INVESTMENT DECISIONS IN FINANCIAL MARKET AND BEHAVIOURAL FINANCE



GENTEX®
TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
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Introduction

Investment Decisions in Financial Market and Behavioural Finance Training Course connects classical investment theory with the psychology that drives real decisions. Participants learn how markets price assets, how portfolios are built and measured, and where human judgement departs from rational models. The programme covers asset allocation, risk and return measurement, valuation metrics, market efficiency and the behavioural biases that distort choices. Furthermore, it examines herding, loss aversion, overconfidence and framing, and how institutions can build decision processes that resist them. As a result, delegates can make and review investment decisions with clearer reasoning. Gentex Training Center delivers the programme through market data workshops and decision case work.

Investment Decisions in Financial Market and Behavioural Finance Course Objectives

- Explain market structure, participants and how prices are formed.
- Apply risk and return measurement using standard deviation, beta and correlation.
- Build portfolios using asset allocation and diversification principles.
- Apply valuation metrics including price-earnings, EV/EBITDA and dividend yield.
- Explain market efficiency concepts and their practical limits.
- Identify behavioural biases affecting investors and decision makers.
- Apply prospect theory and loss aversion to investment behaviour.
- Evaluate herding, overconfidence and anchoring effects in markets.
- Design decision processes and checklists that reduce bias.
- Measure performance using Sharpe ratio, alpha and tracking error.

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Course Methodology

The course combines market briefings with data workshops, decision exercises and case debate. Participants analyse live market data, construct portfolio illustrations in Excel and run bias-check exercises on real decisions. In addition, structured peer review and group discussion reinforce each technique, and every day closes with an applied investment task.

Who Should Take This Course

- Investment analysts, portfolio assistants and research staff.
- Banking, wealth management and private banking professionals.
- Treasury and asset-liability management staff.
- Pension, endowment and sovereign fund administrators.
- Corporate finance and investor relations professionals.
- Consultants and advisers supporting investment decisions.

Investment Decisions in Financial Market and Behavioural Finance Course Outlines

Day 1: Financial Markets and Price Formation

- Market structure and participants: issuers, investors, dealers and regulators.
- Primary and secondary markets and the role of exchanges.
- Price formation, information flow and the role of market data.
- Trading mechanisms, liquidity and transaction costs.
- Indices, benchmarks and how they are constructed.
- Market efficiency concepts and their practical limits.

- Workshop: mapping a trade from order to settlement.

Day 2: Risk, Return and Portfolio Construction

- Return measurement: holding period, annualised and risk-adjusted returns.
- Risk measurement using standard deviation, beta and correlation.
- Diversification and the efficient frontier concept.
- Strategic, tactical and rebalancing approaches to asset allocation.
- Risk tolerance, time horizon and investment policy statements.
- Performance measurement using Sharpe ratio, alpha and tracking error.
- Workshop: building a multi-asset portfolio illustration in Excel.

Day 3: Valuation and Asset Selection

- Fundamental analysis and the drivers of value.
- Valuation metrics: price-earnings, EV/EBITDA and dividend yield.
- Discounted cash flow valuation and cost of equity.
- Relative valuation and peer group benchmarking.
- Screening, due diligence and manager selection.
- Forecasting, scenario analysis and reviewing the investment case.
- Workshop: valuing a listed company and comparing it with peers.

Day 4: Behavioural Finance Foundations

- Rational choice assumptions and where they fail.
- Prospect theory and loss aversion in investment decisions.
- Overconfidence, illusion of control and excessive trading.
- Anchoring, framing and confirmation bias.

- Herding behaviour, market bubbles and crashes.
- Emotional and cognitive biases: which are correctable.
- Workshop: diagnosing biases in a real investment decision case.

Day 5: Decision Architecture and Governance

- Designing decision processes that resist bias.
- Checklists, pre-mortems and devil's advocate techniques.
- Group decision making, committees and accountability.
- Nudging, defaults and choice architecture in savings and investing.
- Behavioural risk in manager selection and mandate design.
- Reporting decisions and reviewing outcomes without hindsight bias.
- Workshop: presenting an investment decision and bias review before a panel.

Conclusion

By successfully completing Investment Decisions in Financial Market and Behavioural Finance Training Course, participants will have acquired the knowledge to analyse investments and to recognise where human psychology distorts them. They will understand market structure, risk and return, portfolio construction, valuation, behavioural biases and decision design, and they will know how to build processes that improve judgement. As a result, delegates make more disciplined investment decisions. Gentex Training Center builds the programme around current market and behavioural research.

FAQs for the Investment Decisions in Financial Market and Behavioural Finance course

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Q1 What is the "Investment Decisions in Financial Market and Behavioural Finance" course about?

It combines investment theory with the psychology behind real choices. You cover market structure, risk and return, portfolio construction, valuation, market efficiency and behavioural biases such as loss aversion and herding, then apply them to decision cases.

Q2 What are the key benefits of the "Investment Decisions in Financial Market and Behavioural Finance" course?

You gain the ability to question valuations and recognise bias in your own decisions and in others'. You also improve portfolio construction, strengthen committee decision processes, reduce excessive trading, and review outcomes more objectively.

Q3 What skills will I gain from the "Investment Decisions in Financial Market and Behavioural Finance" course?

You will gain market and asset class analysis, risk and return measurement and portfolio construction, valuation and asset selection, and behavioural bias diagnosis and decision process design.

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Q4 What tools, methods, or standards are covered in the "Investment Decisions in Financial Market and Behavioural Finance" course?

The course covers risk and return measurement using standard deviation, beta and correlation, valuation metrics including price-earnings, EV/EBITDA and dividend yield, discounted cash flow valuation, efficient frontier and asset allocation concepts, performance metrics including Sharpe ratio, alpha and tracking error, prospect theory and loss aversion, and bias-reduction techniques such as checklists and pre-mortems.

Q5 How is the "Investment Decisions in Financial Market and Behavioural Finance" course applied in real-world practice?

Graduates apply it to prepare and challenge investment cases, build and rebalance portfolios, review manager and security selections, run bias checks in committee papers, design decision checklists for investing and savings products, and evaluate performance against benchmarks without hindsight distortion.