

## From NYC to IFP



### Goldman Sachs and J.P. Morgan roll out the red carpet for Independence Financial Partners

Goldman Sachs and J.P. Morgan recently rolled out the red carpet for Independence Financial Partners, in what proved to be a highly informative due diligence meeting with two of the top investment banking firms in the world.

Our first stop was 200 West Street, the global headquarters for Goldman Sachs. Julie Mehreti's "Mural", an eighty by twenty three foot abstract masterpiece that dominates the entrance lobby, seemed fitting, as our discussion with Goldman would center around unconventional alternative investments opportunities.

With panoramic views of New York Harbor, The Statue of Liberty, and the Freedom Tower as the backdrop, IFP engaged in a capital markets discussion with Goldman's U.S. Equity Team, who were recently ranked #1 for U.S Equity in Barron's Annual Ranking.

The Goldman team confirmed many of IFP Research's overall thoughts, and was able to provide valuable insights into other more tactical areas. The underlying premise was shared by both teams. The next five years will likely be very different from the previous five.

Next on the agenda was 270 Park Avenue, the global headquarters of J.P. Morgan. The topic of discussion: fixed income and target date funds.

We met with J.P. Morgan's Multi-Asset Team, the 2014 Morningstar U.S. Fund Manager of the Year award recipient in the Allocation category, where we discussed their capital market outlook and how the Multi-Asset team incorporated their view into their SmartRetirement Target Date Funds.

We were glad to see that their solid performance was backed by a stable management structure, repeatable process, and a bench of exceptionally skilled portfolio managers.

The conversation then moved to fixed income markets, an asset class squarely in the purview of investors today.

With the 30 year bull market in fixed income likely coming to an end soon, understanding fixed income investing in a rate-hiking cycle could be more complex.

The consensus our team came up with...shorten duration, tilt towards credit, and take a global perspective in fixed income.



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### Our Key Takeaways

- While the U.S. remains one of the highest quality stories globally, the next five years will unlikely be like the last five. Investors should expect increased volatility and be more selective going forward.
- The case for including alternative strategies strengthens as volatility increases, but it's very important to realize that not all alternatives are created equal. If used, it must be with purpose and as part of an overall strategy.
- According to J.P. Morgan – When it comes to bonds "T.I.N.A." – There Is No Alternative...J.P. Morgan expects the long end of the bond market to remain well anchored, as high quality bond mandates from pension funds, insurance companies and other large institutional investors provide a consistent demand.

