

COURSE OUTLINE

Behavioural Finance

Who is it for?

- Asset Allocators/Portfolio Strategists
- Portfolio Managers/Investment Advisors
- Product Developers
- Marketing Professionals
- Private Bankers/Wealth Managers
- Equity and Fixed Income Analysts
- Hedge Fund Analysts
- Fund Structures
- Family Office Managers/HNW Individuals/Private Investors

What is it about?

At the end of the course, you will be better able to:

- Understand the principles behind behavioural finance
- Avoid common investment mistakes and know how to avoid them
- Make consistently better decisions using insights into the psychology of investing
- Emulate the behaviours of best-in-class fund managers
- Recognize and understand many of the behavioural biases at work and devise strategies to deal with them
- Recognize irrational and emotional investing among your clients
- Integrate a behavioural framework into your investment management process
- Seize the opportunities for outperformance in the stock market

What will it cover?

- Behavioural Finance: What's new? What's hot?
- An overview of the cutting edge
- Research in the area of investor psychology
- Cognitive biases & their investment
- Implications - a whistle stop tour of the main cognitive biases and heuristics affecting our decisions
- Behavioural finance & market efficiency - The latest research insights into the rationality vs irrationality debate.
- More than 30 years prospect theory: What is Useful to know?
- Practical insights provided by the academic evidence on prospect theory.

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- Neuro-finance: What can investors learn from how the brain operates?
- A discussion and analysis of the growing body of knowledge on neuro-economics
- Overview of behavioural finance
- Overconfidence and individual investors
- Overconfidence and professional investors
- Disposition effect
- Risk perceptions
- Prospect theory
- Decision frames
- Mental accounting
- Familiarity and representativeness
- Behavioural portfolio management
- Social interaction
- Emotions and investment decisions
- Behavioural biases and corporate decision-making (Valuation, capital budgeting, and capital structure)
- Behavioural biases and corporate decision-making (Dividend policy and mergers and acquisitions)
- Psychological phenomena, corporate governance and group process
- Behavioural finance and the financial crisis
- Behavioural portfolio management: Theory & examples
- The implications of behavioural finance insights for modern portfolio management.
- Social interactions and investing An overview of the social psychology of financial behaviour.
- Financial and asset pricing bubbles
- A discussion of how financial bubbles develop and how we can almost recognise them.
- Forecasting financial markets: Facts and fictions
- An experts view on the academic and practical evidence around forecasting.
- Master class wrap-up: Where do we go from here?
- Introduction to follow up exercises

What will I learn?

By the end of the workshop, delegates will be able to understand the impact of rational and emotional decision making and use these concepts to their advantage in their specific departments.