
BOXWOOD

CAPITAL MANAGEMENT, LLC

Q4 2016

I am pleased to announce the outperformance of the *The Jensen Opportunity Fund, LLC* for the year ending 2016, over our benchmark, the S & P index. We inched out gains above the S & P despite a poor Q4. A Q4 with an event that caught us completely by surprise. An event that had significant downside influence on the fund's performance, and yet at the same time, benefitted the overall market with a 'Trump rally'. An event I cannot claim to explain, even with a hint of hindsight bias. An event that left our top 4 holdings bringing down the performance of the fund by over 3.2%, while the S & P increased 4.6% - quite a delta in under 2 months! Industries that were perceived to benefit from the purported policies of de-regulation, low taxes, infrastructure spending, and general fiscal stimulus made sharp positive moves to the upside, such as banking, health care, and energy. Meanwhile, with tough stance rhetoric made on trade, industries like technology, which rely on robust and free trade, declined. Simply put, the election of Trump caught us, and consequently the hedging of our positions, completely off guard for such an event.

Despite the short-term headwind of the election results, the fund's performance over a longer stretch, more than the most recent quarter, is doing exceptionally well. The following chart is a good illustration, particularly in view of the inception-to-date performance:

	2015					2016					Since Inception
	Q1	Q2	Q3	Q4	YE	Q1	Q2	Q3	Q4	YE	
<i>The Jensen Opportunity Fund, LLC</i>	5.17%	5.71%	3.12%	13.30%	29.87%	1.59%	-3.36%	17.24%	-4.63%	9.78%	42.58%
<i>S&P 500 Index</i>	0.44%	-0.23%	-6.94%	6.45%	-0.73%	0.77%	1.90%	3.31%	3.25%	9.54%	8.74%

I am also pleased to announce the arrival of the website for Boxwood Capital Management, LLC. Please visit www.boxwoodcapitalmanagement.com. The site was completely written and designed by yours truly. And consequently, because I wrote the HTML and CSS code, the site doesn't show up well when viewed on mobile. Nonetheless, I thought it important for us to have a website where investors, friends, and family can go and view past investor update letters and the like.

Here's to another good year ahead, and thank you for your continued support.

Until next time,

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