



Sell: Nike (NKE)

APRIL 2025	HOLDINGS UPDATE	jenseninvestment.com
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The Jensen Investment Team elected to sell **Nike Inc (NKE)** from the **Jensen Quality Growth Strategy** due to a deterioration in business fundamentals.

Founded in 1964, Nike is a global leader in athletic footwear and apparel. The company has long benefited from strong brand equity, global scale and deep customer loyalty. However, in recent years, Nike’s performance has lagged, weighed down by supply chain disruptions and more persistent challenges stemming from a miscalculated strategic shift. The company’s aggressive pivot toward a direct-to-consumer model resulted in a diminished wholesale presence, creating opportunities for emerging competitors such as Hoka and On to gain share. Simultaneously, we believe Nike underinvested in product innovation and leaned too heavily on short-term promotional activity, contributing to a loss of brand momentum.

We previously believed 2026 could represent an inflection point, supported by cleaner inventory levels, a rebound in wholesale partnerships, and signs of renewed focus on innovation and brand investment. However, more recent developments — particularly increased vulnerability related to potential tariff exposure — have introduced additional complexity and extended the anticipated recovery timeline. As a result, our conviction in Nike’s return potential diminished and we exited the position.

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

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