

Common Behavioral Bias Definitions

Category	Description
Anchoring	Tendency to focus on specific reference point when making investment decisions
Availability	Make decisions based on readily available information
Confirmation	Seek information that reinforces their perception
Endowment Effect	Tend to assign a greater value to investments or assets they already own
Familiarity/Home	Preference to invest in familiar (U.S.-domiciled) companies
Framing	Make decisions based on the way the information is presented
Gambler's Fallacy	Belief that a random event is more/ or less likely to occur following a series of events
Herding	Following the crowd or latest investment trends
Inertia/Status Quo	Failure to get around to taking action or avoid making changes to portfolio
Loss Aversion	Playing it safe or accepting less risk than they should tolerate
Mental Accounting	Separating wealth into different buckets based on financial goals
Overconfidence	Being overly confident in one's own ability
Recency	Easily influenced by recent news events or experiences
Regret Aversion	Fear taking action due to previous mistakes or regret avoidance
Selective Memory	Only recall positive experiences or outcomes