BOXWOOD

CAPITAL MANAGEMENT, LLC

Dear Investor Members and Friends,

The Jensen Opportunity Fund had another good quarter. We took advantage of the upward price movement (in fact to an all-time high) in our largest stock holding to continue buying insurance on the underlying – the option prices decline as the asset price rises. I am pleased to announce the price protection plan that was discussed in the previous update is now complete. The full FB position is protected down to the price of $75, on a weighted average, providing that protection through at least this calendar year (some of the position even longer, albeit at a lower strike price).

The markets were generally calm over this period. The Fed received much of the attention. Investors wondered when the tightening on rates would begin. We believe this will occur later in the year, with the most likely outcome being the September FOMC meeting. The timing, of course, is unpredictable. But, Chairwoman Yellen has been clear that the decision will be "data dependent." In other words, if unemployment continues to lower, inflation remains in check, and growth remains stable, rates will rise. She (along with other members) has been consistent in her discouragement of the market to focus so intently on the when. Her message has been much more about the how and the duration of the tightening. Our takeaway is that whenever the initial rise in rates begins, the path of further increases will be long, over many years and not months, and shallow, with incremental(quarter percentage point) raises – not steep and fast. It is all about the trajectory and not the liftoff! Despite our thoughts (and the Fed's message), the markets are fixated on the when, with much discussion about the potential to have a "Taper Tantrum" closer to the time. The date is so anticipated. Not knowing how stocks will react, the fund bought put protection against a decline in the broader market S & P 500 index, with a duration of the insurance lasting past the consensus view of the first rate hike(fall – winter).

This insurance to hedge against our long positions, or in some cases to protect against a speculative market correction, costs us performance, when strictly measured by gains in assets. The costs are mitigated by well-timed purchases of such. Further, insurance pays off during times of downward price movement in the positions of the fund - well-executed protections should deliver less of a decline in the overall performance than otherwise. It is part of our stewardship to do our best to ensure this hedging in the fund.

We continue to monitor the saga of the Greek debt crisis and the risks that presents to the further slowdown in the European region; the slowing of the Chinese economy; the discussions about the illiquidity in the bond markets; and the strengthening of the US dollar.

Also on the lookout are the numerous geopolitical risks. To name a few: the Chinese territorially aspirations in the Spratly Islands; Russian intransigence; ISIS; and cyber threats.

None of the aforementioned are a deterrent to adding risk to our fund. With many of the long positions hedged, and our long term investment horizon guiding the way, we are treating most declines as buying opportunities. We will keep you informed on those developments.

Until next time. Respectfully yours, Todd.

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