



Sell: Johnson & Johnson (JNJ)

JULY 2025

HOLDINGS UPDATE

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The Jensen Investment Team has sold all shares of **Johnson & Johnson (JNJ)**, a long-term portfolio holding in the **Jensen Quality Growth Strategy**. Strong relative performance created an opportunity to take profits and reallocate proceeds to other high-quality companies with greater long-term return potential.

JNJ is a large, diversified healthcare company with global scale. Its pharmaceutical division is focused primarily on oncology, immunology, and neuroscience, while its medical technology business includes cardiovascular devices, orthopedics, and surgical solutions. These segments generate durable earnings and cash flow, supported by strong competitive positions and a robust R&D pipeline. JNJ has outperformed both the healthcare sector and the broader market year-to-date, and the company continues to exhibit solid fundamentals and defensive characteristics.

Despite JNJ's strengths, the stock's recent price appreciation diminished upside potential relative to our estimate of intrinsic value. In addition, ongoing talc-related litigation remains a meaningful overhang that could limit future upside. In keeping with our valuation discipline, we chose to take profits and reallocate capital to companies with greater long-term return potential and similarly strong defensive characteristics.

Strategy holdings are subject to change and should not be considered recommendations to buy or sell any security. For a listing of the Quality Growth Strategy's current holdings, please visit www.jenseninvestment.com/growth-composite-holdings.

The company discussion is solely intended to illustrate the application of our investment approach and is not to be considered a recommendation by Jensen. The specific security identified is taken from a representative accounts of the Jensen Quality Growth Strategy and does not represent all of the securities purchased and sold for the Strategy. Our views expressed herein are subject to change and should not be construed as a recommendation or offer to buy or sell any security and are not designed or intended as a basis or determination for making any investment decision for any security. Our discussions should not be construed as an indication that an investment in a security has been or will be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of any security discussed herein.

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