



Your Portfolio Needs Structured Products!

Structured products will become an increasingly important feature in investor's portfolios, said Norman Villamin, head of investment analysis and advice at Citi Global Wealth Management Asia Pacific.

"I think structured products certainly have a place in people's portfolio and I think they are an important way to manage risk for people," he told CNBC last week.

A year-and-a-half ago, many people used structured products for speculation, but increasingly people are using it for risk management and for position management, he noted.

Many were badly hurt when credit markets froze as they did not fully understand the complexities of mini bonds and credit derivatives, but with that experience in hand; Villamin said he is positive it will give this investment vehicle a leg up.

"I think going forward ...a lot of people (will be) a bit more cautious, a bit more thoughtful about the size of the positions they are taking relative to their overall portfolio and really try to understand better how to use structured products," he said. "And so to a certain extent, it was a learning experience, it was a good thing for the maturity of the business."

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