

Yoga Bears: It's No Stretch to Say Traders Are Taking Deep Breaths

Financiers Bend Over Backwards to Ease Stress of Turbulent Markets; Chants Optional

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Twice a week, New York hedge-fund manager Michael Karsch does a trade many financial professionals wouldn't attempt: He swaps his bank of computers for a blue mat, sweatpants and some "sun salutations," a flowing series of poses including forward bends.

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Employees at D.E. Shaw & Co. attended a yoga class in a conference room at the company's New York office on June 24

Mr. Karsch is one of a growing number of bankers, traders and money managers who, in a time of market turbulence, are looking to the ancient Indian discipline of yoga in search of inner peace. From yoga, he knows to "take a step back, have a breath and stay focused," says Mr. Karsch, of Karsch Capital Management LP, a roughly \$3 billion fund.

Yoga, of course, has been growing in popularity for years in the West. The magazine *Yoga Journal* estimates that about 15.8 million people in the U.S., or 7% of adults, now practice it.

Today, studios and private teachers in New York and London

report increasing demand from financiers. Allianz SE's Pacific Investment Management Co., D.E. Shaw & Co. and Karsch Capital are among the companies playing host to yoga classes.

Billionaire fund managers Paul Tudor Jones and William Gross both practice *Ashtanga*, an active form of yoga that involves flowing through a set series of poses. Bond-fund guru Mr. Gross, a founder of Pimco, does yoga five days a week and says some of his best ideas come when he is standing on his head, or *sirsasana*, supported by the forearms on the floor.

At Karsch Capital, about a third of the 33 employees take yoga classes at the company's 26th-floor Manhattan offices each week. Still, hard-core yoga on the job is a bit much for the boss. Since he's at the office, Mr. Karsch wears socks during class instead of going barefoot. And he omits some poses. "I still feel like doing handstands during work is a little inappropriate," Mr. Karsch says.

Mr. Karsch, 40 years old, started doing yoga three years ago on the recommendation of a fellow hedge-fund manager, John Griffin, founder of Blue Ridge Capital LLC in New York. Blue Ridge Capital also holds yoga sessions at the office.

D.E. Shaw, a \$39 billion New York hedge fund known for using complex computer models, recently started offering hourlong yoga classes at the office. About 80 of the company's 750 New York employees have signed



Michael Wald

up for the sessions, which have been so popular they often are oversubscribed. "There's been tremendous demand," says spokeswoman Darcy Bradbury, who attends the classes herself. At Pimco, Mr. Gross has prompted senior colleagues to start stretching, and the company holds morning yoga sessions during client conferences and staff retreats.

The yoga industry, shrugging off its brown-rice-eating-and-sandal-wearing image, is adapting to and courting its new, wealthy customers. Yoga retreats in places like Malibu -- which offer grueling regimens of several hours of yoga a day -- have become popular destinations for the finance crowd.

Catharina Hedberg owns a yoga retreat called The Ashram in the Southern California hills near Malibu and says she has seen an increase in finance types attending over the past five years. Now, about a quarter of her customers, who pay \$4,250 for a one-week stay, are financiers. The retreat offers a hard-core program of 6 a.m. yoga sessions with an alcohol-free, caffeine-free vegetarian diet that she says is popular with the Wall Street crowd. "Every week you see someone from hedge funds," says Ms. Hedberg.

Implicit Challenge

Yoga is a philosophy with roots in Hindu texts, though for many people who practice yoga in the West today, it's a form of exercise. Yoga incorporates stretches, balances and twists to increase strength and flexibility, while focusing on steady breathing to calm the mind. The practice dates back thousands of years and teaches spiritual growth.

Teachers say one key principle poses an implicit challenge to Wall Streeters: Value the process of hard work rather than the rewards it brings.

Finance "is the antithesis of what yoga is about in terms of inner peace," says Claire Missingham, a yoga teacher in London. But Ms. Missingham, whose pupils have included bankers and hedge-fund managers, says it can be highly beneficial for them. Yoga traditionalists say practicing yoga should be about more than just gaining physical benefits: It's a way of approaching life, including work. "Yoga teaches you to embrace fear and cultivate patience," says Ms. Missingham.

Some financiers are introduced to yoga by their spouses. Some turn to it after suffering sports injuries. Some endure teasing from friends. It's "considered soft" by some, says Mr. Karsch.

The yoga industry is estimated to be worth about \$5.7 billion annually in the U.S., according to Yoga Journal, which is owned by Active Interest Media Inc. in El Segundo, Calif., The figure includes classes, equipment, vacations and magazines.



Luciano Cortese

Michael Wald and his wife, Julie, run a business called Namaste New York that caters to the financial crowd. It offers private yoga lessons and group classes at the office, often scheduled for before or after market close. Cellphones and BlackBerry devices are forbidden in class, though assistants occasionally interrupt a session. The largely female network of teachers are instructed to not wear anything too clingy. And, no chanting.

In general, yoga classes often involve a few minutes of group chanting at the start or end of the class. One common chant is "Om," or "aum" in Sanskrit, which has many meanings but is considered to be the root of all sounds and represents the balance of the mind, body and spirit at the heart of yoga. "It's too far out of the box for our customers," Mr. Wald says.

Namaste has about 20 corporations as clients, which pay as much as \$65,000 annually, as well as roughly 60 individual clients paying about \$150 to \$225 per session. In recent months, as markets have gone wild, Mrs. Wald has noticed increased tension in the neck and back of her clients. Another sign of stress among her students: difficulty sitting still.

Andrew Goldfarb, co-founder of venture capital firm Globespan Capital Partners LLC, in Boston, spends about half an hour each evening doing stretches such as the pigeon and the happy-baby pose. For the pigeon pose, you sit straddled on the floor with the front leg bent in and the back leg straight out behind you. For the happy-baby pose, you lie on your back with your legs bent slightly apart and your feet toward the ceiling. The two poses relax the hips and lower back. Before a tense meeting, he breathes deeply, which gives "a level of equanimity," says 40-year-old Mr. Goldfarb.

Taking It in Stride

Luciano Cortese, a broad-shouldered 48-year-old hedge-fund manager, says he used to bang his desk, throw things or yell at someone when his job became particularly stressful. But since starting yoga in January, he has been taking the stock market's jolts in stride, he says. "I just say to myself tomorrow is another day."

One morning recently, a barefoot Mr. Cortese gingerly moved through a series of forward bends, backward arches and twists on his yoga mat laid out in the television room of his Long Island, N.Y., home. His personal instructor, Kirtan Smith, encouraged Mr. Cortese to focus on his breathing and helped maneuver him deeper into the postures. Small beads of sweat glistened on the fund manager's forehead. At the end of the hour-and-a-half-long session, Mr. Cortese lay on his back for a few minutes of relaxation, or *savasana*. He dozed off, snoring lightly. When he awoke, he bounded upstairs to check the market on his computer.