
BOXWOOD

CAPITAL MANAGEMENT, LLC

January 12, 2022

Let us start by quickly mentioning, again(!), the impact rising rates and inflation have on the performance of the fund's underlying positions. When rates, and most importantly the yield on the 10-year Treasury bond, rise, the value of the positions in the fund decline. Rates rise, tech companies decline. And remember that the stock market is a forward-looking machine, so even the expectation of higher rates or inflation can have a meaningful effect on the price movement of our positions. Today we have both. Rates are actually rising, inflation is here and estimates on the terminal value of both are high. The importance of rates needs to be stressed, but we've done just that in past investor updates so just a quick note here.

One last thing on rates: Please be informed that the fund has taken out a small position betting on the rise in long-dated bond yields. This bet on the rise in rates will hedge against the downward pressure those higher rates will have on the long stock positions we hold.

And specific to the fund, let's talk about an important position of ours held ever since 2015, Apple. Apple is now the fund's top position. The market cap of Apple reached \$3T during the quarter (or very early 2022). Consequently, the value of the stock's position in the portfolio took an ever-larger share until it overtook the top. It was not an active investing decision to make it the top position. Rather, it is a good example of the long-term approach of the fund working. Without any trading, the position over time gained and gained value. As Einstein once said, compounding is the most powerful force in the universe.

The fund holds 7,400 shares of Apple with an average cost basis of about \$33.12(split adjusted). As of this writing, the stock trades around \$175. That single position holds a significant amount of unrealized gains. In addition to the relative size position in our own fund, we continually have a larger share ownership in the company itself. Apple has a massive share buyback program. As Apple buys back shares, the amount of shares outstanding decreases, and with our shares staying the same, we have an ever-larger share. Without doing anything, our share ownership increases with time. Long-term investing in great companies is what The Jensen Opportunity Fund is about.

So with that, it is time to thank all of the investors. Investors that recognize the importance of long-term investing. Investors that are not concerned as to whether the Fed will raise rates 3 or 4 times in the year. Investors that are patient and allow our positions to grow with time. Thank you!

Unfortunately, The Jensen Opportunity Fund was one and one quarter per cent shy of matching the returns of 26.9% from the S&P index fund over the course of the year. But, as the table below demonstrates, our returns over the long-term are far superior:

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	Annual Rate of Return		Compounded Annual Gain	
	S&P 500	TJOF	S&P 500	TJOF
2015	1.40%	26.12%	1.40%	26.12%
2016	12.00%	9.53%	6.57%	17.53%
2017	21.80%	62.41%	11.42%	30.91%
2018	-4.40%	-2.42%	7.24%	21.64%
2019	31.50%	42.18%	11.70%	25.49%
2020	18.40%	50.35%	12.79%	29.33%
2021	26.90%	25.66%	14.71%	28.80%

Overall gain since Inception (through YE2021)	
488.07%	TJOF
161.28%	S&P

\$100k invested since Inception (through YE2021)	
\$588,070.82	TJOF
\$261,276.43	S&P

Happy New Year,

Todd Shorb