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Good morning Mr. Tim,

It is a pleasure to meet you today! I hope you are well and keeping safe!

I am here to update you on your portfolio's performance, our investment outlook for 2023, and proposed changes in investment strategy.

Portfolio's Performance Update

Believe it or not, you have reached your first anniversary with J.P. Morgan Asset Management! I am pleased to inform you that your portfolio has generated a positive return of **7.7%** over the year, which is significantly higher than the 10-Year U.S. Treasury yield, which stood at 1.8% p.a.

All asset classes have performed well, with Real Estate offering the highest return.

The Sharpe Ratio measuring the return on your portfolio compared to the risk undertaken stood at 1.90. Anything above 1 indicates a positive return relative to the risk undertaken. The volatility of your portfolio has been relatively low at 0.0311, indicating a lower amount of risk, which is consistent with your investment objective of safeguarding the value of your pension fund. I will share a detailed breakdown of your portfolio below in a slide deck shortly after this call.

Future Outlook

In 2023, we expect more turbulence in the markets, similar to what we have witnessed in 2022. Some high-level trends to draw your attention to are:

1. As pandemic effects fade, U.S. economic growth should reaccelerate into early this year and then slow for the rest of the year as the economy heads towards full employment. Inflation should ease but remain above its pre-pandemic pace.
2. The current year should see a second year of above-trend global nominal growth, but with more synchronous momentum across regions. This should cause some depreciation of the U.S. dollar, albeit with some fits and starts, due to differences in the timing of monetary policy normalization.
3. Central banks are moving to normalize policy due to persistent above-trend inflation and a stronger, more synchronized rebound in global growth.
4. Profit growth looks set to drive returns as rising earnings tame current above-average valuations.
5. The current year should be a strong year for international equity market performance across regions, driven by gains in earnings expectations and reasonable valuations. These markets provide investors with an attractive combination of both cyclicality and growth.
6. International commitments and domestic legislation should maintain momentum in sustainable investing alternatives.
7. Low rates and muted expected returns from traditional financial assets have led alternatives to transition from optional to essential.

Given the nature of the global recovery and shifting pockets of opportunity, sector and security selection across asset classes will be of paramount importance.

More details on the above can be found at a link that I will share shortly after this call.
(https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/insights/market-insights/Investment%20Outlook%202022.pdf)

Proposed Changes in Investment Strategy

Based on the above driving forces and the expected turbulences due to increased inflation and possible multiple interest rate hikes, we would recommend you to divert more funds towards value stock play as economic growth remains above trend. We would also advise you to increase your investment in inflation-linked bonds given the U.S. inflation rate is currently at 6.8% which is the highest since 1982.

I hope this has given you a high-level insight on your portfolio performance, offered some perspective on future outlook, and provided meaningful proposed changes to your portfolio. After this call, I will drop you a note providing a detailed breakdown of your portfolio's performance, a link to our Investment Outlook article, and our standard disclaimer.

Please let me know if you have any questions, and I look forward to meeting you at our upcoming quarterly meeting.

Take care, and bye for now!