

Structured products represent a financial strategy of creating flexible investments by bundling or packaging assets such as bonds, options, stocks or loans. They often address specific needs that are not met by the mainstream financial instruments available in the markets.

This subject has been developed by leading industry experts who have worked in structured products through the global financial crisis. It will show you how to design and manufacture products that will be relevant in terms of meeting a range of investment objectives both now and in the future.

Learning Outcomes

At the completion of this subject students should be able to:

- Explain the principles of structuring and packaging financial products
- Apply the key basic techniques of structuring products
- Demonstrate an understanding of the legal and tax considerations of structuring products
- Explain the distinguishing characteristics of retail customers and the design, structure and advice process of retail products
- Explain the distinguishing characteristics of institutional customers and the design, structure and advice process of institutional products
- Describe the key benefits investors seek from interest rate products and the main economic structures of interest rate products
- Describe the development of structured equity generating and fund-link products
- Explain the key features investors seek from equity, fund-linked products and instalment warrants
- Analyse key features and trends of credit products
- Apply risk management strategies to various types of risk exposures associated with investing in financial products
- Describe potential future domestic and international trends in structuring and packaging financial products and potential legislation changes

Subject content

- Introduction to building structured investments
- Legal considerations
- Choosing the appropriate legal and tax structure
- Retail products
- Wholesale products
- Interest rate products
- Equity and fund-linked products
- Credit products
- Risk management
- Future trends

Assessment

Assessment Type	Assessed	Weighting
Assignment	Week 6	50%
Examination	Week 12	50%

Delivery Method

Kaplan's delivery is primarily through distance education, supported by comprehensive print and online resources. Students will have access to subject notes, pre-recorded lectures, an online subject room, practitioner led discussion forums, online exercises, library and further resources.

Pre-requisites

Students enrolling in a Masters level elective subject are assumed to have the pre-requisite knowledge in the four core subjects ([FIN111](#), [FIN112](#), [FIN113](#) and [FIN114](#)). This requirement can be waived where students are studying one or more core subjects concurrently with an elective, or they are studying single subjects and are not enrolled for the Masters, Graduate Diploma or Graduate Certificate courses. Students enrolling into an elective subject without having completed all core subjects should ensure that they have, or have access to, the pre-requisite or assumed knowledge required for successful completion of the elective subject. For further information on pre-requisite study contact a student adviser.

Workload

This subject requires approximately 120 hours of student effort (11-12 hours per week). This includes time spent on activities such as: Reading and review of course notes and other reading material, attending or listening to live or pre-recorded lectures, participating in e-learning activities, and assessment preparation and review.

Reading List

The following list of references provides the student with key and additional reading material.

Prescribed text

There are no prescribed texts for this subject.

Additional readings:

Banks, E 2006, *Synthetic and Structured Assets*, John Wiley.

Beaumont, PH 2003, *Financial Engineering Principles*, John Wiley.

Das, S 2005, *Structured products Vol 2: equity, Commodity, Credit and New Markets*, 3rd edn., John Wiley.