 and 2023, the related statements of income, changes in stockholdersâ€™ equity and cash flows for each of the two years in the period ended September 30, 2024, and the related notes (collectively referred to as the â€œfinancial statementsâ€). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended September 30, 2024, in conformity with accounting principles generally accepted in the United States of America. Â Basis for Opinion Â These financial statements are the responsibility of the Companyâ€™s management. Our responsibility is to express an opinion on the Companyâ€™s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (â€œPCAOBâ€) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. Â We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Companyâ€™s internal control over financial reporting. Accordingly, we express no such opinion. Â Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion. Â Critical Audit Matters Â The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates. Â Valuation of the Management Contract Asset â€“ Impairment Consideration Â As described in Note 1(f) to the financial statements, the Company has historically capitalized the cost of purchasing management contracts as intangible assets. These intangible assets are considered to have indefinite useful lives and are therefore not amortized, but rather tested at least annually for impairment. As part of this annual test, management (i) evaluates whether events and circumstances indicate that it is more likely than not that impairment exists, and/or (ii) estimates the fair value of such intangible assets and compares it to the cost of the assets to determine whether impairment has occurred. Managementâ€™s estimate of the fair value of the management contract asset involves subjective assumptions that include stock market returns, fund flows and weighted average cost of capital. Â We have determined that the valuation of the management contract asset constitutes a critical audit matter for the following reasons: (i) it is a matter that should be communicated to the audit committee, since it involves a significant management estimate; (ii) it involves a material account balance; and (iii) it involves especially subjective auditor judgment. Â We have addressed this critical audit matter by performing appropriate audit procedures. These procedures included (i) assessing managementâ€™s evaluation of whether events or circumstances indicate that it is more likely than not that impairment exists; (ii) evaluating the reasonableness of managementâ€™s fair value estimate assumptions; and (iii) testing the mathematical accuracy of managementâ€™s valuation model. Professionals with specialized skills and knowledge were used to assist in evaluating the measurement of the Companyâ€™s estimated fair value of the management contract asset. Â /s/ Marcum LLP Â Â Marcum LLP Â We have served as the Companyâ€™s auditor since 2004. Â San Francisco, CA December 11, 2024 Â 42 Table of Contents Â Â Hennessy Advisors, Inc. Balance Sheets (In thousands, except share and per share amounts) Â Â Â September 30, Â Â Â 2024 Â Â 2023 Â Assets Â Â Â Â Â Â Â Â Current assets Â Â Â Â Â Â Â Â Cash and cash equivalents Â $63,922Â Â $60,476Â Investments in marketable securities, at fair value Â Â 11Â Â Â 10Â Investment fee income receivable Â Â 2,964Â Â Â 2,046Â Interest income receivable Â Â 250Â Â Â 253Â Prepaid expenses Â Â 817Â Â Â 669Â Other accounts receivable Â Â 312Â Â Â 247Â Total current assets Â Â 68,276Â Â Â 63,701Â Property and equipment, net of accumulated depreciation of $1,540 and $2,287, respectively Â Â 374Â Â Â 305Â Operating lease right-of-use asset Â Â 1,014Â Â Â 295Â Management contracts Â Â 82,252Â Â Â 81,262Â Other assets Â Â 183Â Â Â 156Â Total assets Â $152,099Â Â $145,719Â Liabilities and Stockholders' Equity Â Â Â Â Â Â Â Â Current liabilities Â Â Â Â Â Â Â Â Accrued liabilities and accounts payable Â $4,441Â Â $3,165Â Operating lease liability Â Â 332Â Â Â 279Â Income taxes payable Â Â 181Â Â Â 748Â Total current liabilities Â Â 4,954Â Â Â 4,192Â Notes payable, net of issuance costs Â Â 39,477Â Â Â 39,164Â Long-term operating lease liability Â Â 695Â Â Â -Â Net deferred income tax liability Â Â 15,662Â Â Â 14,611Â Total liabilities Â Â 60,788Â Â Â 57,967Â Commitments and contingencies (Note 10) Â Â Â Â Â Â Â Â Â Â Stockholders' equity Â Â Â Â Â Â Â Â Common stock, no par value, 22,500,000 shares authorized; 7,778,335 shares issued and outstanding as of September 30, 2024, and 7,671,099 as of September 30, 2023 Â Â 22,592Â Â Â 21,800Â Retained earnings Â Â 68,719Â Â Â 65,952Â Total stockholders' equity Â Â 91,311Â Â Â 87,752Â Total liabilities and stockholders' equity Â $152,099Â Â $145,719Â Â See Accompanying Notes to Financial Statements Â 43 Table of Contents Â Â Hennessy Advisors, Inc. Statements of Income (In thousands, except share and per share amounts) Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Revenue Â Â Â Â Â Â Â Â Investment advisory fees Â $ 27,524 Â Â $ 22,090 Â Shareholder service fees Â Â 2,122 Â Â Â 1,930 Â Total revenue Â Â 29,646 Â Â Â 24,020 Â Operating expenses Â Â Â Â Â Â Â Â Compensation and benefits Â Â 9,064 Â Â Â 7,732 Â General and administrative Â Â 6,484 Â Â Â 5,479 Â Fund distribution and other Â Â 818 Â Â Â 486 Â Sub-advisory fees Â Â 4,169 Â Â Â 3,759 Â Depreciation Â Â 244 Â Â Â 230 Â Total operating expenses Â Â 20,779 Â Â Â 17,686 Â Net operating income Â Â 8,867 Â Â Â 6,334 Â Interest income Â Â (3,112) Â Â (2,522) Interest expense Â Â 2,275 Â Â Â 2,256 Â Income before income tax expense Â Â 9,704 Â Â Â 6,600 Â Income tax expense Â Â 2,607 Â Â Â 1,829 Â Net income Â $ 7,097 Â Â $ 4,771 Â Earnings per share Â Â Â Â Â Â Â Â Basic Â $ 0.92 Â Â $ 0.63 Â Diluted Â $ 0.92 Â Â $ 0.63 Â Weighted average shares outstanding Â Â Â Â Â Â Â Â Basic Â Â 7,680,706 Â Â Â 7,580,120 Â Diluted Â Â 7,721,781 Â Â Â 7,603,676 Â Cash dividends declared per share Â $ 0.55 Â Â $ 0.55 Â Â See Accompanying Notes to Financial Statements Â 44 Table of Contents Â Â Hennessy Advisors, Inc. Statements of Changes in Stockholders' Equity (In thousands, except share data) Â Â Â Common Stock Â Â Retained Â Â Total Stockholders' Â Â Â Shares Â Â Amount Â Â Earnings Â Â Equity Â Balance at September 30, 2022 Â Â 7,571,741 Â Â $ 20,951 Â Â $ 65,347 Â Â $ 86,298 Â Net income Â Â - Â Â Â - Â Â Â 4,771 Â Â Â 4,771 Â Dividends paid Â Â - Â Â Â - Â Â Â (4,166) Â Â (4,166) Employee and director restricted stock vested Â Â 124,015 Â Â Â - Â Â Â - Â Â Â - Â Repurchase of vested employee restricted stock for tax withholding Â Â (34,192) Â Â (233) Â Â - Â Â Â (233) Shares issued for auto-investments pursuant to the 2021 Dividend Reinvestment and Stock Purchase Plan Â Â 1,206 Â Â Â 9 Â Â Â - Â Â Â 9 Â Shares issued for dividend reinvestment pursuant to the 2021 Dividend Reinvestment and Stock Purchase Plan Â Â 8,329 Â Â Â 64 Â Â Â - Â Â Â 64 Â Stock-based compensation Â Â - Â Â Â 1,026 Â Â Â - Â Â Â 1,026 Â Employee restricted stock forfeiture Â Â - Â Â Â (17) Â Â - Â Â Â (17) Balance at September 30, 2023 Â Â 7,671,099 Â Â $ 21,800 Â Â $ 65,952 Â Â $ 87,752 Â Net income Â Â - Â Â Â - Â Â Â 7,097 Â Â Â 7,097 Â Dividends paid Â Â - Â Â Â - Â Â Â (4,222) Â Â (4,222) Employee and director restricted stock vested Â Â 133,744 Â Â Â - Â Â Â - Â Â Â - Â Repurchase of vested employee restricted stock for tax withholding Â Â (39,410) Â Â (295) Â Â (108) Â Â (403) Shares issued for auto-investments pursuant to the 2021 Dividend Reinvestment and Stock Purchase Plan Â Â 1,245 Â Â Â 8 Â Â Â - Â Â Â 8 Â Shares issued for dividend reinvestment pursuant to the 2021 Dividend Reinvestment and Stock Purchase Plan Â Â 2,625 Â Â Â 17 Â Â Â - Â Â Â 17 Â Shares issued for auto-investments pursuant to the 2024 Dividend Reinvestment and Stock Purchase Plan Â Â 2,243 Â Â Â 19 Â Â Â - Â Â Â 19 Â Shares issued for dividend reinvestment pursuant to the 2024 Dividend Reinvestment and Stock Purchase Plan Â Â 6,789 Â Â Â 53 Â Â Â - Â Â Â 53 Â Stock-based compensation Â Â - Â Â Â 990 Â Â Â - Â Â Â 990 Â Balance at September 30, 2024 Â Â 7,778,335 Â Â $ 22,592 Â Â $ 68,719 Â Â $ 91,311 Â Â See Accompanying Notes to Financial Statements Â 45 Table of Contents Â Â Hennessy Advisors, Inc. Statements of Cash Flows (In thousands) Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Cash flows from operating activities Â Â Â Â Â Â Â Â Net income Â $ 7,097 Â Â $ 4,771 Â Adjustments to reconcile net income to net cash provided by operating activities Â Â Â Â Â Â Â Â Depreciation Â Â 244 Â Â Â 230 Â Unrealized loss gain on marketable securities Â Â (1) Â Â (1) Change in right-of-use asset and operating lease liability Â Â 29 Â Â Â (11) Amortization of note issuance costs Â Â 313 Â Â Â 294 Â Deferred income taxes Â Â 1,051 Â Â Â 1,123 Â Employee restricted stock forfeiture Â Â - Â Â Â (17) Stock-based compensation Â Â 990 Â Â Â 1,026 Â Change in operating assets and liabilities: Â Â Â Â Â Â Â Â Investment fee income receivable Â Â (918) Â Â 5 Â Interest income receivable Â Â 3 Â Â Â (153) Prepaid expenses Â Â (148) Â Â 84 Â Other accounts receivable Â Â (65) Â Â 10 Â Other assets Â Â (27) Â Â - Â Accrued liabilities and accounts payable Â Â 1,276 Â Â Â (155) Income taxes payable Â Â (567) Â Â (72) Net cash provided by operating activities Â Â 9,277 Â Â Â 7,134 Â Cash flows from investing activities Â Â Â Â Â Â Â Â Purchases of property and equipment Â Â (313) Â Â (215) Payments related to management contracts Â Â (990) Â Â (604) Net cash used in investing activities Â Â (1,303) Â Â (819) Cash flows from financing activities Â Â Â Â Â Â Â Â Repurchase of vested employee restricted stock for tax withholding Â Â (403) Â Â (233) Proceeds from shares issued pursuant to the 2021 Dividend Reinvestment and Stock Repurchase Plan Â Â 8 Â Â Â 9 Â Proceeds from shares issued pursuant to the 2024 Dividend Reinvestment and Stock Repurchase Plan Â Â 19 Â Â Â - Â Dividend payments Â Â (4,152) Â Â (4,102) Net cash used in financing activities Â Â (4,528) Â Â (4,326) Net increase in cash and cash equivalents Â Â 3,446 Â Â Â 1,989 Â Cash and cash equivalents at the beginning of the period Â Â 60,476 Â Â Â 58,487 Â Cash and cash equivalents at the end of the period Â $ 63,922 Â Â $ 60,476 Â Supplemental disclosures of cash flow information Â Â Â Â Â Â Â Â Cash paid for income taxes Â $ 2,124 Â Â $ 779 Â Cash paid for interest Â $ 1,962 Â Â $ 1,962 Â Dividend investment issued in shares Â $ 70 Â Â $ 64 Â Â See Accompanying Notes to Financial

Statements Â 46 Table of Contents Â Notes to Financial Statements Â Â Â (1) Organization and Description of Business and Significant Accounting Policies Â Â (a) Organization and Description of Business Â Hennessy Advisors, Inc. (the â€œCompanyâ€) was founded on February 1, 1989, as a California corporation under the name Edward J. Hennessy, Incorporated. In 1990, the Company became a registered investment advisor, and on April 15, 2001, the Company changed its name to Hennessy Advisors, Inc. Â The Companyâ€™s operating activities consist primarily of providing investment advisory services to 16Â open-end mutual funds and one exchangeâ€‘traded fund (â€œETFâ€) branded as the Hennessy Funds. The Company serves as the investment advisor to all classes of the Hennessy Cornerstone Growth Fund, the Hennessy Focus Fund, the Hennessy Cornerstone Mid Cap 30 Fund, the Hennessy Cornerstone Large Growth Fund, the Hennessy Cornerstone Value Fund, the Hennessy Total Return Fund, the Hennessy Equity and Income Fund, the Hennessy Balanced Fund, the Hennessy Energy Transition Fund, the Hennessy Midstream Fund, the Hennessy Gas Utility Fund, the Hennessy Japan Fund, the Hennessy Japan Small Cap Fund, the Hennessy Large Cap Financial Fund, the Hennessy Small Cap Financial Fund, and the Hennessy Technology Fund (collectively, the â€œHennessy Mutual Fundsâ€), as well as to the Hennessy Stance ESG ETF. The Company also provides shareholder services to investors in the Hennessy Mutual Funds. Â The employee retention credit (â€œERCâ€), as originally enacted on MarchÂ 27, 2020, by the CARES Act, was a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer paid to employees and allowed claims through DecemberÂ 31, 2021, by eligible employers who retained employees during the COVIDâ€‘19 pandemic. The Company filed FormÂ 941â€‘X to request an ERC from the Internal Revenue Service. In MayÂ 2023, the Company received an ERC of approximately $0.3Â million plus accrued interest. Forâ€‘profit entities do not have specific guidance to apply under accounting principles generally accepted in the United States to account for ERCs and therefore follow guidance in accordance with Accounting for Government Grants and Disclosure of Government Assistance (â€œIASÂ 20â€). In accordance with IASÂ 20, the Company is netting the credit against related payroll expense in the current period. Â The Companyâ€™s operating revenues consist of contractual investment advisory and shareholder service fees paid to it by the Hennessy Funds. The Company earns investment advisory fees from each Hennessy Fund by, among other things: Â Â â— acting as portfolio manager for the fund or overseeing the subâ€‘advisor acting as portfolio manager for the fund, which includes managing the composition of the fundâ€™s portfolio (including the purchase, retention, and disposition of portfolio securities in accordance with the fundâ€™s investment objectives, policies, and restrictions), seeking best execution for the fundâ€™s portfolio, managing the use of soft dollars for the fund, and managing proxy voting for the fund; Â Â â— performing a daily reconciliation of portfolio positions and cash for the fund; Â Â â— monitoring the liquidity of the fund; Â Â â— monitoring the fundâ€™s compliance with its investment objectives and restrictions and federal securities laws; Â Â â— maintaining a compliance program (including a code of ethics), conducting ongoing reviews of the compliance programs of the fundâ€™s service providers (including any subâ€‘advisor), including their codes of ethics, as appropriate, conducting onâ€‘site visits to the fundâ€™s service providers (including any sub-advisor) as feasible, monitoring incidents of abusive trading practices, reviewing fund expense accruals, payments, and fixed expense ratios, evaluating insurance providers for fidelity bond, directors and officers and errors and omissions insurance, and cybersecurity insurance coverage, managing regulatory examination compliance and responses, conducting employee compliance training, reviewing reports provided by service providers, and maintaining books and records; Â Â â— if applicable, overseeing the selection and continued employment of the fundâ€™s subâ€‘advisor, reviewing the fundâ€™s investment performance, and monitoring the subâ€‘advisorâ€™s adherence to the fundâ€™s investment objectives, policies, and restrictions; Â 47 Table of Contents Â Â â— overseeing service providers that provide accounting, administration, distribution, transfer agency, custodial, sales, marketing, public relations, audit, information technology, and legal services to the fund; Â Â â— maintaining inâ€‘house marketing and distribution departments on behalf of the fund; Â Â â— preparing or directing the preparation of all regulatory filings for the fund, including writing and annually updating the fundâ€™s prospectus and related documents; Â Â â— for each annual report of the fund, preparing or reviewing a written summary of the fundâ€™s performance during the most recent 12â€‘month period; Â Â â— monitoring and overseeing the accessibility of the fund on financial institution platforms; Â Â â— paying the incentive compensation of the fundâ€™s compliance officers and employing other staff such as legal, marketing, national accounts, distribution, sales, administrative, and trading oversight personnel, as well as management executives; Â Â â— providing a quarterly compliance certification to the Board of Trustees of Hennessy Funds Trust (the â€œFundsâ€™Â Board of Trusteesâ€); and Â Â â— preparing or reviewing materials for the Fundsâ€™Â Board of Trustees, presenting to or leading discussions with the Fundsâ€™Â Board of Trustees, preparing or reviewing all meeting minutes, and arranging for training and education of the Fundsâ€™Â Board of Trustees. Â The Company earns shareholder service fees from Investor Class shares of the Hennessy Mutual Funds by, among other things, maintaining a tollâ€‘free number that the current investors in the Hennessy Funds may call to ask questions about their accounts and actively participating as a liaison between investors in the Hennessy Funds and U.S. Bank Global Fund Services. Â Investment advisory and shareholder service fee revenues are earned and calculated daily by the Hennessy Fundsâ€™ accountants at U.S. Bank Global Fund Services and are subsequently reviewed by management. Â The Company recognizes revenues when its obligations related to the investment advisory and shareholder services are satisfied, and it is probable that a significant reversal of the revenue amount would not occur in future periods. Management judgment is required in assessing the probability of significant revenue reversal and in identification of distinct services. Investment advisory and shareholder services are performed over time because investors in the Hennessy Funds are receiving and consuming the benefits as they are provided by the Company. Fees are based on contractual percentages of net asset values of each Hennessy Fund and recognized for services provided during the period, which are distinct from services provided in other periods. Such fees are affected by changes in net asset values, including market appreciation or depreciation, foreign exchange translation, and net inflows or outflows of the Hennessy Funds. Assets under management represent the broad range of financial assets the Company manages for the Hennessy Funds on a discretionary basis pursuant to investment management and shareholder servicing agreements that are expected to continue for at least 12 months. In general, reported assets under management reflect the valuation methodology that corresponds to the basis used for determining revenue. The fees are computed and billed monthly, at which time they are recognized in accordance with Accounting Standards Codification 606 â€” Revenue from Contracts with Customers. Â 48 Table of Contents Â The CompanyÂ waives a portion of its fees with respect to the HennessyÂ Midstream Fund, the Hennessy Technology Fund, and the Hennessy Stance ESG ETF to comply with contractual expense ratio limitations. The fee waivers are calculated daily by the Hennessy Fundsâ€™ accountants at U.S.Â Bank Global Fund Services, reviewed by management, and then charged to expense monthly as offsets to the

Companyâ€™s revenues. Each waived fee is then deducted from investment advisory fee income and reduces the aggregate amount of advisory fees the Company receives from such fund in the subsequent month. To date, the Company has only waived fees based on contractual obligations, but the Company has the ability to waive fees at its discretion. Any decision to waive fees would apply only on a goingâ€'forward basis. Â The Companyâ€™s contractual agreements for investment advisory and shareholder services prove that a contract exists with fixed and determinable fees, and the services are rendered daily. The collectability is deemed probable because the fees are received from the Hennessy Funds in the month subsequent to the month in which the services are provided. Â Â (b) Cash and Cash Equivalents Â Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of three months or less that are readily convertible into cash. Â Â (c) Fair Value of Financial Instruments Â The Financial Accounting Standards Board (â€œFASBâ€) guidance on â€œDisclosures about Fair Value of Financial Instrumentsâ€ requires disclosures regarding the fair value of all financial instruments for financial statement purposes. The estimates presented in these financial statements are based on information available to management as of the end of fiscal years 2024 andÂ 2023. Accordingly, the fair values presented in the Companyâ€™s financial statements as of the end of fiscal years 2024 andÂ 2023 may not be indicative of amounts that could be realized on disposition of the financial instruments. The fair value of receivables, accounts payable, and notes payable has been estimated at carrying value due to the short maturity of these instruments. The fair value of marketable securities and money market accounts is based on closing net asset values as reported by securities exchanges registered with the SEC. Â Â (d) Investments Â Investments in highlyâ€'liquid financial instruments with remaining maturities of less than one year are classified as short-term investments. Financial instruments with remaining maturities of greater than one year are classified as longâ€'term investments. A table of investments is included in NoteÂ 3 in this ItemÂ 8, â€œFinancial Statements and Supplementary Data.â€ Â The Company holds investments in publicly traded mutual funds, which are accounted for as trading securities. Accordingly, unrealized gains and losses of less than $1,000 per year were recognized in operations for fiscal years 2024 andÂ 2023. Â Dividend income is recorded on the exâ€'dividend date. Purchases and sales of marketable securities are recorded on a tradeâ€'date basis, and realized gains and losses recognized on sale are determined on a specific identification/average cost basis. Â Â (e) Property and Equipment Â Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally between one and ten years. Â Â (f) Management Contracts Purchased Â Throughout its history, the Company has completed 12 purchases of the assets related to the management of 33Â different investment funds, some of which were reorganized into already existing Hennessy Funds. In accordance with FASB guidance, the Company periodically reviews the carrying value of its management contractÂ asset to determine if any impairment has occurred. Although a quantitative analysis of the fair value of the management contractÂ asset was not required, management performed a high-level analysis for internal purposes only. The fair value of the management contract asset was estimated as of the end of fiscal years 2024 and 2023Â by applying the income approach and was based on management estimates and assumptions, including third-party valuations that utilize appropriate valuation techniques. The analysis further supported that there was no â€œmore-likely-than-notâ€Â impairment triggerÂ as of such dates. Â 49 Table of Contents Â Under Accounting Standards CodificationÂ 350Â â€” Intangibles - Goodwill and Other, intangible assets that have indefinite useful lives are not amortized but are tested at least annually for impairment. The CompanyÂ considered various factors, such as likelihood of continued renewal, whether there are foreseeable limits on net cash flows, and whether the Company is dependent on a limited number of investors, in determining the useful life of the management contracts. Based on analysis, the Company considers the management contractÂ asset to be an intangible asset with an indefinite useful life and no impairment as of the end of fiscal year 2024. Â The Company completed its most recent asset purchases on November 10, 2023, and February 23, 2024, when it purchased assets related to the management of the CCM Small/Mid-Cap Impact Value Fund and the CCM Core Impact Equity Fund (each, a â€œCCM Fundâ€), respectively. These asset purchases added approximately $12 million and $59 million to the Companyâ€™s assets under management at the time of closing with respect to the CCM Small/Mid-Cap Impact Value Fund and the CCM Core Impact Equity Fund, respectively. Each purchase was consummated in accordance with the terms and conditions of that certain Transaction Agreement, dated as of April 26, 2023, between the Company and Community Capital Management, LLC. Upon completion of each transaction, the assets of the applicable CCM Fund were reorganized into the Hennessy Stance ESG ETF. In fiscal year 2024, the Company capitalized $1.0Â million in purchase price and other costs for the purchase of assets related to the management of the CCM Funds. Â Â (g) Income Taxes Â The Company, under the FASB guidance on â€œAccounting for Uncertainty in Income Tax,â€ uses a recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a companyâ€™s income tax return and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Company utilizes a two-step approach for evaluating uncertain tax positions. The first step, recognition, requires the Company to determine if the weight of available evidence indicates that a tax position is more likely than not to be sustained upon audit, including resolution of related appeals or litigation processes, if any. The second step, measurement, is based on the largest amount of benefit that is more likely than not to be realized on ultimate settlement. Â The Company believes the positions taken on its tax returns are fully supported, but tax authorities may challenge these positions and they may not be fully sustained on examination by the relevant tax authorities. Accordingly, the income tax provision includes amounts intended to satisfy assessments that may result from these challenges. Determining the income tax provision for these potential assessments and recording the related effects requires management judgement and estimates. The amounts ultimately paid on resolution of an audit could be materially different from the amounts previously included in the income tax provision and, therefore, could have a material impact on the Companyâ€™s income tax provision, net income, and cash flows. The accrual for uncertain tax positions is attributable primarily to uncertainties concerning the tax treatment of the Companyâ€™s domestic operations, including the allocation of income among different jurisdictions. For a further discussion on taxes, refer to NoteÂ 12Â in this ItemÂ 8, â€œFinancial Statements and Supplementary Data.â€ Â 50 Table of Contents Â The Company is subject to income tax in the U.S. federal jurisdiction and various state jurisdictions. The Companyâ€™s U.S. federal income taxes for 2019 through 2023Â remain open and subject to examination. For state tax jurisdictions with unfiled tax returns, the statutes of limitations remains open indefinitely. Â Â (h) Earnings per Share Â Basic earnings per share is determined by dividing net earnings by the weighted average number of shares of common stock outstanding, while diluted earnings per share is determined by dividing net earnings by the weighted average number of shares of common stock outstanding adjusted for the dilutive effect of common stock equivalents, which consist of restricted stock units (â€œRSUsâ€). Â Â (i) Equity Â Amended and Restated 2024 Omnibus Incentive Plan Â Effective as of February 8, 2024, the Company adopted, and the Companyâ€™s shareholders approved, the 2024 Omnibus Incentive Plan (the â€œOmnibus Planâ€), which provides for the issuance of options, stock appreciation rights, restricted stock, RSUs, performance awards, and other equity awards for the purpose of attracting and retaining executive officers, key employees, and outside directors and advisors and increasing shareholder value. The Omnibus Plan replaced the Amended and Restated 2013 Omnibus Incentive Plan. Under the Omnibus Plan, participants may be granted RSUs, among other awards, each of which represents an unfunded, unsecured right to receive a share of the Companyâ€™s common stock on the dates specified in the recipientâ€™s award. The Company issues new shares of its common stock when it is required to deliver shares to an RSU recipient. The RSUs granted under the Omnibus Plan vest over four years at a rate of 25% per year. The Company recognizes stock-based compensation expense on a straight line basis over the four-year vesting term of each award. Â The compensation committee of the Companyâ€™s Board of Directors has the authority to determine the awards granted under the Omnibus Plan, including among other things, the individuals who receive the awards, the times when they receive them, vesting schedules, performance goals, whether an option is an incentive or nonqualified option, and the number of shares to be subject to each award. Â The Omnibus Plan contains change of control provisions whereby, among other things, all outstanding RSUs and other securities issued under the Omnibus Plan will vest immediately upon the occurrence of the following events constituting a change of control of the Company: (i) an acquisition, in any one transaction or series of transactions, after which any individual, entity or group has beneficial ownership of 50% or more of either the then outstanding shares of the common stock or combined voting power of the Companyâ€™s then outstanding voting securities, but excluding an acquisition (A) by the Company or any of its employee benefit plans (or related trusts), (B) by Neil J. Hennessy or any affiliate, or (C) by any corporation which, following the acquisition, is beneficially owned, directly or indirectly, in substantially the same proportions, by the beneficial owners of the common stock and voting securities of the Company immediately prior to such acquisition, (ii) 50% or more of the members of the Companyâ€™s Board of Directors (A) are not continuing directors, or (B) are nominated or elected by the same beneficial owner or are elected or appointed in connection with an acquisition of the Company, or (iii) the (A) consummation of a reorganization, merger, share exchange, consolidation or similar transaction, with respect to which the beneficial owners of the Company immediately prior to such transaction do not, following such transaction, beneficially own more than 50% of the then outstanding shares of common stock and voting securities of the corporation resulting from the transaction, (B) consummation of the sale or other disposition of all or substantially all of the assets of the Company or (C) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company. Â All compensation costs related to RSUs vested during fiscal years 2024 andÂ 2023 have been recognized in the financial statements. Â 51 Table of Contents Â The Company has available up to 3,671,300 shares of the Companyâ€™s common stock in respect of granted stock awards, in accordance with terms of the Omnibus Plan. Â A summary of RSU activity is as follows: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â Â Shares Â Â Weighted Average Grant Date Fair Value per ShareÂ Â Shares Â Â Weighted Average Grant Date Fair Value per ShareÂ Non-vested balance at beginning of year Â Â 345,155Â Â $6.91Â Â Â 315,561Â Â $8.15Â Granted Â Â 163,700Â Â Â 8.96Â Â Â 159,700Â Â Â 5.53Â Vested Â Â (121,161)Â Â (7.38)Â Â (124,746)Â Â (8.22) Forfeited Â Â -Â Â Â Â Â Â (5,360)Â Â (8.12) Non-vested balance at end of year Â Â 387,694Â Â $7.63Â Â Â 345,155Â Â $6.91Â Â Â Â Â Additional information related to RSUs is as follows: Â Â Â September 30, 2024 Â Â Â (In thousands, except years) Â Unrecognized compensation expense related to RSUs Â $2,862Â Weighted average remaining period to expense for RSUs (in years) Â Â 3.1Â Â Dividend Reinvestment and Stock Purchase Plan Â In JanuaryÂ 2024, the Company adopted an updated Dividend Reinvestment and Stock Purchase Plan (the â€œDRSPPâ€), replacing the previous Dividend Reinvestment and Stock Purchase Plan that had been in place since 2021. The DRSPP provides shareholders and new investors with a convenient and economical means of purchasing shares of the Companyâ€™s common stock and reinvesting cash dividends paid on the Companyâ€™s common stock. Under the DRSPP and its predecessor plan, the Company issued 12,902 and 9,535 shares of common stock in fiscal years 2024 andÂ 2023, respectively. The maximum number of shares that may be issued under the DRSPP is 1,530,000, of which 1,520,968Â shares remained available for issuance as of September 30, 2024. Â 52 Table of Contents Â Stock Buyback Program Â In AugustÂ 2010, the Companyâ€™s Board of Directors adopted a stock buyback program pursuant to which the Company was authorized to repurchase up to 1,500,000Â shares of its common stock in the open market, in privately negotiated transactions, or otherwise. The program does not have an expiration date. In AugustÂ 2022, the Board of Directors increased the number of shares that may be repurchased under the program to 2,000,000Â shares. A total of 1,096,368 shares remain available for repurchase under the stock buyback program. The Company did not repurchase any shares of its common stock pursuant to the stock buyback program during fiscal year 2024. Â Â (j) Use of Estimates Â The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Â Â (2) Fair Value Measurements Â The Company applies Accounting Standards Codification 820 â€” Fair Value Measurement for all financial assets and liabilities, which establishes a framework for measuring fair value and expands disclosures about fair value measurements. The standard defines fair value as â€œthe price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.â€ It also establishes a fair value hierarchy consisting of the following three levels that prioritize the inputs to the valuation techniques used to measure fair value: Â Â â— Level 1 â€“Â Unadjusted, quoted prices in active markets for identical assets or liabilities that an entity has the ability to access at the measurement date; Â Â â— Level 2 â€“Â Other significant observable inputs (including, but not limited to, quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, and modelâ€'derived valuations in which all significant inputs and significant value drivers are observable in active markets); and Â Â â— Level 3 â€“Â Significant unobservable inputs (including the entityâ€™s own assumptions about what market participants would use to price the asset or liability based on the best available information) when observable inputs are not available. Â 53 Table of Contents Â Based on the definitions, the following table represents the Companyâ€™s assets categorized in the Level 1 to Level 3 hierarchies: Â Â Â September 30, 2024 Â Â Â Level 1 Â Â Level 2 Â Â Level 3 Â Â Total Â Â Â (In thousands) Â Money market fund deposits Â $60,946Â Â $-Â Â $-Â Â $60,946Â Mutual fund investments Â Â 11Â Â Â -Â Â Â -Â Â Â 11Â Total Â $60,957Â Â $-Â Â $-Â Â $60,957Â Amounts included in Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Cash and cash equivalents Â $60,946Â Â $-Â Â $-Â Â $60,946Â Investments in marketable securities Â Â 11Â Â Â -Â Â Â -Â Â Â 11Â Total Â $60,957Â Â $-Â Â $-Â Â $60,957Â Â Â Â

September 30, 2023 Â Â Â Level 1 Â Â Level 2 Â Â Level 3 Â Â Total Â Â Â (In thousands) Â Money market fund deposits Â $59,382Â Â $-Â Â $-Â Â $59,382Â Mutual fund investments Â Â 10Â Â Â -Â Â Â -Â Â Â 10Â Total Â $59,392Â Â $-Â Â $-Â Â $59,392Â Amounts included in Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Cash and cash equivalents Â $59,382Â Â $-Â Â $-Â Â $59,382Â Investments in marketable securities Â Â 10Â Â Â -Â Â Â -Â Â Â 10Â Total Â $59,392Â Â $-Â Â $-Â Â $59,392Â Â There were no transfers between levels during fiscal years 2024 or 2023. Â The fair values of receivables, payables, and accrued liabilities approximate their book values given the short-term nature of those instruments. Â The fair value of the 2026Â Notes (see NoteÂ 9 in this ItemÂ 8, â€œFinancial Statements and Supplementary Dataâ€) was approximately $38.3 million as of September 30, 2024, based on the last trading price of the notes on that date (LevelÂ 1).Â The Company did not elect to apply the fair value option to the carrying value of the 2026 Notes under Accounting Standards Codification 825 â€" Financial Instruments. Â 54 Table of Contents Â Â Â (3) Investments Â The cost, gross unrealized gains, gross unrealized losses, and fair market value of the Companyâ€™s trading investments were as follows: Â Â Â Cost Â Â Gross Unrealized GainsÂ Â Gross Unrealized LossesÂ Â Total Â Â Â (In thousands) Â 2024 Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Mutual fund investments Â $10Â Â $1Â Â $-Â Â $11Â Total Â Â 10Â Â Â 1Â Â Â -Â Â Â 11Â 2023 Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Mutual fund investments Â $9Â Â $1Â Â $-Â Â $10Â Total Â Â 9Â Â Â 1Â Â Â -Â Â Â 10Â Â The mutual fund investments are included as a separate line item in current assets on the Companyâ€™s balance sheets. Â Â (4) Property and Equipment, Net Â The following table summarizes the Companyâ€™s property and equipment balances: Â Â Â September 30, Â Â Â 2024 Â Â 2023 Â Â Â (In thousands) Â Equipment Â $324Â Â $786Â Leasehold improvements Â Â 154Â Â Â 154Â Furniture and fixtures Â Â 344Â Â Â 399Â IT infrastructure Â Â 87Â Â Â 87Â Software Â Â 1,005Â Â Â 1,166Â Property and equipment, gross Â Â 1,914Â Â Â 2,592Â Accumulated depreciation Â Â (1,540)Â Â (2,287) Property and equipment, net Â $374Â Â $305Â Â The following useful lives are assigned to fixed assets:Â furniture is seven years, equipment is three years, and software ranges from one to three years.Â During each of fiscal yearÂ 2024 and 2023, depreciation expense was $0.2Â million. Â Â (5) Management Contracts Â The costs related to the Companyâ€™s purchase of assets related to management contracts are capitalized as incurred and comprise the management contract asset. This asset wasÂ $82.3 million as of the end of fiscal year 2024, an increase ofÂ $1.0 million from the end of fiscal year 2023. The increase was related to expenses incurred in connection with the purchase of assets related to the management of two mutual funds previously managed by CCM that were reorganized into the Hennessy Stance ESG ETF.Â The Company considers the management contractÂ asset to be an intangible asset per Accounting Standards CodificationÂ 350Â â€" Intangibles â€" Goodwill and Other. The purchase costs that comprise the management contractÂ assetÂ include consideration to the seller, as well as legal and similar external transaction costs. Â Â (6) Investment Advisory Agreements Â The Company has investment advisory agreements with Hennessy Funds Trust under which it provides investment advisory services to all classes of the 17Â Hennessy Funds. Â 55 Table of Contents Â The investment advisory agreements must be renewed annually (except in limited circumstances) by (a)Â the Fundsâ€™ Board of Trustees or the vote of a majority of the outstanding shares of the applicable Hennessy Fund and (b)Â the vote of a majority of the trustees of Hennessy Funds Trust who are not interested persons of the Hennessy Funds. If an investment advisory agreement is not renewed, it terminates automatically. There are two additional circumstances in which an investment advisory agreement terminates. First, an investment advisory agreement automatically terminates if the Company assigns it to another advisor (assignment includes â€œindirect assignment,â€ which is the direct or indirect transfer of the Companyâ€™s common stock in sufficient quantities deemed to constitute a controlling block). Second, an investment advisory agreement may be terminated prior to its expiration upon 60Â daysâ€™ written notice by either the applicable Hennessy Fund or the Company. Â As provided in each investment advisory agreement, the Company receives investment advisory fees monthly based on a percentage of the applicable fundâ€™s average daily net asset value. Â The Company has entered into sub-advisory agreements for the Hennessy Focus Fund, the Hennessy Equity and Income Fund, the Hennessy Japan Fund, the Hennessy Japan Small Cap Fund, and the Hennessy Stance ESG ETF. Under each of these sub-advisory agreements, the subâ€'advisor is responsible for the investment and reinvestments of the assets of the applicable Hennessy Fund in accordance with the terms of such agreement and the applicable Hennessy Fundâ€™s Prospectus and Statement of Additional Information. The subâ€'advisors are subject to the direction, supervision, and control of the Company and the Fundsâ€™ Board of Trustees. The subâ€'advisory agreements must be renewed annually (except in limited circumstances) in the same manner as, and are subject to the same termination provisions as, the investment advisory agreements. Â In exchange for the sub-advisory services, the Company (not the Hennessy Funds) pays sub-advisory fees to the sub-advisors out of its own assets. Subâ€'advisory fees are calculated as a percentage of the applicable subâ€'advised fundâ€™s average daily net asset value. Â Â (7) Leases Â The Company determines if an arrangement is an operating lease at inception. Operating leases are included in operating lease rightâ€'ofâ€'use assets and current and longâ€'term operating lease liabilities on the Companyâ€™s balance sheet. There were no longâ€'term operating leases as of SeptemberÂ 30, 2023. During the quarter ended MarchÂ 31, 2024, the Company renewed the lease for its office in Novato, California for an additional three years. The renewed lease will expire on July 31, 2027. The renewal created a longâ€'term operating lease asset recorded during the quarter ended March 31, 2024. There were no other longâ€'term operating leases as of September 30, 2024. Â Upon renewal of the lease for its office in Novato, California, the Company recorded a rightâ€'ofâ€'use asset of $1.1Â million on its balance sheet. Rightâ€'ofâ€'use assets represent the Companyâ€™s right to use an underlying asset for the lease term and operating lease liabilities represent the Companyâ€™s obligation to make lease payments arising from the lease. Operating lease rightâ€'ofâ€'use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Company uses its incremental borrowing rate based on the information available at the lease commencement date. The Companyâ€™s lease terms may include options to extend the lease when it is reasonably certain that it will exercise any such options. For its leases, the Company concluded that it is not reasonably certain that any renewal options would be exercised, and, therefore, the amounts are not recognized as part of operating lease rightâ€'ofâ€'use assets or operating lease liabilities. Leases with initial terms of 12Â months or less, and certain office equipment leases that are deemed insignificant, are not recorded on the balance sheet and are expensed as incurred and included within rent expense under general and administrative expense. Lease expense related to operating leases is recognized on a straight-line basis over the expected lease terms. Â Â 56 Table of Contents Â The Companyâ€™s most significant leases are real estate leases of office facilities. The Company leases office space under non-cancelable operating leases. Its principal executive office is located in Novato, California, and it has additional offices in Austin, Texas, Dallas, Texas, Boston, Massachusetts, and Chapel Hill, North Carolina. Only the office lease in Novato, California has been capitalized because the other operating leases have terms of 12 months or less, including leases that are monthâ€‘toâ€‘month in nature. The classification of the Companyâ€™s operating lease right-of-use assets and operating lease liabilities and other supplemental information related to the Companyâ€™s operating leases are as follows: Â Â Â September 30, 2024 Â Â Â (In thousands, except years and percentages)Â Operating lease right-of-use assets Â $1,014Â Current operating lease liability Â $332Â Long-term operating lease liability Â $695Â Weighted average remaining lease term Â Â 2.8Â Weighted average discount rate Â Â 6.15% Operating lease liabilities arising from obtaining right-of-use assets Â $1,055Â Â For fiscal years 2024 andÂ 2023, the Companyâ€™s lease payments related to its operating lease right-of-use assets totaled $0.41 million and $0.37Â million, respectively, and total rent expense for all offices, which is recorded under general and administrative expense in the statements of income, totaled $0.56 million and $0.51 million, respectively. Â The undiscounted cash flows for future maturities of the Companyâ€™s operating lease liabilities and the reconciliation to the balance of operating lease liabilities reflected on the Companyâ€™s balance sheet are as follows: Â Â Â September 30, 2024 Â Â Â (In thousands) Â Fiscal year 2025 Â $384Â Fiscal year 2026 Â Â 395Â Fiscal year 2027 Â Â 338Â Total undiscounted cash flows Â Â 1,117Â Present value discount Â Â (90) Total operating lease liabilities Â $1,027Â Â Â (8) Accrued Liabilities and Accounts Payable Â Details relating to the accrued liabilities and accounts payable reflected on the Companyâ€™s balance sheet are as follows: Â Â Â September 30, Â Â Â 2024 Â Â 2023 Â Â Â (In thousands) Â Accrued bonus liabilities Â $2,943Â Â $2,260Â Accrued sub-advisor fees Â Â 376Â Â Â 310Â Other accrued expenses Â Â 1,122Â Â Â 595Â Total accrued expenses Â $4,441Â Â $3,165Â Â Â (9) Debt Outstanding Â On OctoberÂ 20, 2021, the Company completed a public offering of 4.875% notes due 2026 in the aggregate principal amount of $40,250,000 (the â€œ2026 Notesâ€), which included the full exercise of the underwritersâ€™ overallotment option. The initial net proceeds received were approximately $38,607,000 after considering the impact of issuance costs and underwriter discounts. The 2026 Notes bear interest at 4.875% per annum, payable on the last day of each calendar quarter and at maturity, beginning December 31, 2021. The 2026 Notes mature on December 31, 2026. Â 57 Table of Contents Â The 2026 Notes are direct unsecured obligations, rank equally in right of payment with any of the Companyâ€™s future unsecured unsubordinated indebtedness, senior to any of the Companyâ€™s future indebtedness that expressly provides that it is subordinate to the 2026 Notes, effectively subordinate to all of the Companyâ€™s future secured indebtedness, and structurally subordinate to all future indebtedness and other obligations of any of the Companyâ€™s future subsidiaries. Â Â (10) Commitments and Contingencies Â In addition to the operating leases discussed in NoteÂ 7 in this ItemÂ 8, â€œFinancial Statements and Supplementary Data,â€ the Company has contractual expense ratio limitations in place with respect to the Hennessy Midstream Fund, the Hennessy Technology Fund, and the Hennessy Stance ESG ETF. Such contractual expense ratio limitations will expire February 28, 2025, unless extended. Total fees waived during fiscal years 2024 and 2023 were $0.18Â million and $0.15Â million, respectively. To date, the Company has only waived fees based on contractual obligations but has the ability to waive fees at its discretion. Any decision to waive fees would apply only on a going forward basis. Â In November 2024, the Company entered into a settlement agreement with respect to employment-related claims made by a former employee in fiscal year 2024. The Company believed the settlement provided for an efficient and effective resolution to the matter. The Company has employment practices liability insurance for such claims, and therefore paid the amount of the settlement not covered by the employment practices liability insurance. Â The Company has no other commitments and no significant contingencies with original terms in excess of one year. Â Â (11) Retirement Plan Â The Company has a 401(k) retirement plan covering eligible employees. Employees are eligible to participate if they are over 21 years of age and have completed a minimum of one month of service with at least 80Â hours worked in that month. The Company also made discretionary profit-sharing contributions of $0.2Â million in each of the fiscal years 2024 andÂ 2023. To be eligible for the discretionary profit-sharing contribution, an employee must be eligible to participate in the 401(k) retirement plan and must complete at least 501 hours of service during the calendar year or be employed as of the last day of the calendar year. Â Â (12) Income Taxes Â As of the end of each of fiscal years 2024 andÂ 2023, the Companyâ€™s gross liability for unrecognized tax benefits related to uncertain tax positions was $0.4Â million and $0.4Â million, respectively. If the tax benefits of such amounts were recognized, $0.3 million and $0.3Â million of such amounts, respectively, would decrease the Companyâ€™s effective income tax rate.Â As of September 30, 2024, and September 30, 2023,the Companyâ€™s net liability for accrued interest and penalties was $0.4 million and $0.3Â million, respectively.Â The Company has elected to recognize interest and penalties related to unrecognized tax benefits as a component of income tax expense. The Company recognized approximately $0.05Â million in interest and penalties during each ofÂ the years ended September 30, 2024, and September 30, 2023. Â A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â Â (In thousands) Â Â Â Â Â Â Â Â Â Â Beginning year balance Â $353Â Â $353Â Changes related to prior year tax positions Â Â -Â Â Â -Â Ending year balance Â $353Â Â $353Â Â The total amount of unrecognized tax benefits can change due to final regulations, audit settlements, tax examinations activities, lapse of applicable statutes of limitations, and the recognition and measurement criteria under the guidance related to accounting for uncertainly in income taxes. The Company is unable to estimate what this change could be within the next 12 months, but does not believe it would be material to its financial statements. Â 58 Table of Contents Â The Companyâ€™s income tax expense was as follows: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â Â (In thousands) Â Current Â Â Â Â Â Â Â Â Federal Â $1,179Â Â $485Â State Â Â 377Â Â Â 221Â Total current Â Â 1,556Â Â Â 706Â Deferred Â Â Â Â Â Â Â Â Federal Â Â 828Â Â Â 955Â State Â Â 223Â Â Â 168Â Total deferred Â Â 1,051Â Â Â 1,123Â Total Â $2,607Â Â $1,829Â Â The principal reasons for the differences from the federal statutory income tax rate and the Companyâ€™s effective tax rate were as follows: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Federal statutory income tax rate Â Â 21.0 % Â Â 21.0 % State income taxes, net of federal benefit Â Â 4.1Â Â Â 4.0Â Permanent and other differences Â Â 0.8Â Â Â (0.4) Difference due to executive compensation Â Â 1.5Â Â Â 0.7Â Tax return to provision adjustments Â Â (0.1)Â Â 0.8Â Uncertain tax position Â Â 0.5Â Â Â 0.9Â Stock-based compensation Â Â (0.9)Â Â 0.7Â Effective income tax rate Â Â 26.9 % Â Â 27.7 % Â 59 Table of Contents Â The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities were as follows: Â Â Â Fiscal Years Ended September 30, Â Â Â 2024 Â Â 2023 Â Â Â (In thousands) Â Deferred tax assets Â Â Â Â Â Â Â Â Accrued compensation Â $-Â Â $37Â Stock compensation Â Â 33Â Â Â 18Â State taxes Â Â 224Â Â Â 176Â Capital loss carryforward Â Â -Â Â Â 7Â Lease liability Â Â 258Â Â Â 70Â Gross deferred tax assets Â Â 515Â Â Â 308Â Disallowed capital loss Â Â -Â Â Â (7) Net deferred tax assets Â Â 515Â Â Â 301Â Deferred tax liabilities Â Â Â Â Â Â Â Â Property and equipment Â Â (28)Â Â (31) Management contracts Â Â (15,895)Â Â (14,807) ROU asset Â Â (254)Â Â (74) Total deferred tax liabilities Â Â (16,177)Â Â (14,912) Net deferred tax liabilities Â $(15,662)Â $(14,611) Â Â (13) Earnings per Share Â The weighted average common shares outstanding used in the calculation of basic earnings per share and weighted average common shares outstanding, adjusted for common stock equivalents, used in the computation of diluted earnings per share were as follows: Â Â Â September 30, Â Â Â 2024 Â Â 2023 Â Weighted average common stock outstanding, basic Â Â 7,680,706Â Â Â 7,580,120Â Dilutive impact of RSUs Â Â 41,075Â Â Â 23,556Â Weighted average common stock outstanding, diluted Â Â 7,721,781Â Â Â 7,603,676Â Â For fiscal years 2024 andÂ 2023, the Company excluded 162,315 and 100,569 common stock equivalents, respectively, from the diluted earnings per share calculations because they were not dilutive. In each case, the excluded common stock equivalents consisted of non-vested RSUs. Â Â (14) Concentration of Credit Risk Â The Company maintains its cash accounts with three commercial banks that, at times, may exceed federally insured limits. The amount on deposit at September 30, 2024, exceeded the insurance limits of the Federal Deposit Insurance Corporation by approximately $2.7 million. In addition, total cash and cash equivalents include $60.9Â million held in the First American U.S. Government Money Market Fund that is not federally insured. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. Â Â (15) Recently Issued and Adopted Accounting Standards Â In November 2023, the FASB issued ASU 2023-07, â€œSegment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,â€ whichÂ expands disclosures about a public entityâ€™s reportable segments and requires more enhanced information about a reportable segmentâ€™s expenses, interim segment profit or loss, and how a public entityâ€™s chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The guidance is effective for financial statements issued for annual periods beginning after December 15, 2023, including interim periods within those fiscal years,Â with early adoption permitted. The Company is required to adopt this standard inÂ the first quarter of fiscal year 2025. The Company does not believe adoption of this standard will have a materialÂ impact on its financial statements. Â In December 2023, the FASB issued ASU 2023-09, â€œIncome Taxes (Topic 740): Improvements to Income Tax Disclosures,â€ which requires more detailed income tax disclosures. The guidance requires entities to disclose disaggregated information about their effective tax rate reconciliation as well as expanded information on income taxes paid by jurisdiction. The guidance is effective for financial statements issued for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is required to adopt this standard prospectively in fiscal year 2026. The Company is currently in the process of evaluating the impact of adoption on its financial statements. Â 60 Table of Contents Â Â There have been no other significant changes to the Companyâ€™s critical accounting policies and estimates during fiscal year 2024. Â Â (16) Risk and Uncertainties â€“ Geopolitical Tensions Â The short and long-term implications of Russiaâ€™s invasion of Ukraine and Hamas' attack against Israel are difficult to predict.Â Because of the highly uncertain and dynamic nature of these events, their impact on the Companyâ€™s business, financial condition, or operating results cannot be reasonably estimated at this time. Â Â (17) Subsequent Events Â As of December 11, 2024, the filing date of this Annual Report on FormÂ 10â€‘K, management evaluated the existence of events occurring subsequent to the end of fiscal year 2024, and determined the following to be a subsequent event: Â On OctoberÂ 30, 2024, the Company announced a quarterly cash dividend of $0.1375 per share paid on November 27, 2024, to shareholders of record as of November 14, 2024. The declaration and payment of dividends to holders of the Companyâ€™s common stock, if any, are subject to the discretion of the Companyâ€™s Board of Directors. The Companyâ€™s Board of Directors will take into account such matters as general economic and business conditions, the Companyâ€™s strategic plans, the Companyâ€™s financial results and condition, contractual, legal, and regulatory restrictions on the payment of dividends by the Company, and such other factors as the Companyâ€™s Board of Directors may consider relevant. Â Â ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE Â None. Â 61 Table of Contents Â ITEM 9A. CONTROLS AND PROCEDURES Â MANAGEMENTâ€™S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING Â Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in RuleÂ 13aâ€‘15(f) of the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Â Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Â Our management assessed the effectiveness of our internal control over financial reporting as of September 30, 2024, using the criteria set forth in 2013 Internal Control â€" Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that, as of September 30, 2024, the Companyâ€™s internal control over financial reporting was effective based on those criteria. Â EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES Â Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and 15d-15(e) of the Exchange Act, as of the end of the period covered by this report. Based on such evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures as of September 30, 2024, were effective to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Exchange Act is (i)Â recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and (ii)Â accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Â CHANGES IN INTERNAL CONTROLS Â There have been no changes in internal control over financial reporting as defined in RulesÂ 13a-15(f) of the Exchange Act that occurred during the fiscal quarter ended September 30, 2024, and that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Â 62 Table of Contents Â Â ITEM 9B.OTHER INFORMATION Â (c) Rule 10b5-1 Trading Plans Â During the three months ended September 30, 2024, no director or officer of the Company adopted or terminated a â€œRule 10b5-1 trading arrangement,â€ or â€œnon-Rule 10b5-1 trading arrangement,â€ as each term is defined in Item 408(a) of Regulation S-K. Â Â ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS Â Not applicable. Â Â PART III Â ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE Â The information required by this item can be found in our Proxy Statement for our 2025 Annual Meeting (â€œProxy Statementâ€) under the captions â€œElection of Directors,â€ â€œCorporate Governance,â€ "Section 16(A) Beneficial Ownership Reporting Compliance," and â€œExecutive Officers.â€ Such information is incorporated by reference as if fully set forth in this report. Â CODE OF ETHICS Â We have adopted a Code of Ethics that applies to our principal executive officer, principal financial officer, executive vice presidents, directors, and all employees. The code has been designed in accordance with the Sarbanes-Oxley Act of 2002 to promote honest and ethical conduct. The code also applies to Hennessy Funds Trust. The Code of Ethics is posted on our website at www.hennessyadvisors.com. In the event we amend or waive any of the provisions of the Code of Ethics, we intend to disclose these actions on our website. We are not including the information contained on our website as part of, or incorporating it by reference into, this report. Â Any person may obtain a copy of the Code of Ethics, at no cost, by forwarding a written request to: Â Hennessy Advisors, Inc. 7250 Redwood Blvd., Suite 200 Novato, CA 94945 Attention: Teresa Nilsen Â 63 Table of Contents Â ITEM 11. EXECUTIVE COMPENSATION Â The information required by this item can be found in the Proxy Statement under the captionsÂ â€œDirector Compensation,â€ â€œCompensation Discussion and Analysis,â€ and â€œExecutive Compensation.â€ Such information is incorporated by reference as if fully set forth in this report. Â ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS Â SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT Â The information required by this item can be found in the Proxy Statement under the caption â€œSecurity Ownership of Certain Beneficial Owners and Management.â€ Such information is incorporated by reference as if fully set forth in this report. Â EQUITY COMPENSATION PLAN INFORMATION Â Our Omnibus Plan, which was approved by our shareholders, is the only equity compensation plan under which we may issue our common stock. Â Â Â September 30, 2024 Â Plan Category Â Number of Securities to Be Issued upon Exercise of Outstanding Options, Warrants, and Rights Â Â Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights Â Â Number of Securities Available for Future Issuance Under Equity Compensation Plans (2) Â Â Â Â Â Â Â Â Â Â Â Â Â Â Equity compensation plans approved by security holders (1) Â Â 387,694 Â Â Â - Â Â Â 3,671,300 Â Equity compensation plans not approved by security holders Â Â - Â Â Â - Â Â Â - Â Total Â Â 387,694 Â Â Â - Â Â Â 3,671,300 Â Â (1) Securities to be issued pursuant to outstanding RSUs that vest over four years at a rate of 25% per year, for which the weighted average exercise price is zero. Â (2) Excludes securities to be issued upon the vesting of outstanding RSUs. The maximum number of shares of common stock that may be issued under the Omnibus Plan is 3,835,000Â shares. Â ITEM 13.Â CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE Â The information required by this item can be found in the Proxy Statement under the caption â€œCorporate Governance.â€ Such information is incorporated by reference as if fully set forth in this report. Â ITEM 14.Â PRINCIPAL ACCOUNTANT FEES AND SERVICES Â The information required by this item can be found in the Proxy Statement under the caption â€œRatification of Selection of Independent Registered Public Accounting Firm.â€ Such information is incorporated by reference as if fully set forth in this report. Â 64 Table of Contents Â Â PART IV Â ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES Â The financial statements and financial statement schedules for Hennessy Advisors, Inc. are included in ItemÂ 8, â€œFinancial Statements and Supplementary Data.â€ Â Exhibit Index Â Set forth below is a list of all exhibits to this Annual Report on FormÂ 10â€‘K, including those incorporated by reference. Â Exhibits 3.1 Amended and Restated Articles of Incorporation (9) 3.2 Sixth Amended and Restated Bylaws (19) 4.1 Description of Securities (15) 4.2 Indenture, dated as of OctoberÂ 20, 2021, by and between the Registrant and U.S. Bank National Association, as trustee (14) 4.3 First Supplemental Indenture, dated as of OctoberÂ 20, 2021, by and between the Registrant and U.S. Bank National Association, as trustee (14) 10.1 License Agreement, dated as of April 10, 2000, between the registrant and Netfolio, Inc. (2) 10.2 Investment Advisory Agreement, dated as of March 23, 2009, between the registrant and Hennessy Funds Trust (on behalf of the Hennessy Cornerstone Large Growth Fund) (3) 10.3 Investment Advisory Agreement, dated as of OctoberÂ 25, 2012, between the registrant and Hennessy Funds Trust (on behalf of the Hennessy Focus Fund, the Hennessy Equity and Income Fund, the Hennessy Gas Utility Fund, the Hennessy Large Cap Financial Fund, the Hennessy Small Cap Financial Fund, and the Hennessy Technology Fund) (4) 10.4 Investment Advisory Agreement, dated as of FebruaryÂ 28, 2014, between the registrant and Hennessy Funds Trust (on behalf of the Hennessy Cornerstone Growth Fund, the Hennessy Cornerstone Mid Cap 30 Fund, the Hennessy Cornerstone Value Fund, the Hennessy Total Return Fund, the Hennessy Balanced Fund, the Hennessy Japan Fund, and the Hennessy Japan Small Cap Fund) (6) 10.5 First Amendment to Investment Advisory Agreement, dated as of MarchÂ 1, 2016, between the registrant and Hennessy Funds Trust (on behalf of the Hennessy Cornerstone Growth Fund, the Hennessy Cornerstone Mid Cap 30 Fund, the Hennessy Cornerstone Value Fund, the Hennessy Total Return Fund, the Hennessy Balanced Fund, the Hennessy Japan Fund, and the Hennessy Japan Small Cap Fund) (8) 10.6 First Amendment to Investment Advisory Agreement, dated as of February 28, 2017, between the registrant and Hennessy Funds Trust (on behalf of the Hennessy Focus Fund, the Hennessy Equity and Income Fund, the Hennessy Gas Utility Fund, the Hennessy Large Cap Financial Fund, the Hennessy Small Cap Financial Fund, and the Hennessy Technology Fund) (16) 10.7 Amended and Restated Investment Advisory Agreement, dated as of February 28, 2022, between the registrant and Hennessy Funds Trust (on behalf of the Hennessy Energy Transition Fund and the Hennessy Midstream Fund) (16) 10.8 Investment Advisory Agreement, dated as of December 22, 2022, between the registrant and Hennessy Funds Trust (on behalf of the Hennessy Stance ESG ETF) (16) 10.9 First Amendment to Investment Advisory Agreement, dated as of April 28, 2023, between the registrant and Hennessy Funds Trust (on behalf of the Hennessy Stance ESG ETF) (16) 10.10 Sub-Advisory Agreement, dated as of OctoberÂ 25, 2012, between the registrant and Broad Run Investment Management, LLC (for the Hennessy Focus Fund) (4) 10.11 Sub-Advisory Agreement, dated as of OctoberÂ 25, 2012, between the registrant and The London Company of Virginia, LLC (for the Hennessy Equity and Income Fund (equity allocation)) (4) 10.12 Sub-Advisory Agreement, dated as of OctoberÂ 25, 2012, between the registrant and FCI Advisors (for the Hennessy Equity and Income Fund (fixed income allocation)) (4) 10.13 Sub-Advisory Agreement, dated as of FebruaryÂ 28, 2014, between the registrant and SPARX Asset Management Co., Ltd. (for the Hennessy Japan Fund and the Hennessy Japan Small Cap Fund) (6) 10.14 First Amendment to Sub-Advisory Agreement, dated as of February 28, 2018, between the registrant and SPARX Asset Management Co., Ltd. (for the Hennessy Japan Fund and the Hennessy Japan Small Cap Fund) (12) 10.15 Sub-Advisory Agreement, dated as of December 22, 2022, between the registrant and Stance Capital, LLC (for the Hennessy Stance ESG ETF (portfolio composition sub-advisor)) (16) 10.16 First Amendment to Sub-Advisory Agreement, dated as of April 28, 2023, between the registrant and Stance Capital, LLC (for the Hennessy Stance ESG ETF (portfolio composition sub-advisor)) (16) 10.17 Sub-Advisory Agreement, dated as of July 14, 2023, between the registrant and Vident Advisory, LLC (for the Hennessy Stance ESG ETF (trading sub-advisor)) (16) 10.18 Second Amended and Restated Servicing Agreement, dated as of February 28, 2022, between the registrant and Hennessy Funds Trust (on behalf of all Hennessy Mutual Funds) (16) 10.19 Hennessy Advisors, Inc. 2024 Omnibus Incentive Plan (1)(17) 10.20 Form of Restricted Stock Unit Award Agreement for Employees (1)(17) Â 65 Table of Contents Â 10.21 Form of Restricted Stock Unit Award Agreement for Directors and Advisory Committee Members (1)(17) 10.22 Second Amended and Restated Bonus Agreement, dated as of January 26, 2018, between the registrant and

Teresa M. Nilsen (1)(11) 10.23 Amended and Restated Bonus Agreement, dated as of October 10, 2016, between the registrant and Daniel B. Steadman (1)(8) 10.24 Employment Agreement, dated as of January 26, 2018, between the registrant and Teresa M. Nilsen (1)(11) 10.25 Fourth Amended and Restated Employment Agreement, dated as of February 22, 2019, between the registrant and Neil J. Hennessy (1)(13) 10.26 First Amendment to the Fourth Amended and Restated Employment Agreement, dated as of February 8, 2024, between the registrant and Neil J. Hennessy (1)(17) 10.27 First Amendment to Employment Agreement, dated as of February 8, 2024, between the registrant and Teresa M. Nilsen (1)(17) 10.28 Second Amendment to the Fourth Amended and Restated Employment Agreement, dated as of September 20, 2024, between the registrant and Neil J. Hennessy (1)(20) 10.29 Second Amendment to Employment Agreement, dated as of September 20, 2024, between the registrant and Teresa M. Nilsen (1)(20) 19 Code of Ethics (which includes the Companyâ€™s Insider Trading Policy) 23.1 Consent of Marcum LLP, Independent Registered Public Accounting Firm 31.1 Rule 13aâ€‘14a Certification of the Principal Executive Officer 31.2 Rule 13aâ€‘14a Certification of the Principal Financial Officer 32.1 Written Statement of the Principal Executive Officer, Pursuant to 18Â U.S.C. Â§Â 1350 32.2 Written Statement of the Principal Financial Officer, Pursuant to 18Â U.S.C. Â§Â 1350 97 Hennessy Advisors, Inc.Â Compensation Recovery Policy (1)(16) 101 The following materials from the Annual Report on Form 10-K of the registrant for the year ended September 30, 2024, filed on December 11, 2024, formatted in Inline XBRL: (i)Â the Balance Sheets; (ii)Â the Statements of Income and Comprehensive Income; (iii)Â the Statements of Changes in Stockholdersâ€™Â Equity; (iv)Â the Statements of Cash Flows; (v)Â the Notes to Financial Statements; (vi) the information in Part I, Item 1C Cybersecurity; and (vii) the information in Part II, Item 9B Other Information. 104 The Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document). Â Notes: (1) Management contract or compensatory plan or arrangement. (2) Incorporated by reference from the Companyâ€™s FormÂ SB-2 registration statement (SEC File No.Â 333â€‘66970) filed AugustÂ 6, 2001. (3) Incorporated by reference from the Companyâ€™s Form 10-K for the fiscal year ended SeptemberÂ 30, 2009 (SEC File No.Â 000-49872), filed DecemberÂ 4, 2009. (4) Incorporated by reference from the Companyâ€™s FormÂ 10-Q for the quarter ended DecemberÂ 31, 2012 (SEC File No.Â 000-49872), filed JanuaryÂ 17, 2013. (5) Incorporated by reference from the Companyâ€™s Current Report on Form 8-K (SEC File No.Â 000-49872) filed SeptemberÂ 18, 2013. (6) Incorporated by reference from the Companyâ€™s FormÂ 10-Q for the quarter ended JuneÂ 30, 2014 (SEC File No.Â 001-36423), filed AugustÂ 6, 2014. (7) Incorporated by reference from the Companyâ€™s Current Report on Form 8-K (SEC File No.Â 001-36423) filed OctoberÂ 13, 2016. (8) Incorporated by reference from the Companyâ€™s Form 10-K for the fiscal year ended SeptemberÂ 30, 2016 (SEC File No. 001-36423), filed DecemberÂ 1, 2016. (9) Incorporated by reference from the Companyâ€™s Current Report on Form 8-K (SEC File No.Â 001-36423) filed MarchÂ 7, 2017. (10) Incorporated by reference from the Companyâ€™s Current Report on Form 8-K (SEC File No.Â 001-36423) filed MayÂ 11, 2017. (11) Incorporated by reference from the Companyâ€™s Current Report on Form 8-K (SEC File No.Â 001-36423) filed JanuaryÂ 25, 2018. (12) Incorporated by reference from the Companyâ€™s FormÂ 10-Q for the quarter ended MarchÂ 31, 2018 (SEC File No.Â 001-36423), filed MayÂ 2, 2018. (13) Incorporated by reference from the Companyâ€™s Current Report on Form 8-K (SEC File No. 001-36423) filed February 25, 2019. (14) Incorporated by reference from the Companyâ€™s Current Report on Form 8-K (SEC File No. 001-36423), filed October 20, 2021. (15) Incorporated by reference from the Companyâ€™s Form 10-K for the fiscal year ended September 30, 2021 (SEC File No. 001-36423), filed November 24, 2021. (16) Incorporated by reference from the Companyâ€™s Form 10-K for the fiscal year ended September 30, 2023 (SEC File No. 001-36423), filed December 7, 2023. (17) Incorporated by reference from the Companyâ€™s Form 10-Q for the quarter ended December 31, 2023 (SEC File No. 001-36423), filed February 8, 2024. (18) Incorporated by reference to Annex A to the Companyâ€™s definitive proxy statement on Schedule 14A for the Companyâ€™s Annual Meeting of Shareholders held on February 8, 2024. (19) Incorporated by reference from the Companyâ€™s Current Report on Form 8-K (SEC File No. 001-36423) filed May 8, 2024. (20) Incorporated by reference from the Companyâ€™s Current Report on Form 8-K (SEC File No. 001-36423) filed September 20, 2024. Â ITEM 16. FORM 10-K SUMMARY Â None. Â 66 Table of Contents Â SIGNATURES Â Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized: Â Hennessy Advisors, Inc. (Registrant) Â Â Â Â Date:Â Â Â Â Â Â Â Â December 11, 2024 By: /s/ Teresa M. Nilsen Â Â Â Teresa M. Nilsen President, Chief Operating Officer, Secretary, and Director (As a duly authorized officer on behalf of the registrant and as Principal Executive Officer) Â Â Â Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated: Â By: /s/ Kathryn R. Fahy Â Date:Â Â Â Â Â Â Â Â Â December 11, 2024 Â Kathryn R. Fahy Chief Financial Officer and Senior Vice President (Principal Financial and Accounting Officer) Â Â Â By: /s/ Neil J. Hennessy Â Date:Â Â Â Â Â Â Â Â Â December 11, 2024 Â Neil J. Hennessy Chief Executive Officer and Chairman of the Board of Directors Â Â Â By: /s/ Henry Hansel Â Date:Â Â Â Â Â Â Â Â Â December 11, 2024 Â Henry Hansel Director Â Â Â By: /s/ Brian A. Hennessy Â Date:Â Â Â Â Â Â Â Â Â December 11, 2024 Â Brian A. Hennessy Director Â Â Â By: /s/ Lydia Knight-Oâ€™Riordan Â Date:Â Â Â Â Â Â Â Â Â December 11, 2024 Â Lydia Knight-Oâ€™Riordan Director Â Â Â By: /s/ Kiera Newton Â Date:Â Â Â Â Â Â Â Â Â December 11, 2024 Â Kiera Newton Director Â Â Â By: /s/ Susan W. Pomilia Â Date:Â Â Â Â Â Â Â Â Â December 11, 2024 Â Susan W. Pomilia Director Â Â Â By: /s/ Thomas L. Seavey Â Date:Â Â Â Â Â Â Â Â Â December 11, 2024 Â Thomas L. Seavey Director Â Â Â 67 0001437749-24-037244ex_744196.htm Â Exhibit 19Â Â Â Â Code of EthicsÂ forÂ Hennessy Funds TrustandHennessy Advisors, Inc.Â ___________________________Â AugustÂ 2023__________________________Â Â Code of EthicsAugust 2023Â Â TABLE OF CONTENTSÂ PageÂ   Â iÂ Code of EthicsAugust 2023Â Â Â I.Â Â Â GENERALÂ A. Introduction Â Hennessy Funds Trust (â€œHFTâ€) and Hennessy Advisors, Inc. (the â€œAdviserâ€) have adopted this Code of Ethics (this â€œCodeâ€). This Code is designed to comply with RuleÂ 17jâ€‘1 of the Investment Company Act and RuleÂ 204Aâ€‘1 of the Investment Advisers Act. It is based on the principle that we owe a fiduciary duty of undivided loyalty to our shareholders. Accordingly, we must avoid transactions, activities, and relationships that conflict or appear to conflict with making decisions in the best interests of our shareholders. HFT and the Adviser expect all of their directors, trustees, officers, and employees to maintain high ethical standards of conduct and to comply with applicable laws and governmental regulations.Â B. Definitions Â The following definitions apply for purposes of this Code.Â Â 1. â€œAccess Personâ€Â means any director, trustee, officer, or employee of HFT or the Adviser, but excluding (a)Â any summer associate or other temporary employee of HFT or the Adviser and (b)Â any director of the Adviser who meets independence requirements under applicable law. Â Â 2. â€œAdviserâ€Â has the meaning set forth in SectionÂ I.A. Â Â 3. A Covered Security is â€œbeing considered for purchase or saleâ€Â when a recommendation to purchase or sell such Covered Security has been made and communicated and, with respect to the person making the recommendation, when such person seriously considers making such a recommendation. Â Â 4. â€œbeneficial ownershipâ€Â shall be interpreted in the same manner as it would be under Rule 16a-1(a)(2) under the Exchange Act in determining whether a person has a pecuniary interest in a security for purposes of SectionÂ 16 of the Exchange Act. Â Â 5. â€œCCOâ€Â means Chief Compliance Officer per RuleÂ 38a-1 of the Investment Company Act and RuleÂ 206(4)-7 of the Investment Advisers Act. Â Â 6. â€œcontrolâ€Â has the meaning set forth in Section 2(a)(9) of the Investment Company Act. Â Â 7. â€œCovered Securityâ€Â means a security as defined in Section 2(a)(36) of the Investment Company Act, except that it does not include: Â Â a. direct obligations of the Government of the United States; Â Â 1Code of EthicsAugust 2023Â Â Â b. bankersâ€™Â acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; and Â Â c. shares issued by open-end registered investment companies (but not exchangeâ€'traded funds) other than HFT. Â Â 8. â€œDisinterested Trusteeâ€Â means a trustee of HFT who is not an â€œinterested personâ€Â of HFT within the meaning of Section 2(a)(19) of the Investment Company Act. Â Â 9. â€œExchange Actâ€Â means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. Â Â 10. â€œFundâ€Â means, individually, any series of HFT and collectively all such series shall be referred to as the â€œFunds.â€ Â Â 11. â€œHFTâ€Â has the meaning set forth in SectionÂ I.A. Â Â 12. â€œInitial Public Offeringâ€Â means an offering of securities registered under the Securities Act of 1933, as amended, the issuer of which, immediately before the registration, was not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act. Â Â 13. â€œInvestment Advisers Actâ€Â means the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder. Â Â 14. â€œInvestment Company Actâ€Â means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder. Â Â 15. â€œInvestment Personnelâ€Â means (a) any employee of HFT or the Adviser or of any company in a control relationship to HFT or the Adviser who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by a Fund and (b)Â any natural person who controls HFT or the Adviser and who obtains information concerning recommendations made to a Fund regarding the purchase or sale of securities by such Fund. Â Â 16. â€œLawsâ€Â means the laws, rules, and regulations of U.S. and foreign federal, state, and local governments and other applicable regulatory agencies. Â Â 17. â€œpersonal securities transactionâ€Â has the meaning set forth in SectionÂ III.A. Â Â 18. â€œSECâ€Â means the Securities and Exchange Commission. Â 2Code of EthicsAugust 2023Â Â II.Â Â Â STANDARDS OF BUSINESS CONDUCTÂ A. General Standards Â HFT and the Adviser hold their directors, trustees, officers, and employees accountable for adhering to and advocating the following standards to the best of their knowledge and ability.Â Â 1. They shall always act in an honest and ethical manner, including in connection with the handling and avoidance of actual or apparent conflicts of interest between personal and professional relationships. Â Â 2. They shall fully comply with all applicable Laws. Â Â 3. They shall proactively promote full, fair, accurate, timely, and understandable disclosure in reports and documents that HFT or the Adviser file with or submit to the SEC and in other public communications made by HFT or the Adviser. Â Â 4. They shall proactively promote ethical and honest behavior with HFT and the Adviser, including, without limitation, by adhering to and promptly reporting violations of this Code. Â B. Specific Duties and Responsibilities Â In adhering to and advocating the general standards set forth above, the directors, trustees, officers, and employees of HFT and the Adviser shall fulfill the following duties and responsibilities to the best of their knowledge and ability.Â Â 1. They shall handle all conflicts of interest between personal and professional relationships in an ethical and honest manner. They shall disclose in advance to the CCO of HFT or the Adviser, as applicable, the relevant details of any transaction or relationship that reasonably could be expected to give rise to an actual or apparent conflict of interest between themselves and HFT or the Adviser. Such CCO shall, as appropriate, discuss such disclosures with the Board of Trustees of HFT or the Board of Directors of the Adviser, as applicable, which Board shall thereafter take such action with respect to the conflict of interest as it deems appropriate. The general policy of HFT and the Adviser is to avoid conflicts of interest whenever practicable. Â Â 2. They shall use their best efforts to ensure the timely and understandable disclosure of information that, in all material respects, is accurate, complete, objective, and relevant in all reports and documents HFT or the Adviser file with or submit to the SEC or in any other public communications made by HFT or the Adviser. Â Â 3. They shall use their best efforts to ensure compliance in all material respects with all applicable Laws by HFT and the Adviser. Â 3Code of EthicsAugust 2023Â Â Â 4. They shall respect the confidentiality of information acquired in the course of their work and shall not disclose confidential information, except when they believe they are authorized for business purposes or legally obliged to disclose confidential information. They may not use confidential information acquired in the course of their work for their personal advantage. Â Â 5. They shall not take or direct or allow any other person to take or direct any action to fraudulently influence, coerce, manipulate, or mislead the independent auditing firm of HFT or the Adviser. Â Â 6. They may not engage the auditing firms of HFT or the Adviser to perform audit or non-audit services without the prior approval of the Board of Trustees of HFT or the Board of Directors or Audit Committee of the Adviser, as applicable. Â Â 7. The independent directors of the Adviser shall not have access to, and shall not seek from any employee of the Adviser, any nonâ€'public information regarding the portfolio holdings of the Funds, except that certain limited access to such information may be granted with advance permission from the CCO of HFT. Â Â 8. If they are Investment Personnel, they shall not, without the prior approval of the CCO of HFT or the Adviser, as applicable, receive any gift or participate in any entertainment event of more than de minimis value from or with any person or entity that does or is seeking to do business with or on behalf of a Fund or the Adviser. The annual receipt of gifts from the same source valued at $100 or less shall be considered de minimis, while the annual receipt of entertainment from the same source valued at $1,000 or less shall be considered de minimis. Additionally, the receipt of an occasional dinner, a ticket to a sporting event or the theater, or comparable entertainment event also shall be considered to be of de minimis value. Â Â 9. If they are Investment Personnel, except for service that began prior to March 2, 1996, they shall not serve on the board of directors of publicly traded companies absent prior authorization of the Board of Trustees of HFT. The Board of Trustees of HFT may so authorize such board service only if it determines that such board service is consistent with the interests of the Funds and their shareholders. Â Â 10. They shall promptly report any suspected violations of this Code to the CCOs of HFT and the Adviser in accordance with SectionÂ II.C below. Â C. Reporting Violations Â Each director, trustee, officer, or employee of HFT or the Adviser must promptly report any of the following matters to the CCOs of HFT and the Adviser:Â Â â— a violation or potential violation of a Law by HFT or the Adviser; Â 4Code of EthicsAugust 2023Â Â Â â— a belief that such director, trustee, officer, or employee is being asked to violate this Code or any Law in the performance of his or her duties for HFT or the Adviser; or Â Â â— any other violation or potential violation of this Code by any person. Â If desired, such matters may, in addition to being reported to the CCOs of HFT and the Adviser, also be reported to the Chair of the Audit Committee of the Board of Directors of the Adviser. Appropriate steps will be taken to maintain the confidentiality of the reporting personâ€™s identity to the extent consistent with the obligations of HFT and the Adviser to investigate and remedy the matter and, if appropriate, report the matter to government officials. Reports of Code violations may also be made on an anonymous basis. No retribution will be taken against a person who makes a report in good faith of a violation or potential violation of this Code.Â Â III. PERSONAL SECURITIES INVESTMENT TRANSACTIONS POLICY Â RuleÂ 17jâ€‘1 under the Investment Company Act and RuleÂ 240Aâ€‘1 under the Advisers Act require the reporting of all personal securities transactions (with certain limited exceptions) and preclearance of certain personal securities investment transactions by persons who are involved in the investment activities of HFT or the Adviser or who have access to nonâ€‘public information regarding purchases or sales of securities or the portfolio holdings of any of the Funds. This policy implements the requirements of those rules and also sets forth additional procedures that are intended to avoid any actual or apparent conflicts of interest that may arise from personal securities investment transactions.Â A. General Â Subject to the limited exclusions set forth in SectionÂ III.C below, all Access Persons are required to report holdings and transactions in Covered Securities with respect to which they have discretionary authority or beneficial ownership. In addition, subject to the limited exclusions set forth in SectionÂ III.C below, no Access Person (or certain of his or her family members as described in SectionÂ III.B below) shall buy or sell any Covered Security for any account over which such Access Person has discretionary authority or for an account in which such Access Person has, or as a result of the transaction acquires, any direct or indirect beneficial ownership (referred to herein as a â€œpersonal securities transactionâ€) unless:Â Â â— such Access Person has obtained preclearance of such transaction in accordance with the procedures described in SectionÂ III.D.7 below; and Â Â â— the transaction is reported in writing to the CCOs of HFT and the Adviser on a quarterly basis in accordance with the requirements of SectionÂ III.E.3 below. Â Except as otherwise specifically provided therein, (1)Â Disinterested Trustees are not subject to the restrictions and limitations or reporting requirements set forth in SectionsÂ III.D and III.E and (2)Â nonâ€‘executive directors of the Advisor who do not have access to nonpublic information regarding securities recommendations, securities transactions, or portfolio holdings for the Funds and are not involved in making securities recommendations to the Funds are not subject to the restrictions and limitations set forth in SectionÂ III.D. Â 5Code of EthicsAugust 2023Â Â B. Accounts Covered Â The term â€œbeneficial ownershipâ€ is defined by the rules of the SEC. Generally, a person is deemed to have beneficial ownership of securities held in the name of:Â Â â— such person; Â Â â— such personâ€™s spouse or minor child; Â Â â— a relative (including inâ€‘laws, stepchildren, or stepparents) sharing the same house; or Â Â â— anyone else if such person is able to: Â Â o obtain benefits substantially equivalent to ownership of the securities; or Â Â o obtain ownership of the securities immediately or at some future time. Â C. Exempt Securities and Transactions Â Â 1. Exemptions from Preclearance and Reporting Requirements Â The preclearance and reporting requirements set forth in this SectionÂ III do not apply to:Â Â a. purchases or sales effected in any account over which the Access Person has no direct or indirect influence or control; and Â Â b. purchases or sales that are non-volitional on the part of the Access Person. Â Â 2. Exemptions from Preclearance Requirements Only Â The preclearance requirements set forth in this SectionÂ III do not apply to:Â Â a. purchases that are part of an automatic dividend reinvestment plan; Â Â b. purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of its securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired; Â Â c. purchases, sales, or gifts of common stock of issuers in the Dow Jones Industrial Average provided that the number of shares purchased or sold of any one such issuer on any day does not exceed 5,000 shares; Â 6Code of EthicsAugust 2023Â Â Â d. purchases, sales, or gifts of shares issued by HFT; Â Â e. purchases, sales, or gifts of exchangeâ€‘traded funds; and Â Â f. inâ€‘kind transfers. Â D. Restrictions and Limitations on Personal Securities Transactions Â The provisions of this SectionÂ III.D apply to all Access Persons, except they do not apply to Disinterested Trustees other than as specifically set forth in SectionÂ III.D.3 below and they do not apply to nonâ€‘executive directors of the Advisor who do not have access to nonpublic information regarding securities recommendations, securities transactions, or portfolio holdings for the Funds and who are not involved in making securities recommendations to the Funds.Â Any personal securities transaction by an Access Person in violation of this Code may be required to be reversed and any resulting profits may be subject to disgorgement.Â Â 1. Participation in Initial Public Offerings Â No Access Person may acquire any Covered Security in an Initial Public Offering without the prior approval of the CCOs of HFT and the Adviser.Â Â 2. Participation in Private Placements Â No Access Person may participate in a private placement of any kind (including, but not limited to, investments in limited partnership, limited liability companies, hedge funds, private equity funds, PIPEs, real estate, oil and gas partnerships, and venture capital investments) without the prior approval of the CCOs of HFT and the Adviser.Â Â 3. Trading in a Security on a Day When There Is a â€œBuyâ€Â or â€œSellâ€Â Order or Serious Consideration Thereof Â No Access Person may purchase or sell, directly or indirectly, any Covered Security on any day during which (a) the Adviser has placed a â€œbuyâ€ or â€œsellâ€ order in the same security for a Fund or (b) to the actual knowledge of such Access Person at the time of such purchase or sale, the same security is being considered for purchase or sale by a Fund.Â Disinterested Trustees are subject to this prohibition if they know or should have known at the time of such purchase or sale that the Adviser has such a pending â€œbuyâ€ or â€œsellâ€ order in the same security for the Fund.Â Â 4. Â Blackout Period Â No Access Person may purchase or sell, directly or indirectly, a Covered Security within one trading day after the Adviser has purchased or sold the same security for a Fund.Â 7Code of EthicsAugust 2023Â Â Â 5. Shortâ€‘Swing Profits Â No Access Person may profit from the purchase and sale or sale and purchase within 14 calendarÂ days of the same or equivalent security if trading in such security is subject to preclearance in accordance with the procedures described in SectionÂ III.D.7. This SectionÂ III.D.5 does not prohibit the avoidance of losses through trading within a period shorter than 14 calendar days.Â Â 6. Restricted List Â HFT and the Adviser may from time to time establish a restricted list that includes the names of companies for which HFT or the Adviser may have, or are in a position to receive, material nonâ€‘public information. Access Persons are not allowed to trade or invest in the securities of any company on the restricted list.Â Â 7. Preclearance Requirements

Â Access Persons must obtain preclearance of all personal securities transactions in Covered Securities that are not exempted by Section III.C through the ComplianceAlpha system or any alternative procedures as may be announced following the approval of the CCOs of HFT and the Adviser. Access Persons will receive notification regarding whether their preclearance request is approved or denied, but the specific reason for the decision is not required to be provided. If a preclearance request for a personal securities transaction submitted by an Access Person is denied, such Access Person is prohibited from executing such personal securities transaction. If the personal securities transaction is not completed on the date of preclearance, a new preclearance must be obtained prior to executing any remaining portion of such personal securities transaction (unless the approval specifically states that it will remain in effect for a longer period of time, in which case the specified time period applies). If an Access Person believes he or she may not be able to complete a personal securities transaction in a single trading day because of limited liquidity in the applicable security, he or she may request that the preclearance approval extend for up to five days. Such requests will be considered on a caseâ€‘byâ€‘case basis based on the facts and circumstances known at the time. Approval of a preclearance request for a personal securities transaction that has not yet been executed may be revoked at any time if new information makes revocation advisable.Â E. Reporting Procedures Â The provisions of this SectionÂ III.E apply to all Access Persons, except they do not apply to Disinterested Trustees other than as specifically set forth in SectionÂ III.E.1 below. If desired, an Access Person may include a statement on any report filed pursuant to SectionsÂ III.E.2â€‘III.E.4 below that the report shall not be construed as an admission by such Access Person that he or she has any beneficial ownership in the security to which the report relates.Â 8Code of EthicsAugust 2023Â Â Â 1. Limited Reporting Obligations for Disinterested Trustees Â Disinterested Trustees do not need to file an initial holdings report or annual holdings report pursuant to SectionsÂ III.E.2 or III.E.4 below. Additionally, Disinterested Trustees do not need to file a quarterly transaction report pursuant to SectionÂ III.E.3 below except to report a personal securities transaction in a Covered Security if such Disinterested Trustee, at the time of making such personal securities transaction, knew or, in the ordinary course of fulfilling his or her official duties as a trustee of HFT, should have known that, during the 15-day period immediately before or after the date of such personal securities transaction, such Covered Security was purchased or sold by a Fund or was being considered by a Fund or the Adviser for purchase or sale by a Fund.Â Â 2. Initial Holdings Report Â Each Access Person shall, no later than 10Â days after such person becomes an Access Person, file an initial holdings report with the CCOs of HFT and the Adviser containing the following information (which information must be current as of a date no more than 45 days prior to the date such person becomes an Access Person):Â Â a. the title and type of security, the exchange ticker symbol or CUSIP number, number of shares, and principal amount of each Covered Security in which such Access Person had any direct or indirect beneficial ownership at the time the person became an Access Person; Â Â b. the name of any broker, dealer, or bank with whom such Access Person maintained an account in which any securities (regardless of whether such securities were Covered Securities) were held for the direct or indirect benefit of such Access Person; and Â Â c. the date the report is submitted by such Access Person. Â Â 3. Quarterly Transaction Report Â Each Access Person shall, no later than 30 days after the end of each calendar quarter, file a quarterly transaction report with the CCOs of HFT and the Adviser containing the following information:Â Â a. with respect to any personal securities transaction during the quarter in a Covered Security in which the Access Person had any direct or indirect beneficial ownership (except that personal securities transactions pursuant to an automatic dividend reinvestment plan do not need to be reported in a quarterly transaction report): Â Â i. the date of the personal securities transaction, the title, exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and the principal amount of each security involved; Â 9Code of EthicsAugust 2023Â Â Â ii. the nature of the personal securities transaction (i.e., purchase, sale, or any other type of acquisition or disposition); Â Â iii. the price of the Covered Security at which the personal securities transaction was effected; Â Â iv. the name of the broker, dealer, or bank with or through whom the personal securities transaction was effected; and Â Â v. the date that the report is submitted by such Access Person. Â Â b. with respect to any account established by such Access Person during the quarter in which any securities (regardless of whether such securities were Covered Securities) were held for the direct or indirect benefit of such Access Person: Â Â i. the name of the broker, dealer, or bank with whom such Access Person established the account; Â Â ii. the date the account was established; and Â Â iii. the date the report is submitted by such Access Person. Â In lieu of filing a quarterly transaction report, an Access Person may provide duplicate copies of all account statements for all securities accounts in which Covered Securities were held with respect to such Access Person to the CCO of HFT within the period set forth in this SectionÂ III.E.3, provided that all of the information required by this SectionÂ III.E.3 is contained in such account statements or in the records of the Funds.Â Â 4. Annual Holdings Report Â Each Access Person shall, no later than January 30 of each year, file an annual holdings report with the CCOs of HFT and the Adviser containing the following information as of the preceding December 31:Â Â a. the title and type of security, the exchange ticker symbol or CUSIP number, number of shares, and principal amount of each Covered Security in which such Access Person had any direct or indirect beneficial ownership; Â Â b. the name of any broker, dealer, or bank with whom such Access Person maintains an account in which any securities (regardless of whether such securities were Covered Securities) are held for the direct or indirect benefit of such Access Person; and Â 10Code of EthicsAugust 2023Â Â Â c. the date the report is submitted by such Access Person. Â Â 5. Review of Periodic Reports; Identification of Access Person Â The CCOs of HFT and the Adviser or their designees shall review all reports filed by Access Persons pursuant to this SectionÂ III. The CCOs of HFT and the Adviser shall identify all Access Persons who are required to file reports pursuant to SectionÂ III.E and must inform such Access Persons of their reporting obligations.Â IV.Â Â INSIDER TRADING POLICYÂ HFT and the Adviser prohibit their directors, trustees, officers, and employees from trading, either personally or on behalf of the Funds, on the basis of material nonâ€‘public information or communicating material nonâ€‘public information to others in violation of the Law. In addition, communication of inside information (tipping) to a third party, where improper trading can be anticipated, is also strictly prohibited. This conduct is frequently referred to as â€œinsider trading.â€ In addition, each of HFT and the Advisor, as an entity, is prohibited from trading on the basis of material nonâ€‘public information or communicating material nonâ€‘public information to others in violation of the Law.Â In addition to applying to the directors, trustees, officers, and employees of HFT and the Adviser, this policy also applies to their respective spouses, children, and relatives sharing a home with them, and certain trusts, partnerships, and corporations affiliated with them.Â Insider trading Laws are continuously changing. In the event an individual has any hesitation about whether or not something may be considered insider trading, such individual should immediately discuss the matter with the Chief Compliance Officer of HFT or the Adviser. Seeking guidance if there is even the slightest hesitation is likely to prevent disciplinary action or complex legal problems.Â A. What is Material Information? Â â€œMaterial informationâ€ generally means information that a reasonable investor would consider important in deciding whether to buy, sell, or hold a security, or information that is reasonably certain to have a substantial effect on the price of a companyâ€™s securities once such information becomes publicly available. Both positive and negative information may be material. Information that may be considered material includes, but is not limited to:Â Â â— earnings estimates or changes in previously released earnings estimates; Â Â â— pending changes in corporate policy (such as dividend changes or stock splits); Â Â â— significant new products, services, or processes; Â Â â— pending large commercial or government contracts; Â 11Code of EthicsAugust 2023Â Â Â â— the gain or loss of a substantial customer; Â Â â— pending litigation or changes in the status of litigation; Â Â â— a significant refinancing transaction; Â Â â— news of a pending acquisition or sale of assets or a proposed merger or tender offer; Â Â â— government investigations; or Â Â â— changes in management. Â Material information may also relate to the market for a companyâ€™s securities. Information about a significant order to purchase or sell securities may be material in some instances.Â No simple test exists to determine whether information is material. Assessments of materiality involve a highly factâ€‘specific analysis. Since the question of whether inside information is material is determined in litigation with the benefit of 20/20 hindsight, individuals should consult the CCO of HFT or the Adviser if they are in receipt of any nonâ€‘public information, regardless of whether or not they believe it is material. Â B. What is Nonâ€‘Public Information? Â Information is nonâ€‘public until it has been disclosed in a manner sufficient to ensure availability to the investing public and sufficient time has passed since its dissemination for investors to have absorbed the information (which is generally measured in days and not minutes). For example, information in a report filed with the SEC or appearing in the Wall Street Journal or other publication of general circulation would be considered public after a sufficient amount of time has passed since its publication.Â C. What are the Penalties for Insider Trading? Â The federal securities laws impose potentially severe penalties on persons who trade securities while in possession of material nonâ€‘public information or who improperly disclose material nonâ€‘public information to others. Individuals who trade on (or tip) inside information may face one or more of the following consequences:Â Â â— termination of such individualâ€™s employment or other relationship with HFT and the Adviser; Â Â â— criminal sanctions, which may include a fine of up to $5Â million and up to 20 years imprisonment; Â Â â— disgorgement of the profits gained or losses avoided through insider trading and a penalty of up to three times such amount; Â 12Code of EthicsAugust 2023Â Â Â â— an SEC order permanently barring such individual from the securities industry; and Â Â â— a lawsuit by investors seeking to recover damages for insider trading violations. Â Similar penalties may be imposed against soâ€‘called â€œcontrolling personsâ€ who fail to take appropriate steps to prevent or detect insider trading violations (including tipping violations) by their employees or subordinates.Â HFT and the Adviser may also be subject to penalties in the event a director, trustee, officer, or employee is found liable for insider trading, including:Â Â â— civil penalties of up to the greater of $1Â million or three times the amount of profits gained or losses avoided by such individual; Â Â â— criminal fines of up to $25 million; and Â Â â— restrictions on their ability to conduct their business activities. Â D. Compliance Procedures Â The following procedures have been established to help directors, trustees, officers, and employees of HFT and the Adviser avoid insider trading and to help HFT and the Adviser prevent, detect, and impose sanctions against individuals who engage in insider trading.Â Â 1. Identifying Inside Information Â Before executing any personal trade or trade for the Funds, a director, trustee, officer, or employee of HFT or the Adviser must determine whether they have access to material, nonâ€‘public information. The following questions are relevant to such a determination:Â Â a. Is the information material? Would an investor consider this information important in making his or her investment decision? If disclosed, would this information substantially affect the market price of the securities? Â Â b. Is the information nonâ€‘public? Has the information been effectively communicated to the marketplace by appearing in publications of general circulation? Is the information readily available to a significant number of other investors in the market? How much time has passed since the information was disseminated? Â If, after consideration of the foregoing matters, an individual believes information is material and nonâ€‘public or is not sure about whether such information is material and nonâ€‘public, he or she should take the following steps:Â Â a. immediately report the information to the CCO of HFT or the Adviser; Â 13Code of EthicsAugust 2023Â Â Â b. refrain from purchasing or selling any securities to which the information is relevant; and Â Â c. refrain from communicating the information to anyone inside or outside of HFT and the Adviser other than the CCOs of HFT and the Adviser and other individuals who â€œneed to knowâ€ such information in order to perform their job responsibilities. Â Â 2. Restricting Access to Material Nonâ€‘Public Information Â Â a. Communications Â Access to material nonâ€‘public information must be limited to only those individuals who have a â€œneed to know.â€Â Â b. Information Handling Â Directors, trustees, officers, and employees of HFT and the Adviser should take all appropriate actions to safeguard any material nonâ€‘public information in their possession. Such information should be kept secure. For example, documents or papers containing material nonâ€‘public information should not be left on desks or otherwise where it may be seen by other people, and access to files (whether hard copy or electronic) containing material nonâ€‘public information should be restricted.Â In addition, material nonâ€‘public information should not be discussed in public or quasiâ€‘public places where conversations may be overheard by others.Â E. Securities Issued by the Adviser Â Â 1. General Â Insider trading Laws apply to the securities of the Adviser the same as they apply to the securities of any issuer. However, because there is a higher likelihood of access to material nonâ€‘public information regarding the Adviser than regarding other companies, additional procedures are warranted.Â In addition to the procedures set forth in SectionÂ IV.D, the following additional procedures are designed to help ensure that all material nonâ€‘public information regarding the Adviser remains confidential:Â Â â— tips about material nonâ€‘public information regarding the Adviser should never be given to anyone who may, directly or indirectly, use such information to derive an improper personal benefit through personal trading in the Adviserâ€™s stock or by passing the tip on to others; and Â Â â— all inquiries regarding the Adviser from the press or other news media must be referred to the Chief Executive Officer or President of the Adviser (who may authorize any employee to speak to the press or other news media outlet about the Adviser on a caseâ€‘byâ€‘case basis). Â 14Code of EthicsAugust 2023Â Â If an individual becomes aware of a leak of inside information regarding the Adviser, he or she should immediately report the leak to the CCO of the Adviser. The Adviser is required under Regulation FD of the federal securities laws to avoid the selective disclosure of material nonâ€‘public information.Â Â 2. Quiet Period Â Directors, trustees, officers, and employees of HFT and the Adviser may not purchase or sell any securities of the Adviser during the period beginning on the first day of each quarter and ending on the second business day after public announcement of quarterly or (in the case of the fourth fiscal quarter) annual results for the prior period or during any other period declared to be a quiet period by the CCO of the Adviser. All personal securities transactions in securities of the Adviser must be precleared in accordance with SectionÂ III.D.7 regardless of whether such purchase or sale is outside of a quiet period. Notwithstanding the foregoing, a participant in any equity incentive plan of the Adviser as may be in effect from time to time may elect, either during or outside of a quiet period, to have the Adviser withhold shares of the Adviserâ€™s common stock otherwise deliverable or vesting under an award to satisfy any federal, state, or local tax obligations, and the Adviser may withhold such shares, in accordance with the terms and conditions of such equity incentive plan; provided that the CCO of the Adviser may in his or her discretion suspend the right to make any such election. The submission of such an election by a participant shall serve as a preclearance request under SectionÂ III.D.7.Â Â 3. Reporting of Stock Transactions to SEC Â The Personal Securities Investment Transactions Policy set forth in SectionÂ III is designed to implement the requirements of RuleÂ 17jâ€‘1 under the Investment Company Act and RuleÂ 240Aâ€‘1 under the Advisers Act, as well as to assist directors and executive officers in complying with the filing and shortâ€‘swing insider trading liability provisions of SectionÂ 16 of the Exchange Act. As a general rule, transactions in securities of the Adviser (including the receipt or exercise of stock options) by directors, executive officers, 10% or more shareholders, and their related persons are required to be reported to the SEC on Form 4 within two business days of the transaction. Because the Form 4 must be filed with the SEC within the twoâ€‘business day deadline, it is critical for the Adviser to be aware of transactions in its securities by insiders ahead of time so that it may assist with making the required filings. Most changes of ownership must be reported even if there has been no net change in holdings. Certain transactions such as gifts may be reported on a deferred basis on Form 5. If any transactions are reported late, the Adviser must disclose such late filings in its annual meeting proxy statement. Furthermore, the SEC has authority to impose civil fines and issue ceaseâ€‘andâ€â€‘desist orders for late filings.Â 15Code of EthicsAugust 2023Â Â The Form 4 and 5 reporting requirements are designed, among other things, to assist with enforcing the shortâ€‘swing insider trading liability provisions of SectionÂ 16(b) of the Exchange Act. The Personal Securities Investment Transactions Policy set forth in SectionÂ III is also designed to help reporting persons avoid short-swing insider trading liability. SectionÂ 16(b) of the Exchange Act provides that any â€œprofitâ€ on a purchase and sale of securities of an issuer by a director, executive officer, or a 10% or more shareholder of such issuer within any six-month period must be paid to the issuer unless certain exemptions apply. â€œProfitâ€ is computed by matching any sale of Company stock taking place at a higher price than a purchase taking place within six months before or after the sale, regardless of the sellerâ€™s tax basis in specifically identified shares sold. Intent to take unfair advantage of inside information is not required for liability under SectionÂ 16(b).Â Â 4. No Short Sales Â SectionÂ 16(c) of the Exchange Act prohibits directors, executive officers, and 10% or more shareholders from making â€œshort salesâ€ of the securities of the Adviser. A short sale occurs when an investor sells borrowed securities (in anticipation of a price decline) and is required to return an equal number of shares at some predefined point in the future.Â Â 5. RuleÂ 10b5â€‘1 Plans Â The implementation, modification, or termination of any RuleÂ 10b5â€‘1 plan under the Exchange Act by the Adviser or any director, trustee, officer, or employee of HFT or the Adviser must be approved in advance by external or internal legal counsel to the Adviser.Â V.Â Â COMPLIANCEÂ A. Approval of the Code of Ethics Â Â 1. The Board of Trustees of HFT, including a majority of the Disinterested Trustees, and the Board of Directors of the Adviser shall approve this Code and any material changes thereto. Prior to approving this Code and any material changes thereto, the Board of Trustees of HFT, including a majority of the Disinterested Trustees, must determine that this Code contains provisions reasonably necessary to prevent Access Persons from violating Rule 17j-1(b) under the Investment Company Act. Â Â 2. No less frequently than annually, the CCOs of HFT and the Adviser shall furnish a report to the Board of Trustees of HFT and the Board of Directors of the Adviser that includes the following: Â Â a. a description of all issues arising under the Code since the last report to such Boards, including, but not limited to, information about material violations of this Code and sanctions imposed in response to such material violations; Â Â b. a list of Access Persons under this Code; and Â 16Code of EthicsAugust 2023Â Â Â c. a certification that HFT and the Adviser have adopted such procedures as are reasonably necessary to prevent Access Persons from violating this Code. Â Â 3. Any explicit or implied waivers of this Code for directors, trustees, or executive officers must be approved by the Board of Trustees of HFT and the Board of Directors or Audit Committee of the Adviser, as applicable, and must be promptly disclosed. Â B. Annual Certification Â Each year, the CCOs of HFT and the Adviser shall provide all directors, trustees, officers, and employees with a copy of this Code. Promptly following receipt thereof, each such person shall certify to HFT and to the Adviser that he or she (1) has read and understands this Code and recognizes that he or she is subject thereto, (2) has complied with the requirements of this Code, and (3)Â has disclosed or reported all personal securities transactions required to be disclosed or reported pursuant to the requirements of this Code.Â C. Prohibition on Self Clearance Â No director, trustee, officer, or employee may preclear his or her own trades, review his or her own required trading reports, or otherwise serve as the final point of review of his or her own actions under this Code. To the extent this Code requires action by a CCO and the CCO also engages in personal securities transactions, such CCOâ€™s responsibilities under this Code with respect to such CCOâ€™s personal securities transactions shall be carried out by the other CCO or an appropriate designee.Â D. Other Obligations Â Compliance with this Code does not relieve directors, trustees, officers, or employees of their obligations under any other code of ethics.Â E. Maintenance of Records Â This Code and the approvals and reports required by Section V.A shall be maintained by the Fundsâ€™ administrator and the CCOs of HFT and the Adviser. The reports required by SectionÂ III.E shall be maintained by the CCO of HFT.Â F. Interpretation and Enforcement Â Â 1. This is a combined Code of Ethics for HFT and the Adviser. The Board of Directors of the Adviser (or a committee thereof) is responsible for overseeing the interpretation and enforcement of this Code in all matters related to the Adviser. The Board of Trustees of HFT is responsible for overseeing the interpretation and enforcement of this Code in all matters related to HFT. Â 17Code of EthicsAugust 2023Â Â Â 2. Each director, trustee, officer, and employee will be held accountable for his or her adherence to this Code by the Board of Trustees of HFT or the Board of Directors of the Adviser, as applicable. Directors, trustees, officers, and employees who fail to adhere to this Code will be subject to appropriate disciplinary action, ranging from warnings to possible termination or removal. Â 18Code of EthicsAugust 2023 0001437749-24-037244ex_715471.htm Exhibit 23.1 Â Â Consent of Independent Registered Public Accounting Firm Â We consent to the incorporation by reference in the Registration Statements of Hennessy Advisors, Inc. on Form S-3 (No. 333-275964) and S-8 (Nos. 333-276980 and 333-188439) of our report dated December 11, 2024, with respect to our audits of the financial statements of Hennessy Advisors, Inc. as of September 30, 2024 and 2023, and for the years ended September 30, 2024 and 2023, which report is included in this Annual Report on Form 10-K of Hennessy Advisors, Inc. for the year ended September 30, 2024.Â /s/ Marcum LLP Marcum LLP San Francisco, California December 11, 2024 Â Â 0001437749-24-037244ex_715472.htm Exhibit 31.1 Â Â Rule 13a â€“ 14a Certification of the Principal Executive Officer Â I, Teresa M. Nilsen, certify that:Â Â 1. I have reviewed this Annual Report on Form 10-K of Hennessy Advisors, Inc.; Â Â 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; Â Â 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; Â Â 4. The registrantâ€™s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: Â Â a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared; Â Â b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; Â Â c) Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and Â Â d) Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and Â Â 5. The registrantâ€™s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions): Â Â a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; and Â Â b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting. Â /s/ Teresa M. Nilsen Teresa M. Nilsen, President Hennessy Advisors, Inc. Â Date: December 11, 2024 Â Â 0001437749-24-037244ex_715473.htm Exhibit 31.2 Â Â Rule 13a â€“ 14a Certification of the Principal Financial Officer Â I, Kathryn R. Fahy, certify that:Â Â 1. I have reviewed this Annual Report on Form 10-K of Hennessy Advisors, Inc.; Â Â 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; Â Â 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; Â Â 4. The registrantâ€™s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: Â Â a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared; Â Â b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; Â Â c) Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and Â Â d) Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and Â Â 5. The registrantâ€™s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions): Â Â a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; and Â Â b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting. Â /s/ Kathryn R. Fahy Kathryn R. Fahy, Chief Financial Officer Hennessy Advisors, Inc. Â Date: December 11, 2024 Â Â 0001437749-24-037244ex_715474.htm Exhibit 32.1 Â Â Written Statement of the Principal Executive Officer Pursuant to 18 U.S.C. Â§ 1350 Â Solely for the purposes of complying with 18 U.S.C. Â§ 1350, I, the undersigned President of Hennessy Advisors, Inc. (the â€œCompanyâ€), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year endedÂ September 30, 2024 (the â€œReportâ€), fully complies with the requirements of SectionÂ 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Â /s/ Teresa M. Nilsen Teresa M. Nilsen, President Hennessy Advisors Inc. Â Date: December 11, 2024 Â Â 0001437749-24-037244ex_715475.htm Exhibit 32.2 Â Â Written Statement of the Principal Financial Officer Pursuant to 18 U.S.C. Â§ 1350 Â Solely for the purposes of complying with 18 U.S.C. Â§ 1350, I, the undersigned Chief Financial Officer of Hennessy Advisors, Inc. (the â€œCompanyâ€), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year endedÂ September 30, 2024 (the â€œReportâ€), fully complies with the requirements of SectionÂ 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Â /s/ Kathryn R. Fahy Kathryn R. Fahy, Chief Financial Officer Hennessy Advisors, Inc. Â Date: December 11, 2024 Â Â