# Chapter 28: Equity-Linked Structured Products

## Demonstrate knowledge of structured products and types of wrappers.

* Describe equity-linked structured products
* List distinguishing features of equity-linked structured products
* Define a wrapper
* Describe the six types of wrappers

## Demonstrate knowledge of potential tax effects of wrappers.

* Describe the tax effects of wrappers
* Apply the equations in the chapter to demonstrate the tax effects of wrappers

## Demonstrate knowledge of structured products with exotic option features.

* Compare and contrast simple options and exotic options
* Explain principal protected structured products
* Define the participation rate
* Illustrate how a cash-and-call strategy is related to put-call parity
* Identify path-dependent options and binary options
* Describe and apply barrier, knock-in, and active options
* Describe the characteristics of in versus out and up versus down barrier options
* Define spread options and look-back options
* Define a quanto option

## Demonstrate knowledge of examples of global structured products

* Discuss the example of a U.S.-based structured product with multiple kinks
* Discuss the example of a France-based structured product with floors
* Discuss the example of a German-based structured product with leverage
* Discuss the example of a U.K.-based absolute return structured product
* Discuss the example of a Swiss-based absolute return structured product
* Discuss the example of a Japan-based structured product based on multiple currencies
* Explain the advantages and disadvantages of liquid structured products

## Demonstrate knowledge of structured product pricing

* Identify the PDE approach to the pricing of structured products
* Discuss the advantages of the simulation approach over the PDE approach
* Contrast the PDE approach and the building blocks approach
* Explain the two principles of payoff diagram shapes and levels
* Discuss the evidence on structured product prices