

Structured Products in Wealth Management

2 Days

COURSE OVERVIEW

Structured products are an increasingly important investment tool for private investors. Although the recent spate of unfortunate events on Lehman mini-bonds and the likes have created some misgivings, general view is that such a set-back prepares the industry with better growth prospects in the future, after thorny issues of better product disclosure and avoidance of mis-selling have been ironed out.

This program provides participants with comprehensive overview of structured products, with the focus on risk/reward structures of the products, and how they can be better tailored to investors' requirement in a portfolio context.

LEVEL

Intermediate

WHAT WILL I GET OUT OF IT?

By the end of the course participants will be able to:

- Understand general risk/return potential of common structured products
- Explain how to extract values from investing in structured products to customers
- Identify the suitability of structured products to a client's portfolio
- Know how structured products could optimize a client's option
- Acquire a deeper understand of the product structures and needs of clients so as to avoid mis-selling
- Know the behaviour of structured products during their lifetime

WHO'S IT FOR?

Private banking relationship managers and asset managers wishing to consolidate and/or refresh their client liaison skills and product knowledge.

COURSE CONTENT

Structured Products Generalities

- Reading payoff diagram
- Payoff formula
- Term sheets

Building Blocks of Structured Products

- Bonds
- Plain vanilla options
- Exotic options

- swaps

Categories of Structured Products

- Capital guaranteed products
- Yield enhancement
- Participation

Behaviour of Structured Products During Their Lifetime

- Main valuation and risk measures
- Capital guarantee
- Yield enhancement
- Participation

Common Special Features of Structured Products

- Quanto options
- Barrier options
- Autocall and callable options
- Rolling products and products without fixed maturity
- Conditional and accumulating coupons

Foreign Exchange, Fixed Income and Commodity Products

- FX-based structures
- Fixed income structures
- Commodity structures

Recent Development

- Customized index products
- Actively managed certificates
- Electronic trading platform

Classical Theory and Structured Products

- Shapes of return distributions
- Classical theory and structured products

Structured Solution

- Preferred distribution
- Distribution classes
- Investor's utility curves

Return Distribution of Structured Products

- Capital guaranteed products
- Yield enhancement products
- Participation products
- Product classification

Structured Portfolio Construction

- Portfolio construction process
- Preferred return distribution process vs. classical portfolio management
- Investor portfolios