Behavioural Biases of Institutional Investors under Pressure from Customers: Japan and Germany vs the US

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Abstract

The study examines the impact of customer pressure on the investment decisions of institutional investors in Japan, Germany, and the US. The research uses a survey of fund managers in each country to assess their investment strategies and behaviors under pressure from clients.

The key findings indicate that Japanese fund managers tend to be more risk-averse than their German and US counterparts. This is especially true when their investment strategies are monitored closely by clients.

Japanese fund managers are also more likely to rely on quantitative analysis and risk management tools, whereas German fund managers favor qualitative methods and market trend analysis.

In contrast, US fund managers are characterized by a more aggressive investment style, with a greater willingness to take on higher risks.

The study highlights the importance of understanding the cultural and regulatory differences that influence investment behavior, which can help financial institutions tailor their strategies to better meet the needs of their clients.

References


Early summary

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