

**Gamma Explains – Episode 3 / 2026 – Structured Products**

Financial education is about knowledge and behaviour. If you have more knowledge about the basic elements of financial education, you are likely to make better choices.

What Gamma hopes to do with this series is conveying a few basic elements of financial education in a very simple and entertaining way.

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**Anchor:**

**Claudia Pensotti – Class CNBC**

**Guests:**

**Andrea Beltratti – Full Professor at Bocconi University and Chairman EFG Gamma Foundation**

**Olivier Macé – Head of Structured Solutions, EFG International**

**Nikos Koumoundouros – EFG Graduate 2024-2026**

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**Claudia Pensotti – Senior Anchor Class CNBC**

Welcome to our third episode of Gamma Explains. Today we're going to be talking about structured products. Let me begin by welcoming our guests, Andrea Beltratti, Chairman at EFG Gamma Foundation and Professor at Bocconi University.

**Andrea Beltratti – Full Professor at Bocconi University and Chairman EFG Gamma Foundation**  
Thank you.

**Claudia Pensotti**

Thank you for being with us. And Olivier Macé, who is Global Head of Structured Solutions at EFG International. Olivier, thank you for being with us. Welcome.

**Olivier Macé – Head of Structured Solutions, EFG International**  
Thank you very much.

**Claudia Pensotti**

So let's start by going to hear what an EFG graduate had to say about structured products when asked: "What are structured products?".

**Nikos Koumoundouros – EFG Graduate 2024-2026**

Structured products are customized investment solutions combining traditional asset classes like equities or bonds with derivative components in order to create a specific risk return profile.

In private banking, structured products are typically used to express a market view or to solve a client objective. For example, to seek enhanced yield in a low-rate environment or to generate returns in a sideways market.

They are usually issued by a bank. They have a specific maturity, and their payoff depends on the performance of an underlying asset. That underlying asset might be an index, a basket of shares, currencies, or even interest rates.

**Claudia Pensotti**

So let's start with Beltratti. Let's define what structured products are.

**Andrea Beltratti**

Structured products are pre-packaged investment products, typically involving a simple bond, paying regular coupons with a financial derivative.

The financial derivative can have different underlying assets like equities or commodities or other asset classes. And the idea is to mix the two together through financial engineering in order to provide a suitable modification of the cash flows that are consistent with the risk return objects of the investor.

**Claudia Pensotti**

What are the different types of structured products that exist?

**Andrea Beltratti**

Some products basically try to protect capital, first of all. Other products basically provide some yield enhancement. And so, they try to increase the cash flow that is provided by the bond through exposure, through managed and controlled exposure through a risky asset.

**Claudia Pensotti**

And who issues these products?

**Andrea Beltratti**

Well, it's mainly large financial institutions. Investment banks have typically been the main providers of structured products. And the possibility to actually supply financial and structured products to the market is also associated with the level of interest rates.

So, we've had zero interest rates for many years, and it was very hard to actually offer structured products to market. Now interest rates have increased a little bit, and it's become more interesting to sort of manage the risk-return trade-off.

**Claudia Pensotti**

So, let's go to Olivier. What matters in structured products is what is underlying. Can you explain this to us?

**Olivier Macé**

Yes, definitely. So structured products are tailor-made instruments designed to follow the investor's market view. Those are built to benefit from either positive, neutral, or even negative market expectations.

Those are investments whose redemption depend on the performance of the underlying asset. So a structured note can be linked to shares, basket of shares, indices, credit, rates, currency pairs, commodities, precious metals, ETFs or funds.

So, the underlying asset is the key. If the underlying asset performs, the structured product performs and vice versa. This is why the choice of the underlying asset is critical. It will largely determine whether the investment will be successful or not.

**Claudia Pensotti**

So, and who are structured products suitable for and who are they not suitable for?

**Olivier Macé**

Ultimately you have different type of structured product as Andrea mentioned.

You have capital protected notes, you have participation strategy, enhancement strategy, you have leverage products, you have simple solution on one side, complex solution on the other side.

So, you have products for which retail clients are eligible and other structured products where you require to have more experience, expertise in this field and dedicated to professional clients.

The bank must first understand the risk tolerance, the return expectations, the knowledge and experience, the investment horizon, and the overall financial situation of the client before offering any products. This forms part of the client suitability assessment. Then the bank can offer the appropriate solution in the context of the client portfolio.

Finally, we should ensure that the portfolio remains sufficiently diversified when adding a structured product. In particular, we must avoid excessive concentration in a specific asset or issuer.

**Claudia Pensotti**

In conclusion, what are the three main takeaways on structured products?

**Olivier Macé**

As we mentioned, the underlying is key, it drives the performance. So if the underlying asset performs well, then the structured product will do so. Therefore, choosing the right underlying consistent with the investor's market view is critical for the success of the investment.

Second, structured products can be tailored to any market view. Those are flexible instruments that can be designed to benefit from rising, flat, or even falling markets. Different types of products, capital protecting notes, participation strategy, yield enhancement strategy, or leverage products, allow investors to shape the payoff profile they want. This makes structured products powerful tools to complement a traditional portfolio.

And finally, suitability is essential. Not every product fits every investor. Before proposing a structured product, the bank must assess the client's risk tolerance, return expectation, investment horizon, knowledge and experience, and the overall financial situation. More conservative investors may better be served with capital protected solutions, more sophisticated risk tolerant investors might consider a yield enhancement or leveraged products. So used appropriately and within a well-diversified portfolio, structured products are valuable.

**Claudia Pensotti**

Thank you. Thank you for helping us get a better understanding on structured products today in this episode.

Thank you to Olivier Macé for being with us, as well as Andrea Beltratti.

**Olivier Macé**

Thank you very much.

**Andrea Beltratti**

Thank you.

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