

## **Impact of Investor sentiment on portfolio returns**

**By**

**Aditya Limaye, Andres E Rivas Chavez and Ahmed Elkassabgi**

### **Abstract:**

Investors seeking to invest in financial markets are encouraged to invest in different securities like stocks, bonds, mutual funds or property markets so that they can diversify their portfolio and maximize the return for a given level of risk. Previous studies have shown that the return from these financial markets is dependent on the behavior and the sentiment of investors known as investor sentiment. Investor sentiment has been shown to have a significant impact on the return from different financial markets. However as investors are encouraged to diversify their investments and form a portfolio they are more interested in the portfolio return as compared to the return from a single financial market. Hence this research seeks to contribute to the field of investor sentiment by analyzing the impact of investor sentiment on the portfolio returns.