



Buy: American Express

SEPTEMBER 2026

HOLDINGS UPDATE

JENSEN QUALITY GROWTH STRATEGY

The Jensen Quality Growth Investment Team added American Express (ticker: AXP) to the Quality Growth Strategy with an initial weighting of 1.25%. As of September 30, 2026, the Strategy had 28 holdings.

Why We Like AXP

Our thesis for American Express is driven by the company's strong business fundamentals and their alignment with key tenets of the **Jensen Quality Growth Strategy's** investment selection process:

- > **Competitive Advantages:** American Express benefits from a premium global brand, an affluent and high-spending customer base, a differentiated closed-loop payments network, and a robust rewards and benefits ecosystem that strengthens cardholder engagement, retention, and spending while reinforcing merchant acceptance.
- > **Earnings Stability:** Growth is supported by rising card-member spending, continued acquisition of younger and premium customers, increasing card fees and lending balances, and international expansion, while strong profitability, capital generation, credit quality, and a well-capitalized balance sheet provide substantial financial flexibility.
- > **Value:** In our view, the shares offer an attractive entry point due to double-digit earnings growth potential, strong capital returns, and favorable long-term secular growth, while the current valuation provides a reasonable balance between the company's high-quality franchise and near-term economic and credit-cycle risks.

Company Overview

American Express, founded in 1850 and headquartered in New York City, is a global payments and financial-services company serving consumers, small and mid-sized businesses, and large corporations.

The company operates an integrated "closed-loop" payments platform spanning card issuance, merchant acquiring, and payment-network services, giving it direct relationships with both card members and merchants. Its primary businesses include consumer and commercial credit and charge cards, merchant payment processing and network services, lending, travel and expense-management solutions, and premium lifestyle and loyalty services. American Express generates revenue principally from merchant discount fees on card spending, annual card membership fees, interest on card-member loans, and various service and processing fees.

Outlook

Our longer-term outlook remains favorable, supported by an affluent and resilient customer base, strong pricing power, and continued opportunities to enhance the rewards ecosystem with new services and benefits that deepen engagement and support higher spending and fee growth.



Why Now

We purchased American Express shares based on the strength and durability of its competitive advantages, resilient spending among its affluent customer base, and consistently strong returns on capital, while also adding portfolio diversification as a differentiated balance-sheet financial company.

Earnings Growth: The annual rate of growth of earnings typically measured as Earnings Per Share Growth.

Earnings Per Share: The net income of a company divided by the total number of shares it has outstanding.

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.

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