

Marina Nikiforow

Essays on International
Asset Management:
Evidence for Developed
West and Emerging East

Table of contents

1. Introduction	1
1.1 Motivation and contribution of this dissertation	1
1.2 Outline	4
2. Professionals' endorsement of behavioral finance: Does it impact their perception of markets and themselves?	9
2.1 Introduction	9
2.2 Data	11
2.3 Views on market's behavior	16
2.3.1 Motivation	16
2.3.2 Results	17
2.4 Views on one's own behavior	19
2.4.1 Motivation	19
2.4.2 Results	22
2.5 Consequence on investment behavior	25
2.6 Conclusion	28
3. Does training on behavioral finance influence fund managers' perception and behavior?	31
3.1 Introduction	31
3.2 Data	33
3.3 Formation of comparison groups	35
3.3.1 "Trained" versus "Untrained" fund managers	35
3.3.2 "Trained experts" versus "Untrained experts"	36
3.3.3 "Trained and BF integrated" versus "Trained and BF not integrated"	38
3.4 Trained fund managers' perception of markets and their self-assessment	39
3.4.1 Perception of markets	39
3.4.2 Self-assessment	42
3.5 Consequences on the investment behavior	47
3.6 Conclusion	51

4. Fund managers' information processing in the developed West and the emerging Eastern Europe	53
4.1 Introduction	53
4.2 Data	56
4.3 On information transparency and efficiency in Russia and Ukraine	58
4.4 Evidence on market settings in developed markets (DM) and transition markets (TM)	60
4.4.1 Motivation	60
4.4.2 Results	63
4.5 Evidence on information processing in DM and TM	65
4.5.1 Hypotheses for the use of basic information categories	65
4.5.2 Evidence on the use of basic information categories	67
4.5.3 Evidence on herding	69
4.6 Order flow, herding and relevance of fundamental information in DM and TM	71
4.6.1 Order flow, herding and company size	71
4.6.2 Order flow and fundamental orientation	73
4.6.3 Herding and fundamental orientation	75
4.6.4 Accessibility to order flow	79
4.7 Motives for herding in DM and TM	80
4.8 Conclusion	83
5. Fund managers' investment behavior in different market settings: Evidence from Russia, Thailand, and Germany	85
5.1 Introduction	85
5.2 Investment industries in Russia, Thailand, and Germany	89
5.3 Survey data	90
5.4 Risk behavior	94
5.5 Herd behavior	98
5.6 Home bias	104
5.7 Conclusion and outlook	113

6. Exchange rate exposure of Central and Eastern European exporting firms	117
6.1 Introduction	117
6.2 The FX Exposure of Firms	120
6.3 Data	121
6.4 Methodology	123
6.5 Empirical Results	125
6.6 Conclusion	136
Appendix	139
Annex	149
References	155