

Index

Note: Page numbers followed by “*n*” with numbers indicate notes.

- Advice, 170–181. (*see also* financial advisors)
 - disposition and, 90, 96–98, 109–110, 111
- Advisors. (*see* financial advisors)
- Advisory service, 220–221
- Age, 32
 - gender and, 69–71, 69t, 71t
- ANOVA, 56, 57
- Asian investors, 41
- Asset price, 35–36
- Banks
 - foreign, 12
 - Maltese, 12–13
- Behavior, trading and, 21–22
- Behavioral bias, 24–25
- Bias
 - authors, 217
 - behavioral, 24–25
 - familiarity, 181–185
 - incentive, lack of, 63–64
 - interviews/interviewer, 64–65
- Bogus information. (*see* uncertain information)
- Branding, 37–38
- Case studies, 44
- Chi-squared test, 56
- Competence bias, 37
- Confidence, 25, 162–166. (*see also* overconfidence)
- Cooperation, 219
- Costs, 41, 199–203
- Creative Research Systems, 46
- Culture, 40–41
- Data analysis, 54–58
 - propositions, 55–58
 - Survey Monkey, 5
- Data collection
 - logistics, 52–54
 - methods, 47–52
 - triangulation, 60
- Declaration of income, 72, 77–78, 78t
- Dependents, 76, 77t
- Design, research, 43–44
- Disposition, 86–117
 - advice and, 90, 96–98, 109–110, 111
 - annual income, 106
 - buys and, 107, 108
 - cutting losses and, 89
 - gains making up for past losses, 103–104
 - market and, 99–102, 112–117
 - price and, 88
 - reinvestment and, 105
 - risk aversion and, 23–24
- Employment, 72–73, 73t
- Ethics, 54
- European Central Bank (ECB), 13
- Expectations, and performance, 20–21
- Experiences, past. (*see* past experiences)
- Familiarity, 37–38, 181–185
- Fear, for investors, 189–193
- Financial advisors, 29–31, 219–220. (*see also* advice)
 - communication to customers, 220
 - impacting advice, 30–31
- Financial investment. (*see* investment)

- Financial literacy, 29
 - promoting, strategic alliances for, 220
- Findings
 - recommendations, 219–221
 - significance and originality, 219
 - summary, 205–207
- Gender, 31–32, 33t
 - age and, 69–70, 69t, 71t
 - dependents by, 77t
 - disparity in trading, 72
 - employment by, 72–73, 73t
 - income by, 79t
 - marital status by, 76t
- Growth vs. value investing, 17t
- Herding, 38–39, 185–189
- Home ownership, 77, 77t
- Human behavior, 63–64
- Hungary, 40
- Incentive bias, 63–64
- Income, 34
 - aging-societies, 34
 - annual, disposition and, 106
 - declaration, 77–78, 78t
 - gender, 79t
- Information
 - advantages of, 28–29
 - cascade, 38
 - dissemination of, 28
 - media and, 36–37
 - omission of, 217
 - promotional sources, 147–149
 - risk and, 19–20
 - uncertain, 27, 28–29
- Interest rate, 12–13
 - central banks and, 13
 - risk and, 13, 15
- Interviews
 - bias, 64–65
 - semi-structured. (*see* semi-structured interviews)
 - unstructured in-depth, 65
- Investment, 11–12. (*see also* investors)
 - knowledge of, 151–156
 - in Malta, 12–15
 - strategy, 39–40
- Investment Registration Schemes, 12
- Investors
 - asset price and sentiment of, 35–36
 - behavior and trading, 21–22
 - knowledge of investment, 151–156
 - modern theory of, 1
 - objectives of, 12
 - traditional theory of, 1
- ISO 31000, 40
- Likert scale, 49, 51
- Limitations
 - loss aversion composite for, 129–133
 - methodology, 60–65
 - research, 217–218
 - risk aversion vs., 124–129
- Losses
 - cutting, 89
 - gains making up for, 103
 - waiting out, 94
- Malta
 - Constitution, 3
 - European Union and, 3–4
 - financial market, 4
 - GDP, 3
 - investment in, 12–15
 - population, 3
- Malta Exchange Act of 1990, 13
- Malta Stock Exchange (MSE), 3, 4
 - annual reports, 45
 - index, 13
 - as regulated capital market, 13
 - trading operations, 13
- Maltese Electoral Register, 46
- Mann–Whitney U tests, 57, 159
- Marital status, 33–34, 74, 76t
- Market, 9–11, 77f
 - disposition and, 99–102, 112–117
- Markets in Financial Instruments
 - Directive (MIFID II), 40
- Maturity, 162–165
- Maximization process, 1
- Mean Rating Scores (MRS), 55, 57–58
- Media, 36–37, 149, 151
 - decision making and, 149
 - familiarity, 182

- Methodology
 data analysis, 54–58
 data collection, 47–48
 design, 43–44
 ethics, 54
 instrumentation, 48–52
 limitations, 60–65
 logistics, 52–54
 participant selection, 44–47
 summarizing tests, 58–60
- MFSA, 8, 31, 45, 53
- Misinterpretation, 64
- Mixed method approach (MMA), 47
- MRS. (*see* Mean Rating Scores (MRS))
- Nationality, 72
- Noise trading, 27. (*see also* overconfidence)
- Non-probability sampling, 60–63
- Non-response bias, 60–63
- Null hypothesis, 56, 57–58
- Occupation, 73–74, 76t
- Online survey, 46, 48, 52, 53. (*see also* questionnaire)
- Overconfidence, 25–27
 determining existence of, 133–139
 earnings and, 144–146
 effects of, 25–26
 noise trading and, 27
 overtrading and, 139–144
 reasons for, 26–27
- Panama Papers, 46–47
- Paper questionnaires, 47, 52–53. (*see also* questionnaire)
- Participant selection, 44–47
 population frame, 44–46
 sample size estimation, 46
 sampling, 46–47
- Past experiences, 39, 193–199
- Pearson correlation, 58
- Peer-reviewed journals, 44
- Performance, expectations and, 20–21
- Pilatus Bank, 46–47
- Price, 86–117
 asset, 35–36
 when goes down, 86–101
 when goes up, 101–117
- Price Pressure Hypothesis, 35–36
- Promotional sources, 147–152
- Propositions, 5–6, 7, 43
 acceptance/refusal of, 215t–216t
 conclusion on, 209t–212t
 confidence, 165–170
 data analysis, 54–58
 knowledge of investment, 152–161
 maturity, 162–165
 overconfidence, 133–146
 promotional sources of information, 147–152
 reflecting disposition effects, 86–117
 returns expectations, 79–86
 risk aversion. (*see* risk aversion)
- Questionnaire, 47, 48–51. (*see also* propositions)
 data analysis. (*see* data analysis)
 pilot-testing, 50–51
 pretested theories, 48
 questions, 49
- Regulation, 40
- Reinvestment, disposition and, 105
- Research
 answers to questions, 207, 208f
 design, 43–44
 discussion, 213–216
 findings, 205–207
 future, 218
 limitations and mitigation, 217–218
 methodology. (*see* methodology)
 recommendations, 219–221
- Response fatigue, 63
- Retail investors, 41
- Returns, 79–86
 expected rate of, 79–81, 80t
 as perceived by investor, 81–86
- Risk
 defined, 17–18
 information and, 19–20
 perception and, 19
 return and, 18–19
- Risk appetite, 2, 18
- Risk aversion, 117–133
 composite for, 124–129
 defined, 23

- disposition and, 23–24
 - loss aversion vs., 120–124
- Risk profiling, 1
- Risk tolerance, 2, 17–20

- Scandals, 46–47
- Scatter plot, 58, 58f
- Selection of participant. (*see* participant selection)
- Self-reporting questionnaire.
(*see* questionnaire)
- Semi-structured interviews, 51–52
 - analysis, 59–60
 - limitations, 64–65
 - logistics, 53–54
- Status, 33–34, 76–77

- Strategic alliances, financial literacy and, 220
- Survey Monkey, 55, 62

- t*-test, 56–57
- Time deviation, 64
- Timing as limitation, 217–218
- Trading
 - investor behavior and, 21–22
 - noise, 27
- Trend chasing, 39

- Value vs. growth investing, 17t

- Wealth, value and, 20
- Weber, M., 22, 146, 170, 177