

FACT SHEET

03/31/2024

Jensen Quality Growth Fund



Class I Shares **JENIX**

The Jensen Investment Philosophy

A consistent, sustainable investment process is vital to weathering different economic climates. The strength of our investment philosophy is based on an unwavering commitment to investing in quality businesses. We believe these quality companies possess sustainable competitive advantages, creating value as profitable businesses that can, over time, provide attractive returns with less risk than the overall market.

We search for quality companies by targeting exceptional businesses that have consistently achieved a high return on equity (ROE) over the prior ten years, are in excellent financial condition, and are capable of sustaining outstanding business performance.



Sell Discipline

Our sell discipline monitors the key tenets of our buy discipline: sustainable competitive advantages, growth, value creation, and price. We will sell a company if:

- + Company fundamentals deteriorate below our minimum business standard of a 15% return on equity on an annual basis as determined by the Investment Team, indicating a possible loss of competitive advantage
- + The market price of a business exceeds our estimate of full value
- + It is displaced by an investment that allows an upgrade to the portfolio's quality, growth outlook, and/or valuation metrics

Fund Facts

Symbol: **JENIX**CUSIP: **476313309**Minimum: **\$250,000**

Investment Objective

The objective of the Jensen Quality Growth Fund is long-term capital appreciation.

Investment Team

The Investment Team members are a group of experienced business professionals, each with investment, management, or accounting experience.

Team Members

Allen Bond, CFA	Ross Burford, CFA	Kurt Havnaer, CFA
Robert McIver	Adam Calamar, CFA	Kevin Walkush
Eric Schoenstein	Jannis Fingberg, CFA	

Portfolio Statistics Definitions

Active Share: Is a measure of the differentiation of the holdings of a portfolio from the holdings of its appropriate passive benchmark index.

Alpha: The alpha of a mutual fund describes the difference between a fund's actual return over a period of time and its expected return, given the fund's level of risk. In this case, the risk profile of the fund is measured by the fund's beta.

Beta: A measure of the volatility of the fund's total returns relative to the general market as represented by a corresponding benchmark index of the fund. A beta of more than 1.00 indicates volatility greater than the market, and a beta of less than 1.00 indicates volatility less than the market.

Dividend Yield: This statistic reflects the annual rate at which dividends are being paid, including extra dividends. This is calculated by the indicated annual dividend for each stock divided by the price of the stock.

Earnings Per Share (EPS) Growth: Illustrates the growth of earnings per share over time. **Earnings growth is not a measure of a fund's future performance.**

EPS Variability: Measures the variability of annual EPS over the last 10 years. A high EPS variability number indicates that the portfolio is more heavily invested in companies with volatile earnings streams.

Expense Ratio: A fund's operating expenses, expressed as a percentage of its average net assets. Funds with lower expense ratios are able to distribute a higher percentage of gross income returns to shareholders.

Portfolio P/E – I/B/E/S 1 Year

Forecast EPS: This calculation uses median I/B/E/S (Institutional Brokers Estimate System) consensus EPS estimates for the next fiscal year to calculate a P/E ratio. An adjustment is made to accommodate different fiscal year-ends and reporting time lags.

Price/Earnings Ratio: The weighted average of the price/earnings ratios of the equity securities referenced. The trailing P/E ratio is calculated by dividing current price of the stock by the company's past year earnings per share.

Price-to-Cash-Flow Ratio (P/CF): A stock valuation measure calculated by dividing a firm's cash flow per share into the current stock price. Financial analysts often prefer to value stocks using cash flow rather than earnings because the latter is more easily manipulated.

Return on Equity (ROE): Is equal to a company's after-tax earnings (excluding non-recurring items) divided by its average stockholder equity for the year.

Sharpe Ratio: A statistical measure that uses standard deviation and excess return relative to a risk-free investment to determine reward per unit of risk. A higher Sharpe ratio implies better historical risk-adjusted performance.

Standard Deviation: A statistical measure of the historical volatility of the pooled investment vehicle.

Weighted Average Market Cap: Is when each component is weighted according to the size of its total market capitalization.

Jensen Quality Growth Fund Statistics

As of March 31, 2024

Total Net Assets	\$10,318,508,678
Number of Stocks	27
Percent of Net Assets in Stocks (%)	98.58
Portfolio Turnover (%) – Fiscal year ended 5/31/23	15.67
Annual Operating Expense Ratio (%)	0.61

Top 10 Holdings

% of Net Assets as of March 31, 2024

Microsoft	7.29
Alphabet Inc	6.84
Accenture	6.46
Stryker	5.82
Intuit	5.60
UnitedHealth Group	5.35
Marsh McLennan	5.20
Apple	5.17
Pepsi	4.12
Mastercard	3.96

For a full list of this Fund's current holdings, please visit www.jenseninvestment.com/growth-fund-holdings.

Portfolio Characteristics As of March 31, 2024

	JENIX	S&P 500	Russell 1000 Growth
EPS Growth – 5Yr	13.3	16.8	22.2
EPS Variability – 10Yr	22.9	48.9	43.9
ROE – 5Yr	34.8	26.0	34.0
Price/Cash Flow	24.5	18.5	27.8
Port. P/E – I/B/E/S 1 Yr Forecast EPS	26.2	22.0	28.8
Dividend Yield	1.32	1.37	0.70
Weighted Avg Market Cap (\$bil)	664.92	809.46	1224.26
Standard Deviation – 5Yr	16.79	18.37	20.66
Alpha – 5Yr	-1.17	0.00	2.40
Beta – 5Yr	0.88	1.00	1.08
Sharpe Ratio – 5Yr	0.60	0.70	0.79
Active Share (%)	76.56	-	-

Fund holdings are subject to change at any time and are not recommendations to buy or sell any security.

For a current Fund prospectus, please visit www.jenseninvestment.com/growth-prospectus.

The information presented here is for the Jensen Quality Growth Fund, a public mutual fund. Alpha, beta, and active share are compared against the S&P 500 Index, and are no guarantee of future results. All characteristics as of March 31, 2024.

Historical Performance (%) Average Annual Returns as of March 31, 2024

	QTR	YTD	1Year	3Years	5Years	10Years	15Years
Jensen – Class I	4.30	4.30	16.58	8.95	12.25	12.65	14.84
S&P 500	10.56	10.56	29.88	11.49	15.05	12.96	15.63
Russell 1000Growth	11.41	11.41	39.00	12.50	18.52	15.98	17.85

Annual Total Returns as of December 31 of Each Year

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jensen – Class I	11.98	1.80	12.29	23.56	2.44	29.34	18.62	30.33	-16.34	16.91
S&P 500	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29
Russell 1000 Growth	13.05	5.67	7.08	30.21	-1.51	36.39	38.49	27.60	-29.14	42.68

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. To obtain updated performance information that is current as of the most recent month end, please call 1.800.992.4144 or visit www.jenseninvestment.com.

All returns include the reinvestment of dividends and capital gains. The performance shown above is for the Class I Shares; because the performance for each share class is calculated on the fees and expenses of that class, performance of other Fund share classes will differ. The S&P 500 Index is a market value weighted index consisting of 500 stocks chosen for market size, liquidity and industry group representation. The Russell 1000 Growth Index measures the performance of those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. These indexes are unmanaged, and you cannot invest directly in an index.

The I Shares annual operating expense ratio is 0.61%. The 30-day SEC yield for the Jensen Quality Growth Fund I Shares was 0.84% as of 03/31/24.

The Fund is non-diversified, meaning that it may concentrate its assets in fewer individual holdings than a diversified fund, and is therefore more exposed to individual stock volatility than a diversified fund. The prices of growth stocks may be sensitive to changes in current or expected earnings, may experience larger price swings and may be out of favor with investors at different periods of time. Mutual fund investing involves risk, and principal loss is possible.

Attribution Analysis (%) December 31, 2023 through March 31, 2024

	Benchmark: S&P 500 Index	Avg Port Weight	Port Contrib	Avg Bmrk Weight	Bmrk Return	Bmrk Contrib	Sector Alloc Effect	Stock Select Effect	Total Effect
GICS Sector	Communication Services	6.85	0.52	8.90	15.82	1.37	-0.10	-0.53	-0.63
	Consumer Discretionary	10.17	-0.39	10.47	4.98	0.53	0.04	-0.96	-0.92
	Consumer Staples	8.45	0.41	6.05	7.52	0.46	-0.08	-0.23	-0.31
	Energy	0.00	0.00	3.80	13.69	0.51	-0.11	0.00	-0.11
	Financials	9.41	0.86	12.98	12.46	1.60	-0.05	-0.29	-0.34
	Health Care	15.97	0.61	12.67	8.85	1.13	-0.04	-0.84	-0.88
	Industrials	13.47	0.96	8.68	10.97	0.95	0.04	-0.52	-0.48
	Information Technology	33.15	1.37	29.58	12.69	3.72	0.07	-2.81	-2.74
	Materials	1.45	0.24	2.31	8.95	0.21	0.03	0.11	0.14
	Utilities	0.00	0.00	2.20	4.57	0.10	0.14	0.00	0.14
	Real Estate	0.00	0.00	2.35	-0.53	-0.02	0.27	0.00	0.27
	Cash	1.08	0.01	0.00	0.00	0.00	-0.09	0.00	-0.09
TOTAL	100.00	4.60	100.00	10.56	10.56	0.11	-6.07	-5.96	

Source: Refinitiv Eikon. Attribution analysis is an analytical process used to understand the factors contributing to a portfolio's relative performance. For equity portfolios, it dissects a portfolio's relative performance into sector weighting and security decisions. See the performance table above for the actual total returns for the Fund for the quarter and other periods ended March 31, 2024.

Top Contributors (%) As of March 31, 2024

Stryker	1.02
Microsoft	0.86
Alphabet Inc	0.52
KLA	0.51
Waste Management	0.48

Bottom Contributors (%) As of March 31, 2024

Apple	-0.63
Nike	-0.52
UnitedHealth Group	-0.32
Starbucks	-0.16
Zoetis	-0.11

U.S. Performance Summary

For the first quarter of 2024, the S&P 500 Index ("Index") produced a total return of 10.56%, representing a continuation of the 2023 equity market rally. Information Technology sector stocks were the largest contributors to the Index return, led by shares of **Nvidia (NVDA)** and **Micron Technology (MU)**. We attribute this trend to investor enthusiasm for the development of artificial intelligence (AI) models and associated investments. Further, the first quarter market advance was broad-based, with 10 out of 11 sectors producing a positive contribution to Index performance. Only the Real Estate sector provided a negative contribution to the Index's return.

The Jensen Quality Growth Fund I shares ("Portfolio") produced a total return of 4.30% in the first quarter, underperforming the Index by 626 basis points. In our experience, this degree of relative underperformance is uncommon, but we have observed similar instances in the past. In addition to the standard commentary that follows, an analysis and discussion of the effect of index concentration on return patterns can be viewed here: www.jenseninvestment.com/insights/index-concentration.

From a quality perspective, the Portfolio's overweight position to high quality stocks detracted from its benchmark relative return as investment performance from higher-quality stocks (A+, A and A-, as measured by the S&P Quality & Dividend Rankings) trailed that of lower-quality stocks (B+ and lower, as measured by the S&P Quality & Dividend Rankings).

At the sector level, the Portfolio's security selection within the Information Technology sector was the largest detractor from relative investment performance. Within the sector, the lack of exposure to Nvidia shares was the largest headwind. Relative share price weakness among portfolio holdings **Accenture (ACN)**, **Intuit (INTU)** and **Texas Instruments (TXN)** also constrained investment performance. On the positive side, the Portfolio's lack of exposure to stocks in the Real Estate and Utilities sectors boosted relative performance. There are very few companies in either of these sectors that qualify for the Jensen investable universe.

The Portfolio's top individual performers in the first quarter were **Stryker (SYK)** and **Microsoft (MSFT)**.

Stryker is a healthcare devices and equipment company focused on orthopedic implants and medical/surgical equipment. Stryker shares appreciated during the quarter in conjunction with the company's fourth quarter 2023 financial results, which exceeded expectations and demonstrated a continuation of above-trend business momentum. We attribute these results to a series of new product launches and increasing orthopedic procedure volume due to pent-up

demand stemming from the COVID-19 pandemic. Stryker remains a top portfolio holding, reflecting its strong market positions and technology leadership in orthopedic implants, hospital equipment and surgical tools.

Microsoft is a leading enterprise and consumer cloud and software company. The company's shares rose alongside the company's fourth quarter 2023 financial results in which both sales and earnings exceeded expectations. Based on our analysis, these results were driven by Microsoft's leading position in enterprise cloud software and progress integrating artificial intelligence (AI) models into its products and services.

The leading individual detractors from Portfolio performance during the quarter were **Apple (AAPL)** and **Nike (NKE)**.

Apple is a leading global consumer electronics and services company. The company's shares declined in response to sluggish sales and earnings growth during the company's fiscal first quarter. In our view, Apple's near-term financial performance has been constrained by a lull in the product launch cycle. Despite this slowdown in product revenue, we were encouraged by the sales growth in the company's higher-margin services segment. Apple remains a core Portfolio holding due to the strength of its brand and product/services ecosystem.

Nike is the world's leading athletic apparel and footwear company. During the quarter, the company provided financial guidance that disappointed investors, leading to poor relative share price performance. While the company's quarterly results were ahead of expectations and its inventory turnover continued to improve, Nike's management warned that sales and earnings growth for the fiscal year ending May 31, 2025, would be relatively modest. Nevertheless, Nike remains a core Portfolio holding due to its strong brand, economies of scale, unique portfolio of sponsored athletes, long track record of innovation and solid balance sheet.

On a relative basis, lack of exposure to Nvidia shares was the largest performance detractor in the quarter during which its stock contributed 254 basis points to the Index's return. Nvidia does not qualify for the Jensen investable universe due to historically inconsistent return on equity (ROE). We anticipate that the company can achieve a sufficient ROE track record within two years, at which point we will consider it alongside other investment opportunities.

Portfolio Changes

During the quarter, the Quality Growth Investment Team added positions in **Zoetis (ZTS)** and **McDonald's (MCD)** and liquidated

the position in **Pfizer (PFE)**. A brief synopsis of the rationale for these decisions follows.

Zoetis develops, manufactures and markets animal health medicines, vaccines, diagnostic products, genetic tests and biodevices. Some 65% of revenue is derived from products for cats, dogs, and horses and 35% comes from products for livestock. In total, the company has approximately 300 product lines supporting eight core species. We believe that Zoetis possesses strong competitive advantages including intellectual property, economies of scale, an efficient R&D organization and a well-respected brand. The animal health industry has high barriers to entry and solid long-term growth drivers, such as an increasing focus on treating pet diseases, a growing pet population and significant unmet needs in both pets and livestock.

McDonald's franchises fast-food restaurants in over 100 countries. Founded in 1940, the company now has more than 40,000 restaurants, of which 95% are franchised and 5% are company operated. The company generates revenues primarily from royalty payments, which are calculated as a percentage of franchisee sales. We believe McDonald's benefits from its real estate portfolio, well-known brand, leading market position and strong diversification across customers, suppliers and geographies. While our expectations for revenue growth are tempered by the company's size and industry, we believe that McDonald's can continue to grow its store footprint in the low single digits while steadily increasing pricing and customer traffic, leading to steady earnings growth over time.

Most recently purchased in 2018, Pfizer is a global biopharmaceutical company. Our sale decision was driven by weaker-than-expected financial results, largely due to a sharp decline in COVID-19 treatment sales (Comirnaty and Paxlovid) and the company's \$43 billion acquisition of Seagen in 2023. The combination of these two factors has resulted in a stretched balance sheet and constrained free cash flow generation. Strategically, we had been supportive of Pfizer's use of excess free cash flow to bolster future growth prospects via tuck-in acquisitions of drug pipeline candidates. However, in our view, the Seagen acquisition was more transformational in nature and has reduced Pfizer's financial flexibility in the event of any further negative surprises.

Jensen Outlook

Despite strong equity market performance in the first quarter, we maintain a neutral near-term outlook.

Market gains continue to be led by a narrow handful of stocks. Specifically, in 2024's first quarter the combined weight of the six largest companies in the S&P 500 Index — Microsoft, Apple,

Amazon (AMZN), Nvidia, **Meta (META)** and **Alphabet Inc. (GOOGL)** — equated to more than 27%. Furthermore, four of these stocks accounted for greater than 45% of the Index's total first quarter return. These gains were fueled by strong financial results and favorable exposure to growth opportunities such as cloud computing and artificial intelligence. While we expect these growth trends to continue, it is far from certain that the companies' share prices will appreciate at the same torrid trajectory for the entirety of 2024 and beyond.

Additionally, the capital markets continue to send mixed signals. Equity market indicators suggest that economic challenges stemming from restrictive monetary policy are behind us and earnings estimates indicate a continuation of steady growth, predicting low-double-digit gains for S&P 500 Index companies in both 2024 and 2025. On the other hand, the fixed income market is indicating a pending economic slowdown. In particular, the Treasury yield curve — the difference between 10-year and 3-month Treasury yields — has been inverted for the past 17 months. Such inversions — when short-term rates are greater than long-term rates — are rare but have accurately predicted all 10 recessions since 1955, typically with a lag of 12 to 24 months.

This combination of narrow stock market leadership and cautionary signals from the Treasury market suggest that equity investors are engaging in the dangerous exercise of "fighting the Fed." However, we acknowledge the uniqueness of the current economic environment. Idiosyncratic factors include secular growth prospects from increased technology investments; unique, pandemic driven economic fluctuations and associated policy responses; and that 2024 is a presidential election year when administrations are highly incentivized to bolster economic growth. These factors may allow the economy to achieve a "soft landing." However, we believe investors may be overly optimistic about the prospects for aggressive rate cuts in 2024 as long as inflation remains elevated and the labor market imbalanced.

Stepping back, we remain confident that unpredictable markets create opportunities for long-term investors focused on high-quality companies. High-quality businesses benefit from durable competitive advantages, steady free cash flow generation and attractive long-term growth opportunities. In an environment characterized by high interest rates and an uncertain macroeconomic outlook, we believe these high-quality attributes can provide resiliency via pricing power and financial flexibility.

The Jensen Investment Team remains confident in the strategy and process guiding our management of the Portfolio. Our goal remains the ownership of a portfolio of companies positioned to grow and accrue business value. We seek to participate in this value creation

1Q/24 Commentary

Opinions expressed are those of Jensen Investment Management and are subject to change, not guaranteed and should not be considered investment advice.

as investors via the long-term ownership of what we believe are fairly priced, high-quality stocks. We believe the attributes noted above enable quality companies to generate business returns consistently above their cost of capital, ultimately resulting in shareholder value creation.

We are tremendously grateful for the ongoing support of our firm and investment strategies from our partners and clients. Thank you.

If you would like this fact sheet emailed to you on a quarterly basis, please visit www.jenseninvestment.com.

	<p>Free Cash Flow: Is equal to the cash from operations of a company less capital expenditures.</p> <p>S&P Earnings and Dividend Rankings: (also known as “quality rankings”) S&P Earnings and Dividend Rankings score the financial quality of several thousand U.S. stocks from A+ through D with data going back to 1956. The company rankings are based on the most recent 10 years (40 quarters) of earnings and dividend data. The better the growth and stability of earnings and dividends, the higher the ranking.</p> <p>This must be preceded or accompanied by a prospectus.</p>
<p>1.800.992.4144 jenseninvestment.com</p>	<p>The Jensen Quality Growth Fund is distributed by Quasar Distributors, LLC</p>