

{ ALUMNI SPOTLIGHT }

A Dedicated Follower of Fashion

Daniel Bloomgarden, MBA '02, Models Portfolios with Flair



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Beating the market might be harder to do these days, but **Daniel Bloomgarden**, MBA '02, is sticking to a proven strategy.

As vice president and senior retail analyst for AllianceBernstein LP, Bloomgarden advises the firm's portfolio managers on winning retail stocks. The way to get that alpha, he says, is to gather human intelligence — from store managers, buyers, and suppliers — and back it up with solid financial modeling.

"The problem is trying to invest in these stocks when nothing makes sense and there are no trends," Bloomgarden says. "You put a lot more hope in the numbers. So you stick to your knitting."

And that means getting out there and meeting people in the trenches of the specialty retail and fashion industry. Bloomgarden's daily experience can range from the glamorous, like scoring VIP access at fashion shows, to the routine, such as meeting with store managers at shopping malls and studying the store shelves. The investment he places in time on the street can be considerable, but the payoff speaks for itself in a free-falling market where the numbers don't always add up. He's been able to beat the market more often than not because he's talking to the right people. In one instance, he acted on news that an apparel store's shipment of fall clothes was held up at a port.

"You can talk to the CEOs, but they're just going to tell you what you want to hear," Bloomgarden says. "So you speak to the buyers, merchandise planners, the product managers, brand managers, store managers. They'll let you know if a product is

working or not. That's huge in fashion retail, where it's so quick and fast and a company's stock can fall apart on a bad season or take off on a good season. You want to get ahead of that."

GETTING AHEAD Bloomgarden actually got admitted to Ross by "getting out there." Originally wait-listed, he was working for Merrill Lynch, where he came in regular contact with **David Alger**, MBA '68, who was running the investment firm Fred Alger Management Inc. at the time. Alger advised Bloomgarden throughout the process, helping him get over the hump and into the program.

"David helped me an unbelievable amount," Bloomgarden says of Alger, who perished in the Sept. 11, 2001, attacks on the World Trade Center. "He always had time for graduates and undergraduates."

The economic fallout from 9/11 took a major toll on the employment prospects facing Bloomgarden's graduating MBA class. When he entered Ross, most second-years were entertaining multiple offers; when he exited, about 65 percent of his classmates had jobs.

Despite the daunting employment landscape, Bloomgarden hired on at Citigroup covering beverage stocks, and then became a junior partner at a hedge fund. The fund did well, but the two owners quarreled and the fund closed. Bloomgarden moved on to SAC Capital Advisors LP, a large hedge fund founded by Stephen A. Cohen.

It was a fast-paced, exciting time.

"You get a lot of responsibility, and you can bet in any direction," Bloomgarden says. "There are unlimited ways to make money. But it's also extremely hard, because there are so many more ways to lose money. There are times you can't sleep because you have \$20 million on the line and if you screw it up, people aren't going to be happy. It's very event-driven."

Bloomgarden lasted two years at SAC before moving to AllianceBernstein as a buy-side analyst covering specialty retail. The pressure is still on, but it's measured by a different gauge.

"If my index is down 30 percent in the last two months and I'm down only 20 percent, I'm considered a rock star even though I feel bad," Bloomgarden says. "But our clients are looking for relative outperformance. So the stress is different here. You don't recommend a lot of stocks, but you want to pick a few winners."

Now that he heads all retail investment analysis for AllianceBernstein, Bloomgarden is sticking to his own winning strategy when it comes to making those picks.

"To keep my edge, I just have to get out and speak to people even more." ✨ —*Terry Kosdrosky*