



Buy: Cadence Design Systems (CDNS)

DECEMBER 2024

HOLDINGS UPDATE

[jenseninvestment.com](https://www.jenseninvestment.com)

The Jensen Investment Team has added a new position in [Cadence Design Systems](#) to the [Jensen Quality Growth Strategy](#). Cadence provides software, hardware, services and licensed intellectual property to semiconductor companies that design semiconductors, circuit boards and computer systems.

Cadence holds a strong market position in a duopolistic market, particularly in analog semiconductor design tools, and enjoys strong competitive advantages including high customer switching costs, high barriers to entry and a large intellectual property portfolio. Additionally, the company benefits from a high proportion of recurring revenue, solid long-term growth drivers, an excellent balance sheet and high profitability.

While the semiconductor industry is cyclical, Cadence's cash flows tend to be less so due to the subscription nature and mission-critical status of its products. Overall, we are pleased to add Cadence to the Quality Growth Strategy.

Strategy holdings are subject to change and should not be considered recommendations to buy or sell any security. For a listing of the Strategy's current holdings, please visit www.jenseninvestment.com/growth-composite-holdings.

The discussion of the specific security identified in this article is solely intended to illustrate the application of our investment approach. Our views expressed herein are subject to change and should not be construed as investment advice and are not designed or intended as a basis or determination for making any investment decision for any security. Past performance is no guarantee of future results.

JENSEN
INVESTMENT MANAGEMENT

5500 Meadows Road, Suite 200
Lake Oswego, OR 97035
800.221.4384
Contact us at:
[jenseninvestment.com/contact-us](https://www.jenseninvestment.com/contact-us)

This information is current as of the date of this material and is subject to change at any time, based on market and other conditions.

Jensen Investment Management, Inc., is an investment adviser registered under the Investment Advisers Act of 1940. Registration with the SEC does not imply any level of skill or training. Although taken from reliable sources, Jensen cannot guarantee the accuracy of the information received from third parties.

© 2024 Jensen Investment Management.