

MARKET OUTLOOK

December 2022

Jensen Quality Growth Fund

Year In Review: 2022

U.S. equity markets are poised to post a double-digit decline in 2022. On a year-to-date basis through November 30, the total return for the S&P 500 Index was -13.11%. Assuming no dramatic change in market levels, this would mark the first annual market decrease since 2018.

Market weakness during the year reflected the following factors:

Corporate Earnings Decline. After increasing 70.1% in 2021, S&P 500 Index operating earnings are forecast to decline by 3.5% in 2022. Earnings changes were mixed across sectors, with large gains in Energy and Industrials sector earnings more than offset by declines in Consumer Discretionary, Consumer Staples, Financials, and Communications Services. Earnings strength in the Energy sector reflected a marked increase in oil prices in early 2022—to levels not observed in nearly a decade—while Industrials sector earnings were boosted by the continuing recovery from a sharp decline associated with the onset of the COVID-19 pandemic. We attribute earnings declines in the Consumer Discretionary and Consumer Staples sectors to the negative impact of input cost inflation.

Slowing China GDP Growth. The Chinese economy is expected to grow 3.2% in 2022, representing a sharp slowdown from the 8.08% increase in 2021. This growth deceleration accompanies hawkish shifts in government policy, including a crackdown on privately owned Chinese businesses and a series of strict population lockdowns associated with its “zero-COVID” policy. China remains the second-largest economy in the world and is highly impactful to the global economic growth outlook.

Hawkish Monetary Policy. Thus far, the U.S. Federal Reserve (“Fed”) raised the federal funds rate six times in 2022, from a range of 0.0–0.25% to a range of 3.75–4.0%, in an effort to combat a sharp increase in inflation. Additionally, the Fed ceased quantitative easing, a policy under which it directly purchased U.S. treasury bonds and mortgage-backed securities in the open market, resulting in a decline in assets held on the Fed’s balance sheet. The combination of interest rate increases and balance sheet contraction coincided with a steep treasury yield curve inversion, often an indication of a looming economic recession.

Jensen Quality Growth Fund

Performance (as of 12/31/22)

Class I Shares: 1 year -16.34%,
5 year 11.37%, and 10 year 13.65%.

S&P 500 Index: 1 year -18.11%,
5 year 9.42%, and 10 year 12.56%.

Russell 1000 Growth Index:
1 year -29.14%, 5 year 10.96%, and
10 year 14.10%.

The I Shares annual operating
expense ratio is 0.61%.

*To view the fund’s current standardized performance, please visit:
www.jenseninvestment.com/vehicles-performance*

Performance data quoted represents past performance; past performance does not guarantee future results. Performance figures shown for periods over one year are annualized. 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.

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Jensen Quality Growth Relative Performance and Key Holdings – 11/30/22

On a year-to-date basis through November 30, 2022, the Fund's I share class (JENIX) produced a total net return of -12.80%, besting the S&P 500 Index by 31 basis points and equating to a total period capture of 97.6%. These results are slightly below but directionally consistent with our expectations for a period of negative market volatility. Our analysis of relative performance attribution for this period highlights the following:

2022 Top Individual Relative Stock Contributors:

Company Name	Total Return	Portfolio / Benchmark Weight		
		JENIX	S&P 500	Difference
PepsiCo	8.96%	6.67%	0.68%	5.99%
UnitedHealth Group	10.15%	4.89%	1.38%	3.51%
Automatic Data Processing	8.64%	3.94%	0.27%	3.67%

Source: Refinitiv Eikon as of 11/30/22.

PepsiCo (PEP) is a producer and marketer of a wide variety of branded beverages and snacks. Well-known brands include Frito-Lay, Pepsi, Mountain Dew, Sierra Mist, and Gatorade. During 2022, the company reported consistent sales and earnings growth due to relatively inelastic product demand and price increases that mitigated heightened cost inflation. PepsiCo remains the Fund's top holding due to the strength of its competitive advantages and its track record of consistent financial results.

UnitedHealth Group (UNH) is one of the largest managed care companies in the United States. The company serves a broad range of customers including businesses, government entities, and individuals. This year, the company reported sales and earnings growth in each quarter, driven by stable membership coupled with price and mix benefits. We trimmed the Fund's position in UnitedHealth Group shares during the year, but it remains a top holding.

Automatic Data Processing (ADP) is a leading human capital management software and cloud company focused on enterprise payroll processing and employee outsourcing. During the year, the company reported double-digit revenue and earnings growth due to a strong domestic employment environment, rising interest rates, and operating leverage benefits. Automatic Data Processing remains a core Portfolio holding due to the strength of its brand, high customer retention, and consistent business results.

2022 Top Individual Relative Stock Detractors:

Company Name	Total Return	Portfolio / Benchmark Weight		
		JENIX	S&P 500	Difference
Intuit	-36.24%	2.84%	0.36%	2.48%
Nike	-33.68%	3.91%	0.43%	3.48%
Alphabet Inc	-30.28%	6.21%	2.02%	4.20%

Source: Refinitiv Eikon as of 11/30/22.

Intuit (INTU) is a provider of business and financial management software and cloud services for small businesses, consumers, accounting professionals, and financial institutions. Key products include QuickBooks and TurboTax. During 2022, sales and earnings

were boosted by core business growth and the acquisition of Mailchimp. Longer term, the company continues to benefit from brand **Intuit (INTU)** (*Continued*): loyalty among its customers coupled with a subscription revenue model. We added to the Fund's position early in the year to take advantage of the pullback in the company's stock price.

Nike (NKE) is one of the world's leading suppliers of footwear, sportswear, and sports equipment. During the year, Nike reported mixed financial results with top-line growth that was more than offset by persistent cost pressures, and the company's financial outlook indicated a continuation of this trend. In particular, the company is dealing with ongoing supply chain challenges that forced the company to offer aggressive price reductions in order to clear excess inventory. We added to the Fund's position in Nike shares during the year due to the stock's attractive valuation and a stable long-term investment thesis.

Alphabet Inc (GOOGL) is a leading technology services and hardware company with well-known products including Google Search, Android, and YouTube. Weakness in the company's shares during 2022 was influenced by a broad pullback among technology-centric businesses following positive, multi-year stock performance for the group. We are also monitoring the potential for decelerating financial results in the next several quarters due to advertising spending uncertainty and difficult year-over-year comparisons to positive performance in 2021. Fundamentally, we consider the company to be sound, with a robust network effect for its core search and YouTube offerings, strong innovation, and an ascendant enterprise cloud business.

2022 Sector Highlights

Sector	Total Return		Performance Contribution		
	JENIX	S&P 500	JENIX	S&P 500	Total Effect*
Consumer Discretionary	-18.05%	-29.04%	-1.99%	-3.85%	1.48%
Energy	–	70.74%	–	1.88%	-2.13%

Source: Refinitiv Eikon as of 11/30/22.

*Total effect incorporates the relative performance impacts of differences in total return and sector weights.

The Fund's relative investment performance benefited from security selection in the Consumer Discretionary sector, boosted by the Fund's holdings in TJX Companies (TJX) and Starbucks (SBUX) shares. The Fund's lack of exposure to Amazon and Tesla shares also boosted investment performance relative to the S&P 500 Index. Neither Amazon nor Tesla qualify for the Jensen investable universe due to their inconsistent returns on equity.

The Fund's lack of exposure to companies in the Energy sector detracted from relative investment performance in 2022. There are no companies in this sector that qualify for the Jensen investment universe due to the impact of volatile commodity prices on the financial results among these companies. The Energy sector was the strongest performer in the Index in 2022 due to the sharp increase in oil and natural gas prices early in the year.

2022 Quality Trends¹

Estimated Earnings Growth	Average Weight		High Quality	Total Return	
	High Quality	Low Quality		Low Quality	Total
Jensen Quality Growth*	64.69%	35.31%	-8.24%	-18.15%	-12.24%
S&P 500 Index	35.47%	64.53%	-10.70%	14.00%	-13.11%

Source: Jensen Investment Management as of 11/30/22.

*Including average cash weight (1.44%) as "High Quality." Index has 0% cash weight.

¹ Quality Analysis is based on S&P Quality Rankings, which rates stocks on earnings and dividend consistency. Performance from Refinitiv Eikon. We classify stocks rated A- and above as high quality and stocks rated B+ and below as low quality.

2022 Quality Trends *(Continued)*

High-quality stocks led the market in 2022, representing a tailwind to the Fund's relative performance due to its significant overweight in these stocks. We attribute high-quality leadership in 2022 to the market's expectation that these stocks will be better positioned to withstand the negative, forward-looking earnings and cash flow implications of hawkish monetary policy, higher interest rates, and the possibility of an economic recession.

2022 Growth Trends

EPS Growth Quintile	Total Return – YTD 2022		Total Return – 2021		Total Return – 2020	
	Quality Growth	S&P 500	Quality Growth	S&P 500	Quality Growth	S&P 500
Quintile 1 (Lowest)	-2.32%	4.64%	4.03%	25.03%	24.77%	8.70%
Quintile 2	-11.28%	-10.81%	44.50%	30.01%	11.90%	5.11%
Quintile 3	-21.05%	-19.91%	38.05%	36.39%	7.48%	9.68%
Quintile 4	-25.78%	-20.24%	32.97%	27.19%	42.72%	37.66%
Quintile 5 (Highest)	-8.50%	-23.89%	13.76%	20.25%	15.24%	42.25%
Total	-12.24%	-13.11%	30.98%	28.69%	19.84%	18.40%

Source: Refinitiv Eikon and Jensen Investment Management as of 11/30/22.

In 2022, growth expectations were negatively correlated with stock price performance. Investment returns were the highest for the lowest-growth stocks and were lowest for the highest-growth stocks. This pattern is a sharp contrast to the trend of high-growth leadership in 2020. We view the 2022 pattern as beneficial to relative Fund performance as, relative to the benchmark, our fund favors earnings durability over growth at all costs.

Market Cycle View

Total Return (net)*	Current Cycle	Previous Cycles	
	Peak-to-Trough 1/3/22 – 10/12/22	2/19/20 – 1/3/22	Peak-to-Peak 10/9/07 – 2/19/20
Jensen Quality Growth (JENIX)	-22.98%	24.08%	10.02%
S&P 500 Index	-24.49%	22.37%	8.73%
Difference	1.51%	1.71%	1.29%

Source: U.S. Bank and Morningstar as of 11/30/22.

*Returns annualized for periods greater than one year.

We define a full market cycle as one market peak to the next. The current cycle began on January 3, 2022, the highest closing price for the S&P 500 Index for the previous cycle. Since January 3, 2022, through November 30, 2022, the lowest close for the S&P 500 Index occurred on October 12, 2022. The Index has yet to close higher than its level on January 3, 2022.

The current market cycle remains in a nascent stage, but the Fund's performance is directionally consistent with our expectations of relative capital preservation in volatile markets.

Jensen Quality Growth Fund Relative Earnings Performance²

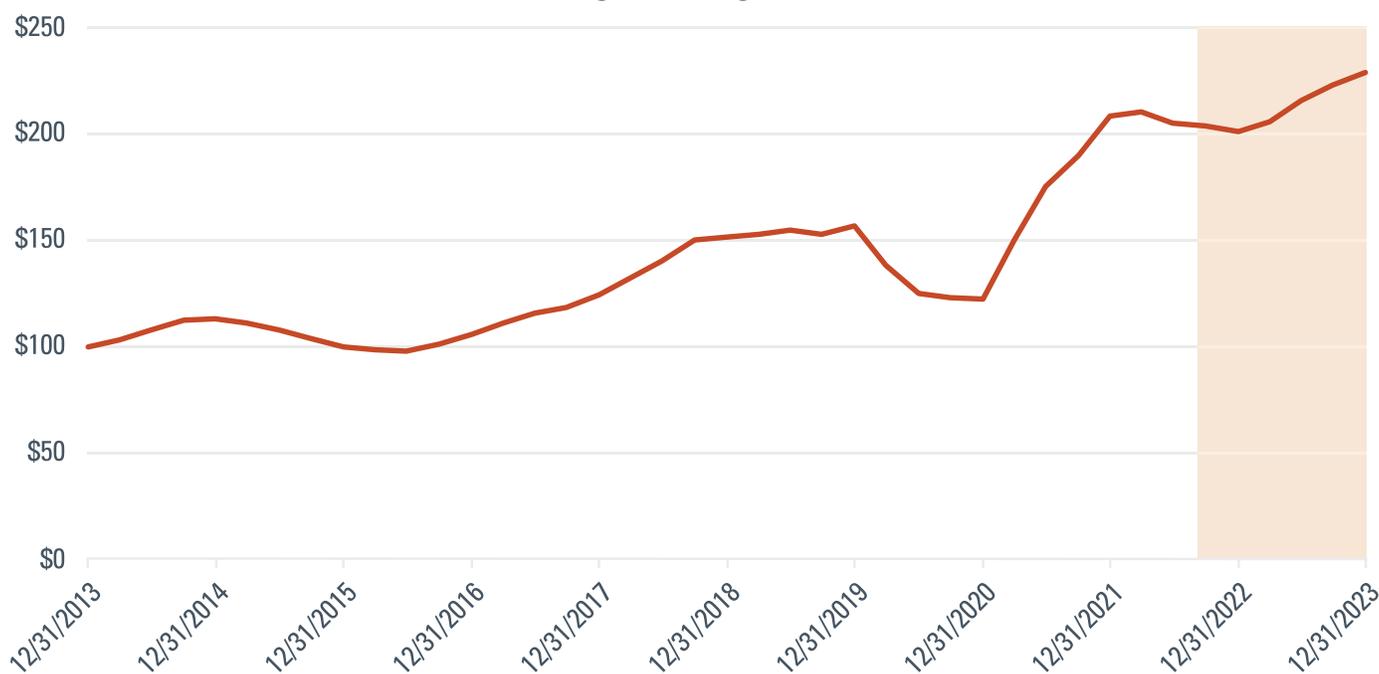
Estimated Earnings Growth	2017	2018	2019	2020	2021	YTD 2022	CAGR	Std Dev
Jensen Quality Growth	9.7%	18.0%	6.3%	-5.3%	50.4%	8.1%	13.9%	19.1%
S&P 500 Index	17.2%	21.7%	3.6%	-22.1%	70.1%	-3.1%	11.8%	31.4%

Source: Refinitiv Eikon and S&P Indices as of 11/30/22.

We believe that a portion of the Fund's relative outperformance over recent market cycles stems from superior earnings growth stability. We estimate that since 2017, earnings-per-share growth for companies held in the Jensen Quality Growth Fund ("the Fund") increased at a higher rate and with lower volatility compared to the companies that comprise the S&P 500 Index. We attribute this lower earnings volatility to the high-quality nature of the stocks held in the Fund relative to the overall market.

Outlook and Portfolio Positioning: 2023

S&P Earnings – Rolling Four Quarters



Source: S&P Indices as of 11/30/22. Shaded area is forecasted earnings growth.

We maintain a cautious outlook for market returns in 2023.

Earnings for S&P 500 Index companies are forecast to decline 3.5% in 2022 and increase 13.7% in 2023. The 2022 decrease is associated with (1) challenging base-year comparisons, (2) the waning positive impact from previous fiscal spending, and (3) heightened cost inflation. However, we question the expectation for a 2023 earnings rebound due to stubbornly high interest rates and aggressive Fed policy aimed at cooling the labor market. We believe earnings estimates for 2023 are likely to be revised lower, which could put pressure on stock prices.

² Portfolio figures based on yearly weighted average portfolios. YTD 2022 EPS growth calculated as rate of change between first nine months of 2021 and 2022.

Further, the fixed income market is signaling a looming economic recession. In particular, the treasury yield curve—the yield difference between ten-year and two-year treasury bonds—has been inverted since early July. Yield curve inversions occur when the yields on short-term bonds are higher than those on long-term bonds. Such occurrences are relatively rare and have accurately predicted the 10 most recent economic recessions.

Our focus remains on the long-term and on building a portfolio of high-quality stocks trading at reasonable valuations. In 2022, we executed three wholesale Portfolio changes, initiating positions in Moody's Corporation (MCO) and Ball Corporation (BALL) while liquidating the position in General Mills (GIS). We believe these changes upgraded the quality and growth outlook of the portfolio while maintaining an adequate margin of safety.

We also selectively added and trimmed existing holdings based on our analysis of the relationship between long-term business fundamentals and short-term market sentiment.

We reduced the Fund's positions in 3M (MMM) and Cognizant Technology Solutions (CTSH). 3M is a diversified industrial conglomerate focusing on core material science, process technologies, and manufacturing expertise. The position reduction reflects our concern about a deterioration in business fundamentals. Specifically, we are monitoring the cash flow implications of product liability and environmental claims as well as an ongoing pattern of growth below our expectations. 3M is now the smallest holding in the Portfolio.

Cognizant Technology Solutions is an IT consulting, technology services, and business process outsourcing company. The company utilizes an integrated on-site/offshore business model combining account management personnel at customer locations with offshore technical teams located primarily in India. In order to grow its business, Cognizant must manage a vast and increasing number of employees. However, the rate of employee turnover has recently increased, and the company has noted that a labor shortage is preventing them from bidding on new business. As a result of the position decrease, Cognizant is now among the Fund's smallest weightings.

In contrast, we increased the Fund's positions in Amphenol (APH) and Accenture (ACN). Amphenol is a leading developer, manufacturer, and marketer of electric interconnect systems and sensors. The company serves attractive end markets including electric/hybrid auto manufacturing, electronic devices, and cloud infrastructure. After reinitiating the Amphenol position in late 2021, we added to it in 2022 due to the stock's attractive valuation and improving growth prospects.

Accenture is a global management consulting and technology services outsourcing company. The company's shares sold off along with other technology-centric stocks in 2022, following a multi-year period of strong investment returns. However, we believe Accenture will continue to grow and create business value over the long term as its business customers increasingly look for technology solutions to increase efficiency and lower costs.

Unwavering Investment Philosophy

In closing, the Jensen Investment Team remains confident in the Quality Growth Fund and the process that has guided our management of the Fund since 1992. 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 as investors via the long-term ownership of fairly priced, high-quality stocks. Our focus remains on identifying businesses with sustainable competitive advantages, resilient financial results, and attractive long-term growth opportunities. We believe these attributes allow companies to generate business returns consistently above their cost of capital, ultimately resulting in shareholder value creation.

Definitions

Basis Point: Is a value equaling one one-hundredth of a percent (1/100 of 1%).

Earnings Per Share (EPS): The net income of a company divided by the total number of shares it has outstanding. Earnings growth is not a measure of the Fund's future performance.

S&P 500 Index: A market value weighted index consisting of 500 stocks chosen for market size, liquidity and industry group representation. The Index is unmanaged, and one cannot invest directly in the Index.

S&P Quality Rankings: S&P analyzes about 4,000 stocks traded on the NYSE, AMEX and Nasdaq exchange based upon each firm's per-share earnings and dividend records, then recalculates "core earnings" by backing out certain items (extraordinary items, discontinued operations, impairment charges, etc.) Figures are also adjusted for changes in rates of earnings/dividend growth, stability over a long-term trend and cyclical. S&P then divides stocks into a quality category matrix, rating each stock from A+ to D, basing ratings upon each individual company's growth and stability of earnings and dividends.

To view the Jensen Quality Growth Fund's current holdings, please visit:
www.jenseninvestment.com/growth-fund-holdings.

Fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security. Current and future portfolio holdings are subject to risk. The information provided herein represents the opinions of Jensen Investment Management, and is not intended to be a forecast of future events or a guarantee of future results, and does not constitute investment advice.

The Fund's investment objective, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company. To view the fund's current prospectus, please call 800.992.4144 or visit www.jenseninvestment.com/growth-prospectus. Read it carefully before investing.

The Jensen Quality Growth Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is 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.

JENSEN
 INVESTMENT MANAGEMENT

5300 Meadows Road, Suite 250
 Lake Oswego, OR 97035
 800.221.4384

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