



Form ADV Part 2A
Firm Brochure

Jensen Investment Management, Inc.

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This Brochure provides information about the qualifications and business practices of Jensen Investment Management, Inc. ("Jensen"). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at (503) 726-4384 and/or cco@jenseninvestment.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Jensen is a SEC registered investment adviser. Registration does not imply any particular level of skill or training.

Additional information about Jensen Investment Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

There have been no material changes in the business of Jensen since the filing of its Firm Brochure, dated May 20, 2011.

Currently, our Brochure may be requested by contacting our Chief Compliance Officer, at (503) 726-4384 and/or cco@jenseninvestment.com. Our Brochure is also available on our website at www.jenseninvestment.com.

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Item 4 Advisory Business

Jensen is an independent, employee-owned investment advisory firm that was established in 1988. Located in the Portland, Oregon area, Jensen began as a manager of separate accounts for high net worth individuals. Today, it provides investment management services to a wide array of individual and institutional clients, including high net worth individuals, pension plans, foundations, endowments and other businesses. In addition, Jensen acts as the investment adviser to two mutual funds, The Jensen Portfolio, doing business as ("d/b/a") the Jensen Quality Growth Fund, and the Jensen Value Fund (the "Funds").

Jensen is wholly-owned by its employees. Jensen's principal owner is Robert F. Zagunis, Vice President, Secretary and Principal, who owns more than 25% but less than 50% of the firm. The remainder of Jensen is owned by seven employees each of whom owns less than 25% of the firm. These employee-owners are:

- David G. Mertens, Vice President and Principal
- Eric H. Schoenstein, Vice President and Principal
- Robert D. McIver, President and Principal
- Brian S. Ferrie, Vice President, Treasurer and Principal
- Thomas Smith, Director of Operations and Information Systems
- Kurt M. Havnaer, Business Analyst
- Allen T. Bond, Business Analyst

As of December 31, 2011, Jensen managed approximately \$5,438,000,000 in assets, all of which are managed on a discretionary basis.

The goal of Jensen's investment strategies is to provide long-term capital appreciation for its clients. The cornerstone of our investment philosophy is the belief that this objective can be achieved by investing in those companies with a record of achieving a high level of business performance over the long term and which are, in the opinion of Jensen, well positioned to continue to do so. Jensen believes that the long-term returns generated by the stock and dividends of such quality businesses reflect their long-term growth in earnings and free cash flow. Jensen also believes that sustainable competitive advantages and persistent, strong business performance can yield long-term growth in earnings and capital appreciation, while reducing investment risk. Based upon our experience and academic research, quality growth companies maintain high return-on-equity and utilize growing free cash flow to invest in their competitive advantages and deliver shareholder value.

Jensen manages high quality equity portfolios that are derived from a select universe of companies that have produced a long-term record of persistently high returns on shareholder equity, as explained more fully in Item 8 below. Jensen currently offers two investment strategies for managing client accounts, the Jensen Quality Growth strategy and the Jensen Value strategy which, using different investment criteria and methodologies, both select equity securities for investment from this same universe of quality companies.

The Investment Committee for Jensen, which includes Portfolio Managers and research analysts (or in the vernacular of Jensen, Business Analysts), work as a team to select the securities for investment and construct the portfolio for the Jensen Quality Growth Fund, and to develop and review the process of the quantitative model that select the securities and constructs the portfolio for the Jensen Value Fund. Portfolio Managers then use the Jensen Quality Growth Fund and the Jensen Value Fund as the basis for constructing the portfolios for our separately managed accounts, taking into account the clients' needs, as well as any restrictions or other limitations.

Portfolio Managers play a critical role, along with our Business Analysts, in researching qualifying businesses for potential inclusion of securities in Jensen Quality Growth accounts, and in the continuous analysis of our existing portfolio businesses held in such accounts. It is the responsibility of the Portfolio Managers to continually work with the other members of the investment team to question the firm's assumptions and seek incremental enhancements to our research and portfolio construction processes.

Business Analysts are responsible for the daily due diligence on both the holdings in Jensen Quality Growth accounts and other qualifying businesses that represent the "bench" of candidates under consideration for investment in such accounts. Whereas Portfolio Managers devote a portion of their time to research, Jensen's Business Analysts devote substantially all of their efforts to research.

Clients whose accounts are managed using the Jensen Quality Growth strategy may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. However, due to the quantitative nature of the investment process for the Jensen Value strategy, clients whose accounts are managed using this strategy may not impose investment restrictions or limitations on their accounts.

While substantially all of the assets in most clients' accounts are invested in equity securities issued by domestic, mid to large capitalization companies, we also invest in fixed income securities for client accounts as provided for in their investment advisory agreement with Jensen, and may purchase specific other securities if directed to do so by a client for their account. In general, our investment recommendations may include advice regarding (i) exchange-listed domestic securities, (ii) domestic securities traded over-the-counter, (iii) foreign securities, (iv) corporate debt securities (other than commercial paper), (v) commercial paper, (vi) certificates of deposit, (vii) municipal securities, (viii) mutual fund shares, and (ix) United States government and government agency securities.

Jensen currently manages one account in a single wrap fee program due to the request of a long-term client, and Jensen receives a portion of the wrap fee for the services Jensen provides. While this is not a line of business that Jensen is actively pursuing, Jensen will consider acting as the adviser to an account participating in a wrap fee program if requested by the client.

In addition, Jensen has contractual relationships with two investment advisers where Jensen provides a model of the Jensen Quality Growth Strategy. The investment adviser determines whether the model is appropriate and provides advice for the investment advisers' clients. Jensen does not communicate directly with nor provides advice to the investment advisers' clients. As with the single wrap fee program mentioned above, Jensen is not actively pursuing this line of business.

Mutual Fund Portfolio Management

As noted above, Jensen provides investment advisory services to the Jensen Quality Growth Fund and the Jensen Value Fund, mutual funds registered under the Investment Company Act of 1940.

Jensen serves as the investment manager of the Funds, and continuously manages each Fund's assets based on the investment goals and objectives as outlined in its prospectus. Interested investors should refer to the Funds' prospectuses and Statements of Additional Information ("SAI") for important information regarding objectives, investment policies, risks, fees, and additional disclosures. These documents are available on-line at www.jenseninvestment.com.

Prior to making any investment in the Funds, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment.

Item 5 Fees and Compensation

Jensen Quality Growth Accounts

Jensen's standard fee schedules for new Quality Growth accounts are as shown below. The quarterly fee shall be one-fourth (1/4) of the Annual Fee Rate indicated in each table, using the value of the account at the end of that quarter. The value of shares of the Jensen Quality Growth Fund, or any other mutual fund for which Jensen acts as an investment adviser, held in the account shall be excluded for purposes of determining the fee.

For accounts of individual investors, the fees are:

<u>Account Value</u>	<u>Annual Fee Rate</u>
First \$2,500,000	0.85% (subject to \$21,250 minimum annual fee)
Next \$2,500,000	0.65%
Next \$5,000,000	0.60%
Over \$10,000,000	0.55%

A lower minimum account size (with higher fees) is available for clients in the Pacific Northwest.

A lower fee is available for institutional accounts that are generally larger and may have less client servicing requirements for Jensen, as shown below:

<u>Account Value</u>	<u>Annual Fee Rate</u>
First \$5,000,000	0.70%
Next \$5,000,000	0.60%
Next \$15,000,000	0.55%
Next \$25,000,000	0.50%
Over \$50,000,000	0.45%

In addition, a lower minimum account size and fee are available for accounts where the client has retained the services of another investment advisor who has recommended Jensen to manage at least a portion of their client's assets, which again may have less client servicing requirements for Jensen, as shown below:

<u>Account Value</u>	<u>Annual Fee Rate</u>
First \$1,000,000	0.75% (subject to \$7,500 minimum annual fee)
Next \$1,500,000	0.75%
Next \$2,500,000	0.65%
Next \$5,000,000	0.60%
Over \$10,000,000	0.55%

In certain instances where Jensen will have minimal servicing responsibilities for the investment advisor's clients and is already managing a substantial amount of assets for clients of the investment advisor, or Jensen believes it has the potential to do so, a lower minimum account size and annual fee rate of 0.50% of the account value is available.

In addition, where Jensen provides only the Jensen Quality Growth Model to investment advisers, Jensen receives a fee of 0.35% for the portion of the investment advisers clients' assets that utilize the model.

Finally, dependent on certain circumstances other terms may be negotiated. Fees are billed and due after the end of the calendar quarter to which they apply and are prorated if services are provided for less than a full quarter. Either party may terminate the contract at any time, without cause, upon thirty days prior written notice to the other party.

Jensen Value Accounts

Jensen's standard fee schedules for new Value accounts are as shown below. The quarterly fee shall be one-fourth (1/4) of the Annual Fee Rate indicated in each table, using the value of the account at the end of that quarter. The value of shares of the Jensen Value Fund, or any other mutual fund for which Jensen acts as an investment adviser, held in the account shall be excluded for purposes of determining the fee.

For accounts of individual investors, the fees are:

<u>Account Value</u>	<u>Annual Fee Rate</u>
First \$2,500,000	1.10% (subject to \$27,500 minimum annual fee)
Next \$2,500,000	0.90%
Next \$5,000,000	0.85%
Over \$10,000,000	0.80%

A lower minimum account size (with higher fees) is available for clients in the Pacific Northwest.

A lower fee is available for institutional accounts that are generally larger and may require less work for Jensen, as shown below:

<u>Account Value</u>	<u>Annual Fee Rate</u>
First \$5,000,000	0.85%
Next \$5,000,000	0.75%
Next \$15,000,000	0.70%
Next \$25,000,000	0.60%
Over \$50,000,000	0.55%

In certain circumstances, other terms may be negotiated. Fees are billed and due after the end of the calendar quarter to which they apply and are prorated if services are provided for less than a full quarter. Either party may terminate the contract at any time, without cause, upon thirty days prior written notice to the other party.

Additional Fee Information

Jensen invoices clients quarterly unless otherwise instructed by the client. In addition, per the client's written authorization Jensen will either deduct fees from the client's account or bill the client directly.

Special account structure requirements, the client's objectives or other special considerations (including serving requirements) may require a client's fee, in certain instances, to vary from the basic schedules. Fees may be negotiated in certain circumstances and Jensen reserves the right to waive fees in its discretion and to increase or decrease the minimum account size it will accept. We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Mutual Fund Investment Advisory Fees

Jensen charges an asset-based fee for the investment advisory services it provides to the Jensen Quality Growth Fund and the Jensen Value Fund. The fee arrangement for each Fund is described in the Fund's prospectus and Statement of Additional Information ("SAI").

Portfolio management clients of our firm whose accounts are invested in the Jensen Quality Growth Fund and/or the Jensen Value Fund will pay only those fees charged to investors by the Fund(s), i.e., the value of the client's investment in the Fund(s) is excluded from our investment management fee calculation.

Termination of the Advisory Relationship

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees

While clients are not charged a separate investment advisory fee for any investment in their account(s) made by Jensen in shares of the Jensen Quality Growth Fund or the Jensen Value Fund, they do bear their share of the expenses incurred by the Funds, including the investment advisory fee paid by each Fund to Jensen. These fees and expenses are described in each Fund's prospectus.

Additional Fees and Expenses

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and broker dealers. Please refer to Item 12 of this Brochure for additional information.

Pre-existing advisory clients are subject to Jensen's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

Item 6 Performance-Based Fees and Side-By-Side Management

Jensen does not participate in performance-based fee arrangements.

Item 7 Types of Clients

Jensen provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Investment companies (including mutual funds)
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations and endowments
- State governmental entities
- Corporations or other businesses not listed above.

Minimum account size differs dependent upon the type and extent of the servicing requirements of the client, as described in Item 5 above.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Jensen's Investment Universe

The focus of Jensen's investment strategies is on the management of high quality equity portfolios that are derived from a select universe of companies that have produced a long-term record of persistently high returns on shareholder equity. Jensen believes that the long-term returns generated by the stock and dividends of a quality business reflect its long-term growth in earnings and free cash flow. Jensen believes that sustainable competitive advantages and persistent, strong business performance can yield long-term growth and capital appreciation, while reducing investment risk. Based upon our experience and academic research, quality growth companies maintain high return-on-equity and utilize growing free cash flow to invest in their competitive advantages and deliver shareholder value.

Company specific external research is generally not used; however, Jensen's Business Analysts use external databases and industry information as resources for their fundamental data. In addition, for certain industries or sectors research is purchased from outside firms due to their expertise in a particular industry or sector, but such resources normally do not represent a substantial portion of the total research utilized by the team. We do not use soft dollars to acquire research.

Jensen's investment universe of quality companies is determined annually starting with all U.S. companies with a market capitalization of \$1 billion or more. Following that, we seek only those companies that have demonstrated strong business performance in each of the last ten years, as evidenced by a Return on Equity (ROE) of 15% or greater in each and every year, as determined by the Investment Committee (which for example may include companies with negative equity that have engaged in large debt-financed share repurchases). The resulting group of quality companies represents the universe from which securities are selected for investment in accounts managed using either the Quality Growth or Value strategies.

Jensen Quality Growth Strategy

The objective of the Quality Growth Strategy is to achieve long-term capital appreciation. To achieve the investment objective of this strategy, Jensen invests primarily in the common stocks of approximately 25 to 30 companies selected according to the specific criteria established by the Investment Committee. Once liquidity and cash withdrawal requirements, if any, are accommodated using money market accounts and/or a variety of fixed income investments, the balance shall be invested using the Jensen Quality Growth Strategy in a separately managed account or in the Jensen Quality Growth Fund, as deemed appropriate.

Starting with the universe of quality companies determined annually by Jensen, the investment team performs fundamental analysis of the qualifying businesses on a bottom-up basis without regard to sector, industry group or market capitalization. Our focus is on companies that possess sustainable competitive advantages that we believe will enable them to continue to generate strong revenue and earnings growth.

Common characteristics of these quality growth companies are returns that are consistently above their cost of capital, barriers to entry, pricing power, growing free cash flow and management teams that are focused on using free cash to the long-term benefit of their shareholders. The result of this step is a list of approximately 50 companies with the most favorable business outlooks within our investable universe and in which we have confidence in their ability to maintain persistently strong business performance.

The next step is security selection. In determining growth potential, we research each company's competitive advantages to establish its sustainable growth prospects. To determine future value creation, we analyze both the growth and the use of free cash flow to benefit shareholders. We then utilize a discounted cash flow analysis to determine our estimate of full value. After a business is deemed as high quality with sustainable growth prospects, we will only purchase the company if the quality and growth, in our opinion, are significantly underpriced in the current market. The investment team works together to make buy decisions by consensus. This step results in a portfolio of 25 to 30 high-quality companies which are acquired at a significant discount to our proprietary estimate of their full value, which we believe can provide downside protection.

The final step is portfolio construction. Quality Growth portfolios managed by Jensen generally hold 25 to 30 companies. Stock weightings represent our level of conviction with respect to the businesses and their stock prices. Position sizes normally vary from 1% of the portfolio to as great as 7.5%. Jensen does not focus on sector weights, but those weightings are a residual of the bottom-up discipline. However, the Investment Committee does not normally allow any sector weight to exceed approximately 30% of the total portfolio. Portfolios are not managed to any particular benchmark. Turnover has historically averaged less than 15% per year.

Our sell discipline monitors the key tenets of our buy discipline: sustainable competitive advantages, growth, value creation and price. Jensen will generally sell shares in companies when either the business performance falls below our high standards (for example, if the company's Return on Equity drops below 15%) or when we can replace a fully priced security with another that is underpriced. A third, more subjective reason that may cause a business to be sold is when a company from Jensen's roster of research candidates represents a more compelling investment opportunity.

Except as noted below, our investment process is generally consistent from account to account. Therefore, separate account holdings generally mirror the holdings of the Jensen Quality Growth Fund. As we have daily cash flows to and from the Fund, the Investment Committee meets each morning to make continual investment decisions; therefore, we believe the Fund represents our highest level of conviction with respect to the businesses and their stocks. As a result, we feel it is appropriate to model our clients' separately managed accounts after the Fund, subject to any specific investment

limitations or investment decisions they may ask us to apply, any tax-related trades (or holdings retained in order to avoid capital gains), or other purchases or sales made to meet specific client needs.

Although generally a portfolio of approximately 25 to 30 securities is selected for an account, smaller accounts (by asset value) may hold fewer securities resulting in somewhat more concentrated portfolios. In addition, tax sensitive accounts with significant unrealized gains in one or more holdings may hold a different portfolio of securities since tax ramifications are taken into account when deciding whether to sell a security in these accounts.

There is no assurance that the investment process for the Jensen Quality Growth Strategy will lead to successful investing or that the stated objective(s) will be met. Investing involves risk; principal loss is possible. Client accounts invested using the Jensen Quality Growth Strategy are non-diversified, meaning that they may concentrate their assets in fewer individual holdings than a diversified product, and therefore are more exposed to individual stock volatility than a diversified product.

Jensen Value Strategy

The objective of the Jensen Value Strategy is to achieve long-term capital appreciation. To achieve the investment objective of this strategy, the Investment Committee invests primarily in the common stocks of approximately 50 to 60 companies selected according to the specific criteria established by the Investment Committee. Once liquidity and cash withdrawal requirements, if any, are accommodated using money market accounts and/or a variety of fixed income investments, the balance shall be invested using the Jensen Value Strategy in a separately managed account or in The Jensen Value Fund, as deemed appropriate.

The Investment Committee selects investments from the universe of quality companies determined annually by Jensen that have produced long-term records of persistently high returns on shareholder equity. The investment strategy is based on applying quantitative factors to this select universe of companies that are rooted in fundamentally based investment principles. Underpinnings of the philosophy are embedded in academic research, Jensen's history as an investor and extensive back-testing of the investment universe. The qualifying universe and the factors derived from the back-testing focus upon the long-term, past results of the businesses and the expected long-term future results of their stocks.

The Investment Committee applies a multi-factor model on a quarterly basis to the universe of quality companies determined annually by Jensen, with the greatest emphasis being placed upon valuation, leading to a ranking of all universe companies. Factors utilized are based upon business fundamentals, not technical characteristics or price momentum. The current factors employed reflect the consistency of a business's performance, its operating efficiency and the valuation of its stock.

The Investment Committee invests in companies from the most highly ranked third of the investment universe derived from this quantitative process, subject to optimization. Conversely, the Investment Committee sells a security if the company drops from the top third of the investment universe, subject to optimization. The decisions to buy and sell securities are based on the quarterly process of screening and ranking all qualifying companies, subject to the top third's optimization to the Russell 3000 Value Index. A company will also be sold if its fundamentals deteriorate, lowering its annual Return on Equity below 15%.

Value accounts may trade actively and have experienced a portfolio turnover rate of over 100%. High portfolio turnover is likely to lead to increased brokerage commissions and other transaction costs. A high portfolio turnover rate may also result in higher short-term and long-term capital gains taxable to shareholders and as a result lower after tax investment returns.

There is no assurance that the investment process for the Jensen Value Strategy will lead to successful investing or that the stated objective(s) will be met. Investing involves risk; principal loss is possible. Client accounts invested using the Jensen Value Strategy invest in mid and smaller capitalization companies, which involve additional risks such as limited liquidity and greater volatility.

Item 9 Disciplinary Information

Jensen Investment Management, Inc. and its management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

As discussed in Items 4, 5, 8, 11, and 12 in this Brochure, Jensen is the investment adviser to the Jensen Quality Growth Fund and the Jensen Value Fund, investment companies registered under the Investment Company Act of 1940. Please refer to these Items for a detailed explanation of this relationship and other important disclosures.

Certain individuals of Jensen are registered representatives of the Funds' principal underwriter/distributor. These employees are involved in marketing and sales activities relating to Funds.

For additional information, the Funds' Prospectuses and Statements of Additional Information are available on-line at: www.jenseninvestment.com. Prospective investors should review these documents carefully before making any investment in the Funds.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Directors, officers and employees of Jensen ("Covered Persons") are permitted to purchase and sell for their own accounts the same securities Jensen recommends to its clients, subject to Jensen's *Code of Ethics and Statement of Policies* (the "Code"). The Code is designed to detect and limit conflicts of interest and sets forth high ethical standards of business conduct that we require of our Covered Persons, including compliance with applicable laws in the conduct of Jensen's business.

The Code (i) requires all Covered Persons to avoid serving their own personal interests (or Jensen's) ahead of the interests of Jensen's clients, (ii) prohibits them from taking inappropriate advantage of their position with Jensen, and (iii) requires that they conduct their personal securities transactions in a manner that does not operate adversely to the interests of Jensen's clients. For Covered Persons deemed to have access to nonpublic trading and holdings information for Jensen's clients ("Access Persons"), the Code sets forth procedures, limitations and prohibitions that govern their personal securities transactions in accounts held in their own name as well as accounts in which they have indirect ownership. Although not all Covered Persons fall within the definition of Access Persons, Jensen currently treats all of its Covered Persons as Access Persons under the Code.

Access Persons are required to preclear all transactions in securities not otherwise exempt under the Code. Requests for authority to trade will be denied preclearance when the proposed personal transaction would be contrary to the provisions of the Code, including instances where Jensen has purchased or sold the security (or has a pending trade order working for the security) for a client account that day, or the security has been purchased or sold in a client account within the previous 7 days (the "Blackout Period"). The preclearance requirement and Blackout Period do not apply to de minimis personal securities transactions effected by Access Persons in securities of relatively large capitalization companies, as defined in the Code.

The Code includes other restrictions and prohibitions on personal trading, such as a ban on short-term trading and short sales of any security held in a client account, and restrictions on the purchase of securities in an IPO or private placement. The prohibitions of the Code do not apply to certain exempt securities, such as mutual funds (excluding the Jensen Quality Growth Fund and the Jensen Value Fund, which are not exempt securities) and certain short-term debt securities.

In addition to the limitations and prohibitions described above, the Code subjects Access Persons to various reporting obligations regarding their personal securities transactions and holdings. The Code is administered and enforced by Jensen, which reviews all reportable transactions for compliance. Violations of the Code are reviewed by Jensen management and may subject such Covered Persons to certain sanctions as deemed appropriate under the circumstances.

Jensen's Code also contains policies on insider trading that include procedures designed to prevent trading or communications by Covered Persons that might constitute the misuse of material, nonpublic information.

Jensen believes that its Code is reasonably designed to prevent certain personal securities trading-related and other potential conflicts of interest between Jensen (and its Covered Persons) and Jensen's clients. However, clients should be aware that no set of rules can possibly eliminate all potential conflicts of interests in trading or other matters.

A copy of the Code is available to our advisory clients and prospective clients. You may request a copy by contacting our Chief Compliance Officer at (503) 726-4384, or by email to cco@jenseninvestment.com.

Item 12 Brokerage Practices

Jensen employs the investment strategies described in Item 8 above. Under the investment advisory agreements that Jensen enters into with its clients, Jensen has the authority, subject to any specific client limitations, to determine which securities, and when and how many securities, to purchase or sell for their account, and to select the brokers to be used to execute security transactions in their accounts.

When the same investment decision is made for more than one client account, purchase or sale orders for the security are not required to be combined for execution as a "block" trade unless Jensen believes that one or more such orders have the potential to impact the market price. Because of the significant liquidity and above average daily trading volume associated with the majority of the equity securities purchased by Jensen for its clients, market impact is often not a significant concern. However, the potential for market impact may exist when (i) Jensen's Investment Committee makes the decision to liquidate or significantly reduce a security position held in all or substantially all of its clients' accounts, (ii) Jensen's Investment Committee makes the decision to purchase a new security in all or substantially all of its clients' accounts, or (iii) sizeable orders from one or more portfolio managers for the same security in multiple accounts reach the trading desk at approximately the same time.

In these circumstances, and often even when market impact is not a significant concern, Jensen will generally combine all client orders given to each broker for execution as a "bunched" or block trade (with the exception of any deminimis orders which may be executed separately prior to either placing the block trade order or filling the remainder of the block trade order). When multiple block trade orders are placed with multiple brokers, the sequence in which brokers are contacted and given the block trade orders is randomly determined using computer software.

Execution prices for each block trade are averaged and each account participating in the block trade receives that average price. Partially filled orders for each block trade

are allocated pro rata each day in proportion to each participating account's order size. Although Jensen believes that ultimately the ability to participate in block trades will be beneficial to its clients' accounts, in some cases this procedure may adversely affect the price paid or received or the size of the position purchased or sold in an account(s).

Jensen may place orders for certain accounts independently of orders for its other managed accounts due to client requests to direct the trades to a specific broker-dealer. The direction of trades may prevent such client's orders from receiving best execution, since trades for these accounts may obtain less favorable price and execution and may be executed at a different time and under different terms than what is obtained for other clients participating in aggregate/block trades placed by Jensen with another broker. Jensen will be unable to review the effectiveness or value of the services provided by brokers to clients that enter into directed brokerage arrangements, and therefore Jensen does not assume any responsibility for any inconsistency relating to best execution or quality of execution as a result of such direction.

Generally, Jensen selects brokers on their perceived ability to obtain best execution. Jensen currently uses BNY Convergenx Group and Pershing LLC to trade equity securities for the significant majority of its accounts over which it has discretion to choose the broker. Jensen negotiates what it believes are favorable commission rates with the brokers we select using the criteria described below. Consistent with its obligation to seek best execution, Jensen may suggest that clients use a broker or brokers based upon factors of asset safety, the range and quality of services provided to the client, and the reasonableness of commission rates. Reasonableness of commission rates depends upon the amount charged, the broker's ability to execute the trade, and the price at which the broker executes the purchase or sale. With respect to bond transactions, the firm may compare broker or dealer bids or offers on the basis of best price net to client. Jensen does not recommend broker/dealers to any client or for any transaction unless they meet the criteria described above. Jensen does not enter into any soft dollar arrangements, meaning that it does not use its clients' commissions to pay for and receive investment research from any of its brokers. Clients that have directed their trades to a specific broker may pay higher commission rates than other clients since Jensen may not be able to negotiate these commissions, and their accounts may be unable or limited in their ability to participate in block trading.

Jensen may recommend that clients establish brokerage accounts with Pershing Advisor Solutions, a registered broker-dealer and an affiliate of Pershing LLC (together, "Pershing"), to maintain custody of clients' assets and to effect trades for their accounts. Jensen is independently owned and operated and is not affiliated with Pershing. Pershing provides Jensen with access to its institutional trading and custody services, and to its mutual fund supermarket program, which allows Jensen to purchase certain mutual funds for its clients (including the Jensen Quality Growth Fund and the Jensen Value Fund) on a no-transaction-fee basis. These services generally are available to independent investment advisors on an unsolicited basis, at

no charge to them. Pershing also provides these services to its broker-dealer clients for which Pershing provides clearing and back office services.

For Jensen's clients' accounts for which Pershing acts as custodian, Pershing generally does not charge separately for custody but is compensated by account holders through commissions or other transaction related fees for equity and fixed income securities trades by the account that are executed through Pershing. In addition, Jensen's clients custodied at Pershing do not pay any commission or transaction fee when shares of the Jensen Quality Growth Fund and the Jensen Value Fund are purchased in their account. Furthermore, for shares of the Jensen Quality Growth Fund and the Jensen Value Fund held in Jensen's clients' accounts at Pershing, Pershing does not charge the Funds the asset-based fee it charges on shares of the Jensen Quality Growth Fund and the Jensen Value Fund purchased by other investment advisors and by broker-dealers for their customers through Pershing's mutual fund supermarket program. Because the Jensen Quality Growth Fund and the Jensen Value Fund do not pay Pershing this asset-based fee on fund shares held by Jensen's clients, it enables the Funds to instead pay other financial intermediaries for the distribution and/or shareholder servicing services they provide the Funds and to reimburse Jensen for the expenses it incurs in providing distribution and/or shareholder servicing services to the Funds.

Pershing also makes available to Jensen other products and services that benefit Jensen but may not directly benefit its clients' accounts. Some of these other products and services assist Jensen in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution; provide pricing information and other market data; facilitate payment of Jensen's advisory fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Some of these services generally may be used to service all or a substantial number of Jensen's accounts, including accounts not maintained at Pershing. Pershing also makes available to Jensen other services intended to help Jensen manage and further develop its business enterprise, including publications on information technology, regulatory compliance and marketing.

While as a fiduciary Jensen endeavors to act in its clients' best interests, Jensen's recommendation that clients maintain their assets in accounts at Pershing may be based in part on the benefit to Jensen of the availability of some of the foregoing products, services and arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Pershing, which may create a conflict of interest.

Item 13 Review of Accounts

Client accounts are reviewed periodically by the Portfolio Managers. Reviews may occur more frequently due to material changes in market conditions or in the client's individual circumstances.

Unless otherwise directed by the client, the Portfolio Managers will communicate with clients annually, to review the client's accounts and discuss any changes in the client's investment objectives and needs. Portfolio Managers may also communicate periodically with their clients to keep them informed on the status of the client's account and answer any questions the client may have regarding the investment strategy for their account.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer or other custodian, we provide quarterly reports on their account(s) summarizing balances and holdings.

Item 14 Client Referrals and Other Compensation

It is Jensen's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Jensen's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of the advisory fee billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact Jensen directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our billed clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client to obtain their permission prior to each trade.

Jensen's discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell;
- determine the amount of the security to buy or sell; and
- unless otherwise instructed by the client, select the brokers to be used to execute security transactions in their account.

Clients give us discretionary authority when they sign an investment advisory agreement with Jensen. However, they may limit this authority through additional provisions of the agreement (e.g., social restrictions, sector limitations) and may subsequently change/amend such limitations by providing Jensen with written instructions.

Item 17 Voting Client Securities

For those clients who have delegated proxy voting authority to Jensen, Jensen provides a voice on behalf of such clients. Such authorization, if received, is normally established via Jensen's written investment advisory agreement with each client. With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies.

Jensen views the proxy voting process as an integral part of its relationship with these clients. Jensen exercises this authority for securities held in clients' accounts according to its proxy voting policies as summarized below.

Jensen's Proxy Voting Policies

It is Jensen's policy to vote all proxies received for our clients on a timely basis, except that Jensen generally will not vote proxies received for any security where the cumulative market value of the security held in all client accounts managed by Jensen is less than \$250,000, unless the security is held in the Jensen Quality Growth Fund or the Jensen Value Fund. Upon receiving each proxy, Jensen will review the issues presented and make a decision to vote for, against or abstain on each of the issues presented in accordance with the proxy voting guidelines that it has adopted. Jensen will consider information from a variety of sources in evaluating the issues presented in a proxy. Jensen generally supports policies, plans and structures that it believes gives quality management teams appropriate latitude to run the business in a way that is likely to maximize value for owners. Conversely, Jensen generally opposes proposals that clearly have the effect of restricting the ability of shareholders to realize the full potential value of their investment. Clients may ask us to vote differently on

certain issues for their securities by contacting us at the telephone number listed on the cover of this Brochure. In these cases, every reasonable effort will be made to accommodate the clients' requests.

Conflicts of Interest

Jensen's duty is to vote in the best interests of its clients. Therefore, in situations where there is a conflict of interest between the interests of Jensen and the interests of a client, Jensen will take one of the following steps to resolve the conflict:

1. Vote the securities based on a pre-determined voting policy if the application of the policy to the matter presented involves little discretion on the part of Jensen; or
2. Disclose the conflict to the client and obtain their direction on how to vote the proxy; or
3. Subject to written approval from the client, vote the securities in accordance with a pre-determined policy based upon the recommendations of an independent third party, such as a proxy voting service.

More Information

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting our Chief Compliance Officer at (503) 726-4384, or by email to cco@jenseninvestment.com. Clients may also request, in writing, information on how proxies for their shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

Item 18 Financial Information

If applicable, registered investment advisers are required to provide in this Item certain financial information or disclosures about their financial conditions.

Under no circumstances does Jensen require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services being rendered. Therefore, we are not required to include a balance sheet.

In addition, Jensen has no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients, and has not been the subject of a bankruptcy petition.

Jensen's Policies for Class Action Lawsuit Participation

A securities "class action" lawsuit is a civil suit brought by one or more individuals ("Plaintiffs") on behalf of themselves and others who have the same grievance against the issuer of a certain security. When a class action is filed, a written notice of filing and/or settlement is prepared (the "Notice"), which outlines the reasons for the lawsuit, the parameters for qualification as a member of the class and certain legal rights that need to be considered before becoming a member of the class (i.e., participating in the settlement). The Notice is required to be delivered to the owners/beneficiaries of the security by the Claims Administrator (usually the attorney for the Plaintiffs), or by the broker-dealers or other nominees (e.g., custodians) who hold the security on behalf of the owners/beneficiaries.

In some cases, in addition to the owner/beneficiary, Jensen may also receive notification of a class action. However, because each class action involves certain legal rights that must be considered by the owner/beneficiary of the security before becoming a member of the class, Jensen does not instruct or give advice to its clients on whether or not to participate as a member of the class and does not automatically file claims on its clients' behalf.

If we receive any information intended for our clients pertaining to a class action lawsuit, we will use our reasonable efforts to forward it to them on a timely basis. In addition, if a client notifies Jensen that they intend to participate in a class action lawsuit, upon request we will provide the client the available transaction information on their account with Jensen that is needed by them to file a proof of claim.