

COMMUNICATING IN A CRISIS OR A CRISIS OF COMMUNICATION?



Radhika Gupta, CEO, Edelweiss AMC

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Thought exercise: Imagine a Beach



How does a client feel in a crisis?



How should we behave?

- This is a race you want to come first in
- Be the bearer of bad news
- Do not deflect blame

“ego”

**is the only requirement
to destroy any relationship**

**So, be a bigger person
skip the “e” and let it “go” !**

A few key tips in capital markets....!

DON'T PREDICT



SAY I DON'T KNOW



BE BALANCED



DON'T BAD MOUTH COMPETITION

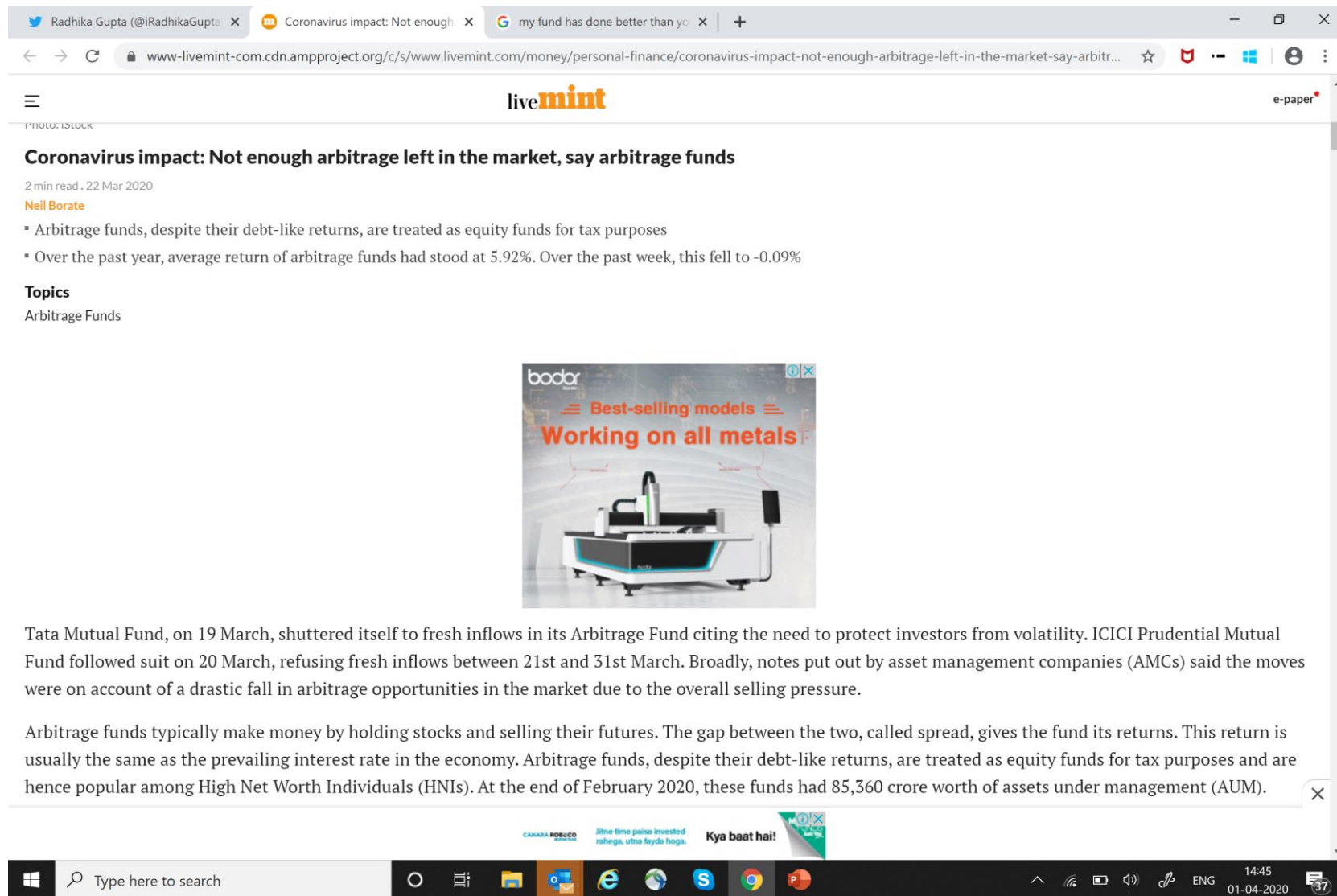


What are some of the things markets professionals say?

- Valuations are getting cheap and it's a time to buy
- My fund has fallen significantly less and it's in the first quartile
- This is a time to be greedy.... Remember Warren Buffet?
- In 2008, it took 1 year to bounce back, and you made 90% return
- It's time for balanced funds now (last year it was large caps, prev year was mid caps)

HOW DOES THIS SOUND TO A CLIENT?

A recent story about crisis communication...



The screenshot shows a web browser window displaying a liveMint article. The browser's address bar shows the URL: www-livemint-com.cdn.ampproject.org/c/s/www.livemint.com/money/personal-finance/coronavirus-impact-not-enough-arbitrage-left-in-the-market-say-arbitr.... The article title is "Coronavirus impact: Not enough arbitrage left in the market, say arbitrage funds", dated 22 Mar 2020, by Neil Borate. The article text discusses the impact of the coronavirus pandemic on the arbitrage market, mentioning that Tata Mutual Fund and ICICI Prudential Mutual Fund have shuttered fresh inflows in their Arbitrage Funds. It also explains that arbitrage funds typically make money by holding stocks and selling their futures, and that the gap between the two, called spread, gives the fund its returns. The article notes that at the end of February 2020, these funds had 85,360 crore worth of assets under management (AUM).

Coronavirus impact: Not enough arbitrage left in the market, say arbitrage funds


2 min read . 22 Mar 2020

Neil Borate

- Arbitrage funds, despite their debt-like returns, are treated as equity funds for tax purposes
- Over the past year, average return of arbitrage funds had stood at 5.92%. Over the past week, this fell to -0.09%

Topics

Arbitrage Funds



The advertisement shows a Bodar laser cutting machine with the text "Best-selling models Working on all metals".

Tata Mutual Fund, on 19 March, shuttered itself to fresh inflows in its Arbitrage Fund citing the need to protect investors from volatility. ICICI Prudential Mutual Fund followed suit on 20 March, refusing fresh inflows between 21st and 31st March. Broadly, notes put out by asset management companies (AMCs) said the moves were on account of a drastic fall in arbitrage opportunities in the market due to the overall selling pressure.

Arbitrage funds typically make money by holding stocks and selling their futures. The gap between the two, called spread, gives the fund its returns. This return is usually the same as the prevailing interest rate in the economy. Arbitrage funds, despite their debt-like returns, are treated as equity funds for tax purposes and are hence popular among High Net Worth Individuals (HNIs). At the end of February 2020, these funds had 85,360 crore worth of assets under management (AUM).



Good crisis communication is...

Quick

Simple[®]

CONSISTENT



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BOLD

How to communicate when you can't go to work....

- Bad messages are often better delivered by a face not a voice
- What's app is not a tool of formal communication
- Social media is your friend if you choose to let it be
- We live in a generation where people watch more and read less
- Tip: Keep a record of difficult conversations. It will help you.

A lesson learned about peacetime vs. wartime communication

Google Search | my fund has done better than yo

status/1241024518153371649

Tweet

@iRadhikaGupta

Many of you are wondering why liquid funds have given negative returns for a few days. Dhawal, our fixed income CIO answers. Watch, and don't worry. If you have more questions tag @EdelweissAMC #SeekAdvice



1:08 9.8K views

Taskbar: File Explorer, Outlook, Edge, Chrome, PowerPoint

Google Search | my fund has done better than yo

(Gupta/media

Radhika Gupta
803 Photos & videos

Radhika Gupta @iRadhikaGupta · Mar 26
You asked about about arbitrage funds. Here is a message from our Fund Manager, Bhavesh Jain.

He's been managing this fund from the day it started. @EdelweissAMC



Bhavesh Jain
Fund Manager - Edelweiss Arbitrage Fund

1:17 2.1K views

6 replies 14 retweets 69 likes

Radhika Gupta @iRadhikaGupta · Mar 26
Have a question about mutual funds or personal finance that needs an answer? Ask our panel of fund managers and advisors tagging #SeekAdvice and @EdelweissAMC



If you think communication doesn't matter, listen to this story



David Kabiller



David G. Kabiller, CFA is the founder, founding principal, and head of business development of AQR Capital Management, along with Cliff Asness, John M. Liew and Robert Krail. [Wikipedia](#)

Born: 2 July 1963 (age 56 years), [Chicago, Illinois, United States](#)

Net worth: 100 crores USD (2020)

Education: [Kellogg School of Management](#)