The Effect of Personality Characteristics of Capital Market Analysts on Investment Trends, Risk and Return of their Performance

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ABSTRACT

The relationship between finance and other social sciences as known behavioural finance, evaluate investors to the decision-making process and their reaction to different conditions of financial markets deals. In this study assumed that analysts are specialist in fundamental and technical analysis and then influence their personality characteristics is evaluated on their performance. Statistical population and the sample of this study consist of capital market analysts. Required data is collected by a combined questionnaire. The research hypotheses are tested using Pearson's correlation tests. The results show that there is a significant correlation between extraversion features, Agreeableness, Consciousness and personal control to the degree of risk aversion, but no significant relationship was observed between personality characteristics and returns portfolios analysts. In addition, no significant relationship was observed between the type of fundamental analysis and technical analysts and degree of risk aversion. In addition, findings show that the degree of risk aversion has inverse relationship whit capital market analyst's tendency investment. Also, analyst's whit characteristics of extroversion, agreeableness and Consciousness are more likely to invest in short-term and long-term investments.

Keywords:

return on a portfolio, risk aversion, performance analysts, financial behaviour, personality traits

1. Introduction

Most of the researchers in the field of finance believe that investors should be a good psychologist. In fact, the behaviour of the stock market and its participants are inherent psychological aspects. In other words, understanding the psychology of the market and its participants is an important factor in making a sound decision (Robert, 2001).

Therefore, the relationship between finance and other social sciences which is known as financial psychology or behavioural finance, investigates the decision making process of investors and their responses to different conditions of financial markets and its emphasis is on the influence of personality, culture and individual's judgment in their investment decisions. In fact, financial psychology has been proposed in the paradigm of rational behaviour of investors (Fromlet, 2001).

Financial psychology paradigm deals with this view that complete forecast, flexible prices, and thorough knowledge in making investment decisions seems unrealistic. Financial psychology is a new paradigm in theories which deals with understanding and predicting the behaviour of financial decision makers, with an emphasis on behavioural principles and the market behaviour, (Olsen, 1998).

Recent studies show that people give values to information which is relevant to its content and use positive and negative aspects of information in their decision making model. Loewenstein (2006) states that people try to ignore or rarely accept information that is contrary or barely acceptable, and this happens regardless of the value of new information. New researches in psychiatry show that the human brain for the predictions in contrary to individual desire, feels discomfort like, the discomfort of painful memories (Berns et al. 2006).

This paper suggests that factors such as avoiding accepting negative news or unconsciously referring to previous experiences, affecting the analysts' use of information. Thus, there are some questions including, whether investment companies are required to examine psychological characteristics of analysts in addition to their expertise to recruit them? Also whether in addition to the, above factors should we look at the factors influencing the success of analysts' performance such as their portfolio returns? Whether other than analysts' success factors do we need to look at factors which have behavioural features? For example, whether analysts who work individually and are only rely on their knowledge and skills will be more successful than analysts who work in groups and their analysis using other people ideas? Whether analysts are patient or not is a positive element in achieving higher efficiency or rapid response to adverse events.

Thus, in this study, the third dimension of capital markets which is the way of thinking of main players will be tested and analysed. Regarding all mentioned issues and based on relevant new theories in behavioural finance, this paper investigates to what extent investors' behaviour influence their success in investment and which behavioural features should be strengthened for success and which features should be amended. In addition it will be analysed, that participant with what behavioural features can be successful in capital markets.

2. Literature Review

The Behavioral Research term in accounting originally appeared in the accounting literature in 1967 and the basis of behavioral research in accounting is human judgment theory. This theory is related to psychological issues and it is introduced by Edvarz (1954). The use of behavioral researches in accounting and auditing goes to 1974. In 1974 Ashtn published an experimental investigation about auditor's judgment on internal controls. Since 1974 till now, a revolution generally in behavioral research in accounting and especially in theory of human judgment and in particular, in the audit subject is occurred. Because. Judgment has particular importance in the audit process. But, the development of behavioral research in the field of financial accounting by giving contract theory in 1980s have faded somewhat and overshadowed.

Thaler (1993) defines Behavioral Finance as "attitude to financial knowledge with an open mind". Behavioral finance is the study of psychological effects on behavior in financial markets. Sewell (2007) describes, *"Behavioral finance is the study of the influence of psychology on the behaviour of financial practitioners and the subsequent effect on markets."* The science deals with theories and experiments concentrate on what happens when investors make decisions based on guesses or feeling.

The importance of the study of behavioral finance is more obvious in Merton definition. This definition perhaps is the most accurate and brief definition of the financial theory. This definition is as follows:

The main principle of financial theory is the study of the factors' behavior in the allocation and distribution of resources in terms of time and place in an uncertain environment. Time and uncertainty are two key factors which affect financial behaviour (Franken, 1990).

Thus, behavioral finance is the paradigm which challenges two basic financial standard assumptions: first, the economic rational man and second, the rational markets and efficient markets. Based on the two discussed assumptions, Michael Pompian(2006) divided behavioral finance into two parts:

1) Micro Behavioral Finance (MBF); which studies the investors' behavioral biases and the most famous of these biases is overconfidence, mental accounting and risk-taking.

2) Macro Behavioral Finance (MBF); which studies the irregularities and inefficiency of financial markets. In fact, the issues such as overreaction, down reaction, limits to arbitrage and price babble are placed in this category.

Some scholars believe that behavioral finance contains two elements which include:

1- The limitations in arbitrage: Unlike modern financial, behavioral finance claims that the market does not use all arbitrage opportunities due to some restrictions and the hedging process is not completed.

Thus, in any time, it is possible to see deviations from inherent price, but, investors do not use them. This could be due to the higher cost and risk of trading compared to arbitrage profits.

2- Cognitive psychology and the lack of perfect rationality; which clearly explain some behavioural and psychological biases in the investors' behaviour. These biases compared to optimal behaviours may cause wise decisions to be not taken. These behavioural biases include intuitive methods, self-deception and social interactions (raie and falahpoor, 1992).

The nature of risk and the approach of risk aversion and risk-taking of people is a developing concept. In this regard, in 1947, the expected utility approach as a basis for decision-making model is presented by Fon Neumann and Morgenstern. In this model, to maximize expected utility is the only factor involved in the people's decision making. Then, in 1952, Aliyas hesitated that expected utility is the only influencing factor on people's decision making process and the probability of gaining expected return is introduced by him as another factor which affect the investors' decisions. Markowitz in 1952 also introduced two-factor model, so that investors tend to earn greater returns, but do not want their uncertainty exceed of obtaining efficiency.

In other words, at the theoretical models of economic and financial, investor behavior and the influence of their characters is assumed constant, But in many decision making situations, investors in financial markets, are influenced by culture, character and investment experience, and these factors have a strong effect on trends and volatility of the markets and prices (Scherbina, 2000). as well as perception of decision-making is an important factor in investment decision, investors character is involved in decision making (fromelt,2001). decision making is so intertwined with the psychological characteristics of the decision-making, which cannot be studied one without the other. Personality Factors such as intelligence, personality, mood and attitude, all are involved in decision-making. Theorists in the decision making always try to prevent interfering decision-makers personality and certain values, in their models. However they know, the views, the degree of risk-taking and experience are involved in the decision making. For illustrate the various irrational investor behaviors in financial markets, Behavioral theorists draw on the science of human cognitive behavioral theories from psychology, sociology and anthropology. Two major theories are discussed: Prospect Theory and Heuristics.

The Prospect theory was In fact figure out by Kahneman and Tversky (1979) and later resulted in Daniel Kahneman take awarded the Nobel Prize for Economics. The theory recognizes two steps in the decision making: the early phase of framing (or editing) and the subsequent phase of evaluation.

Parikh (1994) *said, Heuristics are simple efficient rules of the thumb which have been proposed to explain how people make decisions, come to judgments and solve problems, typically when facing complex problems or incomplete information. These rules work well under most circumstances, but in certain cases lead to systematic cognitive biases"*

Bucciol and Zarii (2015) investigated the effect of personality traits on people's decision making process and concluded that self-confidence (self-mastery) trait significantly associated with people's degree of risk-taking and openness to new experiences trait is also affect people's decision making process.

Carrie et al. (2012) found that the risk-adverse personality trait inversely correlated with extraversion and openness traits but directly associated with conscientiousness characteristic. Moreover, high self-confidence inversely correlated with risk-adverse trait and regrets feeling of the investment choices inversely associated with introversion trait but is directly related to conscientiousness characteristic.

Duckworth and Weir (2011) investigated the effect of personality traits on investors' performance and concluded that conscientiousness characteristic of investors is directly associated with their level of education and is the most effective factors among Neo five factors personality traits on performance.

Statman and Wood (2004) concluded that personality characteristic is one of the effective factors on investors' performance and Weel (2008) also revealed that investors' perception of themselves is one fundamental factor which influences their performance and their return.

Saadi et al. (2010) examined the influence of personality characteristics on perceptual errors among sample of 200 investors. Their results show that there is a significant relationship between extraversion and openness with forecast error and overconfidence, and also between neuroticism and conscientiousness with random error.

Vakilifard et al. (2013) investigated the behavior of investors in Tehran Stock Exchange with a network analysis process. The results show that investors in Tehran Stock Exchange have herd behavior in 40 percent of their behaviors and decisions about buying and selling stocks and in 33 percent, they selected the detailed and analytical process for their buying and selling decisions and behave rationally. Also, 22 percent of investors' behavior is reactive and 5 percent of their buying and selling decisions are intuitive.

3. Methodology

As the Nobel Committee noted, it is required to combine different disciplines to provide new knowledge and appropriate to the current situation. In prior studies, the appropriate methods of valuation and analysis in stock market are investigated and the relationship of many factors such as technical analysis or fundamental analysis with stock price is examined. All of these factors are personal tools of investor which using them in order to make more sound decisions. But, the way of using these tools or success in using them depends on investor's characteristics that have not been paid enough attention to them. Therefore, in this study, the behavioural characteristics required for success in the capital markets has been investigated.

The performance of investors is evaluated by factors such as tendency of investment, risk and return. Therefore, to investigate the relationship between investors' personality traits with their performance, these factors are considered and the research hypotheses are developed as follow:

H1: the tendency of analysts' investment (short-term and long-term) is significantly associated with their personality traits.

H2: the tendency of analysts' investment (short-term and long-term) is significantly associated with the degree of their risk-aversion.

H3: the degree of investors' risk-aversion is significantly associated with their personality traits.

H4: the investors' portfolio return is significantly associated with their personality characteristics.

In this paper, for measuring the investors' risk-aversion, Neo decision making questionnaire and Ghomez and Balkin (1989) financial risk-aversion questionnaire are used and also for measuring investment intention, kilifmifield et al. (2008) short-term and long-term investment questionnaire is used. For measuring the investors' portfolio return, for the year 2013 as a rising period and year 2014 as a downward period of Tehran capital market is considered. Respondents are asked to declare their portfolio return for these periods. Moreover, for controlling the difference between stated returns with real portfolio returns, the information of their investments is received and the real portfolio returns is calculated for every respondents based on their investments. After calculating the real returns and comparing with the respondents' declared returns, it will be concluded that whether both returns are in the same direction and there is not a significant standard deviation or not.

Characteristic features in this research include neuroticism (N), extraversion (E), openness (O), agreeableness (A), consciousness (C), problem-solving confidence, personal control over emotions and behaviors and trends - avoiding style, which are measured by using two questionnaires: NEO five-factor Inventory and problem solving Heppner. Each of the characteristics is measured and defined as Table 1.

Table 1: Combined questionnaire

Description	Criteria of evaluation (measurement)
General characteristics	Evaluation of social features
Risk-aversion	High scores indicate greater risk-aversion
Short-term investments	High scores show the intention of an individual to make short-term investment.
Long-term investment	High scores show the intention of an individual to make long-term investment.
Neuroticism	High scores show seizures, moodiness, anxiety and insecurity.
Extraversion	High scores show assertiveness, sociability, talkativeness, optimistic, and being energetic
Openness to experience	High scores show active imagination, aesthetic sensitivity, preference for diversity, extensive intellectual and cultural curiosity.
Agreeableness	High scores show altruism, empathy toward others and social solidarity.
Consciousness	High scores show purpose, determination, reliability and accuracy of people.
trends - avoiding style	Describes the enthusiasm of wishful thinking and behavioral efforts to escape or avoid the problem.
problem-solving confidence	Describes the self-confidence of people when he/she participate in solving problems and accepting his role in doing their works and their responsibility.
personal control feature	Shows the extent to which a person believes that the problem is under his emotions and behaviors' control when solving the problem.

In many behavioural research, to investigate the personality characteristics in different periods, the NEO five-factor questionnaire is used (Barbaranelli and Caprara, 2000; DeYoung, 2006; DeYoung et al., 2007; Saadi et al., 2010; modares and Rahmani, 2011).

In this study, in addition to the NEO questionnaire, Heppner problem-solving questionnaire is also used to evaluate other personality characteristics.

In behavioural research, it is noted that besides the analysts' proficiency in analytical procedures, the ability to timely use and dispassionately of analyses are more important (Karlsson et al., 2009; Gherzi et al., 2014; Mitroi and Oproiu, 2014). Therefore, in this research, the population is Iranian stock market analysts who have knowledge information about technical and fundamental analysis and thus, the effect of analysts' personality traits on their performance is investigated.

In this study, Iranian stock market analysts are individuals who qualified in annual examination of analysis which is conducted by Tehran Stock Exchange and they have the certificate of stock market analysis. Due to this fact that the number of population is quite low, the sampling process is eliminated and the Neo's combined questionnaire, Heppner's problem-solving questionnaire, risk-taking and return calculation are sent to all Iranian capital market analysts by mail and email and 137 questionnaires are received. Among these questionnaires, 17 questionnaires are not completed and removed from the assessment and research hypotheses are tested using 120 completed questionnaires.

Table 2 explains the demographic variables of gender, marital status, education, the analysis method and the background of analysts (Table 2).

At table 2 It can be seen that among the respondents, 98 are male and 22 are female. Sixty four respondents are single and 56 respondents are married and 30 have Bachelor degrees, 68 have Master degrees and 22 have PhD degrees. Among 120 analysts in the sample, 18 respondents use the fundamental analysis, 20 respondents use technical analysis and 69 respondents use both technical and fundamental methods. Moreover, 13 respondents use none of fundamental and technical methods and decide to buy and sell stocks just by getting the news. Nine respondents have less than 2 years' experience in the capital market, 53 respondents have 2 to 5 years' experience and 58 respondents have over 5 years active experience in capital market. The average age of samples is 32.17 years with a standard deviation of 5.89 years

Table 2: demographic variables

Variable		Frequency	frequency percentage		Variable	Frequency	frequency percentage
Gender	Male	98	81.7	Analysis	No method of analysis	13	10.8
	Female	22	18.3		Fundamental	18	15
Marriage	Single	64	53.3		Technical	20	16.7
	Married	56	46.7		Both	69	57.5
Education	bachelor' degree	30	25	Experience	less than 2 years	9	7.5
	master's degree	68	56.7		2 to 5 years	53	44.2
	PH.D.	22	18.3		Over 5 years	58	48.3

4. Results

The reliability of Neo's questionnaire is evaluated in different countries. McCree and Costa has been reported the retest coefficient for Neo five-factors 83%, 75%, 80%, 79% and 79% respectively. In another research by Cook on 117 couples Cronbach's alpha of short form has been reported from 85% to 92%. The results of the reliability of the short form of Neo in the researches by Amanelahifard (2005), Mohammad Zadeh Admolaee (2008), and Hussein Lorgany (2007) also indicated that the questionnaire is valid and reliable.

Heppner's problem solving questionnaire is also translated by Rafati and the guidance of Khosravi in 1996 and is used for the first time in Iran. The reported Cronbach's alpha in the research by Khosravi et al. (1998) is 86% and in the research by Bazl (2004) is 66% which is acceptable. Moreover, in the research by Rastgoo et al. (2010), the validity of the questionnaire with conducting two times during two weeks is reported between 83% and 89%.

In table 3, the results of testing the first two hypotheses are reported. In this study, to investigate the relationship between rating short-term and long-term investment of analysts with risk-taking and personality traits, the Pearson correlation test is used and to examine the relationship between demographic variables and portfolio management, the Spearman correlation is used. One star shows that the relationship is significant at 95% confidence level and two stars shows that the relationship is significant in 90% confidence level. In the main diagonal Cronbach's alpha coefficient, the reliability measures results are in parentheses. In the third column, the mean table and standard deviation of research measurements are shown.

Based on the results of table 3, the mean of short-term and long-term investments respectively is 18.18 and 18.48 and the mean of risk-aversion is 32.38. The average age of samples is 32.17 years with a standard deviation of 5.89 years. The mean of personality traits is respectively 18.74, 30.94, 26.18, 29.54 and 36.02.

The results of testing the first hypothesis (table 3):

The tendency of analysts' investment (short-term and long-term) is significantly associated with their personality traits.

To investigate the inverse relationship between short-term and long-term investment of analysts with the degree of risk-aversion, the Pearson correlation test is used. The risk-aversion is inversely associated with short-term and long-term investments with correlation coefficient equals to 0.34 and 0.29 respectively which is significant in 99% confidence level. Thus, the first hypothesis is accepted.

Table 3. The mean ± (SD), Pearson and Spearman correlation coefficients (Cronbach's alpha) of research measurements

	Scale	The mean ± (SD)	1	2	3	4	5	6	7	8
1	Short-term investments	18/18±(3/04)	(0/43)							
2	Long-term investment	18/48±(3/16)	0/51**	(0/54)						
3	Risk-aversion	32/38±(4/04)	-0/34**	-0/29**	(0/67)					
4	Neuroticism	18/74±(8/08)	0/16	-0/05	0/15	(0/83)				
5	Extraversion	30/94±(6/48)	0/22*	0/12	-0/28**	-0/51**	(0/75)			
6	Openness to experience	26/18±(4/55)	0/12	0/08	-0/07	-0/15	0/22*	(0/80)		
7	Agreeableness	29/54±(5/28)	0/20*	0/18*	-0/40**	-0/30	0/34**	-0/03	(0/79)	
8	Consciousness	36/02±(6/70)	0/36**	0/24**	-0/41**	-0/48**	0/53**	0/12	0/35**	(0/79)
9	**Old**	32/17±(5/89)	-0/21*	-0/18*	0/02	-0/04	-0/17	-0/06	0/09	-0/11
10	Gender	--	-0/06	0/15	0/06	0/06	0/06	0/13	0/11	0/07
11	Marriage	--	0/05	-0/02	-0/11	-0/24**	0/04	-0/08	0/15	0/08
12	Education	--	0/14	-0/05	0/08	-0/21*	0/02	0/05	-0/01	-0/03
13	analytical method	--	0/13	-0/04	-0/08	-0/10	0/14	0/11	0/01	0/20*
14	Experience	--	-0/03	-0/08	0/02	0/09	-0/02	0/14	-0/04	-0/03

The results of testing the second hypothesis are (Table 3):

Second hypothesis:

The tendency of analysts' investment (short-term and long-term) is significantly associated with the degree of their risk-aversion.

To investigate the direct relationship between short-term and long-term investment of analysts with personality traits, the Pearson correlation is used.

Hypothesis 1.2: The tendency of analysts' investment (short-term and long-term) is positively associated with their neuroticism trait.

According to Table 3, it can be said that none of the short-term and long-term investments has a direct relationship with the neuroticism trait and thus, the first sub hypothesis is not accepted.

Hypothesis 2.2: The tendency of analysts' investment (short-term and long-term) is positively associated with their extraversion trait.

According to Table 3, it can be said that there is a positive relationship exists between the short-term investment and the extraversion trait but, there is not a positive relationship between long-term investment and the extraversion trait. Therefore, the second sub hypothesis is accepted for short-term investment and is not accepted for long-term investment.

Hypothesis 3.2: The tendency of analysts' investment (short-term and long-term) is positively associated with their openness to experience trait.

According to Table 3, it can be said that there is not a positive relationship between the short-term investment, long-term investment and the openness to experience trait. Thus, the third sub hypothesis is not accepted.

Hypothesis 4.2: The tendency of analysts' investment (short-term and long-term) is positively associated with their agreeableness trait.

According to Table 3, it can be said that there is a positive relationship between both short-term investment and long-term investment and the agreeableness trait. Thus, the forth sub hypothesis is accepted.

Hypothesis 5.2: The tendency of analysts' investment (short-term and long-term) is positively associated with their conscientiousness trait.

According to Table 3, it can be said that there is a positive relationship between both short-term investment and long-term investment and the conscientiousness trait. Thus, the fifth sub hypothesis is accepted.

The results of testing the third and forth hypotheses are reported in table 4. In the main diagonal Cronbach's alpha coefficient, the reliability measures results are in parentheses. Moreover, in the third column, the mean table and standard deviation of research measurements are shown.

Table 4. The mean ± (SD), Pearson and Spearman correlation coefficients (Cronbach's alpha) of research measurements

	Scale	The mean ± (SD)	1	2	3	4	5	6	7	8	9
1	return	-2/44±(39/49)	(0/93)								
2	Risk-aversion	32/38±(4/04)	0/07	(0/67)							
3	Neuroticism	18/74±(8/08)	-0/11	0/15	(0/83)						
4	Extraversion	30/94±(6/48)	0/02	-0/28**	-0/51**	(0/75)					
5	Openness to experience	26/18±(4/55)	-0/04	-0/07	-0/15	0/22*	(0/80)				
6	Agreeableness	29/54±(5/28)	0/04	-0/40**	-0/30**	0/34**	-0/03	(0/79)			
7	Consciousness	36/02±(6/70)	-0/05	-0/41**	-0/48**	0/53**	0/12	0/35**	(0/79)		
8	problem solving confidence	41/38±(5/29)	0/06	-0/33**	-0/54**	0/51**	0/11	0/31**	0/61**	(0/63)	
9	trend-avoidance	55/23±(6/76)	0/09	-0/42**	-0/54**	0/51**	0/23*	0/34**	0/58**	0/63**	(0/53)
10	self-control	16/53±(3/38)	0/02	-0/18*	-0/69**	0/34**	0/10	0/20	0/51**	0/53**	0/67**
11	analytical method	--	0/01	-0/08	-0/10	0/14	0/11	0/01	0/20*	0/11	0/21*

To investigate the relationship between stock market analysts' personality traits with their performance, the Pearson correlation is used and to investigate their relationship with analytical method, the Spearman correlation is used. One star shows that the relationship is significant in 95% confidence level and two stars shows that the relationship is significant in 99% confidence level.

Based on the results of table 4, the mean and standard deviation of investment return is respectively -2.44 and 39.49 and the range of people's return is -70% to 220%. It means that although, the return of some people is high, but, in average the return of most of the people was negative which is due to decline of capital market in 2014.

The mean and standard deviation of risk-aversion is 32.38 and 4.04. The mean of personality traits are 18.74, 30.94, 26.18, 29.54, 36.02.

The results show that, there is not any relationship between analysts' portfolio returns and their personality traits and problem solving confidence, trend-avoidance and self-control, even with the analytical method. It means that, having negative return or having a very good return is not due to having some personality traits. Also, the analysts return is not associated with their method of analysis. But there is a negative and significant relationship between risk-averse of individuals with personality traits of extraversion, agreeableness, conscientiousness, and self solving problem and tendency-avoiding at 99% confidence level and there

is a significant negative relationship between the personal control trait and return at 95% confidence level.

5. Discussion and Conclusion:

In this study, it is concluded that there is a positive relationship between the technical and fundamental analysis methods and conscientiousness trait. This means that if the individual is more responsible, he/she will be used better and more complete analysis method. Besides social factors, the influence of personal traits on capital market analysts' performance is investigated. The results show that the degree of capital market analysts' risk-aversion is adversely associated with the short-term and long-term investments trend of analysts. In other words, if the individual is more risk-averse person, he/she is less willing to invest in the short-term and long-term investment.

Similar to this servy, the results of Connor Smith and Falchsbart (2007) Including Big Five traits and coping tend to be supportive.

Connor-Smith and Falshsbart (2007) found extraversion and conscientiousness was redictive of concrete problem solving and cognitive structuring as coping strategies. Brown and Taylor (2014) servy the relationship between household finances and personality traits and conclude an important effect for extraversion.

The findings of this study show that among the five specific evaluated traits, neuroticism trait is not associated with any investment trends. Neurotic persons have features of anxiety, hatred, depression, shyness, and vulnerability and rush. Therefore, such people will not tend to do short-term or long-term investment.

In addition, the extroversion is directly associated with short-term investment trend, but no significant relationship is found with long-term investment trend. Extroverted people have the characteristics of sociability, assertiveness, active, thrill-seeking, expressing positive emotions and good social relations. Due to this fact that analysts need to get faster news and more transactions for short-term investment, but for long-term investment, they can only rely on their technical skills and fundamental analysis, it is obvious that extraversion people have tendency to short-term investment and get returns in short term.

The openness to new experiences trait has no significant relationship with any long-term and short-term investments trends.

Agreeableness trait includes the characteristics such as trust, openness, friendship, companionship, humility and being compassionate individuals. It is concluded that there is a direct and significant relationship between this trait and short-term and long-term investment trend. In addition, it is concluded that the conscientiousness trait which is include characteristics such as competence, discipline, duty, trying to succeed (progressivism), restraint (self-discipline) and calm, has a significant relationship with investment trend. Thus, it seems that the capital market analysts and financial advisors need to raise these qualities for better management of their portfolios.

Prior empirical Framework, examined the relationship between the Big Five model with variety of Economics and life outcomes. Nyhus and Webley (2001) find that more emotional stability and introverted people, save more and borrow less. While more agreeable investor do against that. Several articles concentrate on the relationship between Big Five traits and income (see, e.g., Mueller and Plug, 2006). Rustichini et al. (2012) show that Personality features affect a variety of economic and life outcomes, like credit score, work durability, Body Mass Index and smoking habit, with personality traits having a stronger predictive power than economic options. Becker et al (2012), survey the explanatory power of economic preferences and measures of personality in accounting for safety, educational and labor market outcomes and conclude that standard measures of hegemony and personality traits are to a large extent supplement constructs.

The results of testing the third hypothesis which is about the relationship between the degree of risk-aversion and personality traits are assessed and results indicated that there is a connection between these two measures. In this test, it is observed that there is a significant and negative relationship between extraversion trait and degree of risk-aversion. It means that if the person is more extroverted one, he/she will have a higher degree of risk-taking trait. In addition, it is found that personality traits such as adaptability, conscientiousness, problem-solving confidence, trends - avoiding and personal control have significant negative correlation with the degree of risk-aversion. This means that if the analyst has more degree of consensus, discipline and responsibility, self-confidence and self-control, he/she is more risk-taking person.

But among studied personality traits, there is no significant association between neuroticism and openness to experience with the degree of risk-taking. In addition, it is also not observed a significant relationship between the degree of risk-taking and the method of analysis of analysts which is fundamental analysis or technical analysis. In other words, the degree of risk-aversion of capital market analysts is not correlated with their methodology of analysis.

The results of this study also expand the research of Filbeck et al. (2005) who found that individuals who differ in personality traits, as measured by the Myers-Briggs Type Indicator, vary in their risk toleration as adjust in terms of expected utility theory. In the Filbeck et al. (2001) study, those who gained higher in the traits of thinking (objective decision making), judging (organization and order), and sensing (concrete and practical), reported increased risk endurance.

In the fourth hypothesis, the relationship between the return of analysts portfolio with their personal traits is investigated. To test the relationship between the return of analysts portfolio with their personal traits, two stated return and calculated return are used. But, the results show that there is no significant relationship between personality traits and portfolio returns of analysts. This test is conducted for 2013,

and for the year 2013 also no significant correlation was found between personality traits of analysts and their portfolio return. According to the efficient market hypothesis and contrast the concepts of behavioral finance with some concepts of the efficient market hypothesis and with observing the results of this research which is show that there is a significant relationship between personality traits and the degree of people's risk-taking, but, there is not a significant relationship between personality traits and portfolio return. Thus, capital market analysts need to have some behavioral traits besides the expertise in analyzing.

By understanding and detailed analysis of behavioral and psychological problems in people, it can be seen the increase in the tendency of investors to the stock market and securities and the success of analysts. Having more trust to analysts in the crisis condition of capital market reduce the incidence of sudden and sharp price fluctuations and with the increase in popularity of the securities market, the absorption of capital sources by various industries will increase and facilitate and eventually leads to the economic growth and development.

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