



## ***Behavioral Finance: Managing Expectations to Higher Profits***

In the financial industry, decision making in investments tend to follow a linear, rational process until.... it doesn't! Whether you are a portfolio manager, financial advisor, insurance producer, trader, dealer, or analyst, Behavioral Finance helps explain the psychological forces that move markets. Our program provides answers to the two primary concerns in this field: 1) what are the irrational, driving forces behind investment behaviour, and 2) how you as a professional can manage them better.

### **Behavioral Finance**

Whether you are currently experiencing a bull or bear market, these perspectives and skills will prepare you for this crucial element of professional management so you are never again ill prepared for the irrational investor.

This program can be facilitated in a 1 or 2 day format.

#### **Module 1: Self Awareness, Personality Factors and Modern Money Management**

- Understanding how your attentional and interpersonal “hardwiring” influences your perceptions and actions with regard to the capital markets
- This self understanding lays the foundation for your understanding of how others approach unpredictability, impulsivity, decision making, perfectionism, performance under pressure and many other psychological factors that drive behavior

#### **Module 2: Logic and Emotion: Intuition, Gut Feelings and other Irrationalities**

- The most natural method to think about a decision is seldom the best way to make a decision
- Learn to conquer your and your clients senses with common sense
- “The Jelly Bean Syndrome” or Denominator Blindness

#### **Module 3: The Prediction Addiction**

- A Witch Doctor, A Soothsayer, An Expert and A Market Forecaster Walk into a Bar...”
- Randomness, Odds, and Neuroscience: Into the Rabbit Hole We Go.... Or Neuroplasticity and Resculpting Your Brain

#### **Module 4: Greed, Confidence and Regret**

- Getting a Grip on Greed for you and your Clients
- How Sure Are You?
- What Might Have Been vs. What It Is: Compare and Contrast



- Regret as a Self-Fulfilling Prophecy

#### **Module 5: Gambling, Overconfidence, and Hubris**

- The Gambler's Fallacy
- Irrational Exuberance
- Patterns Lie

#### **Module 6: Anxiety, Nervousness, Risk Aversion and Fear**

- Nature vs. Nurture
- Can you Empathize with your Future Self (or your Future Client)?
- Risk Aversion

#### **Module 7: Put a New Frame on It**

- Loss vs. Risk Aversion
- Potential Gains vs. Potential Losses
- Rose Tinted Glasses vs. An Elephant

#### **Module 8: The Principle of Herding**

- Status: Big House, Corner Office and Deference to Authority
- Group Think: People Need to be Liked and the Crowd is more Informed
- When your Barber gives you a Stock Tip...

#### **Module 9: Change Tips and Behavioral Finance Investing**

- Talking to your Investor
- The Value Proposition for Behavioral Finance
- Psychology Informed Strategies *are* quantifiable