



Structured Investments in 2026

Trends, Structures, and Portfolio Applications

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Structured Investments in 2026

What You'll Learn



Why structured investment sales reached record levels in 2025 and what early 2026 issuance data shows



Where structured investments may fit within portfolios



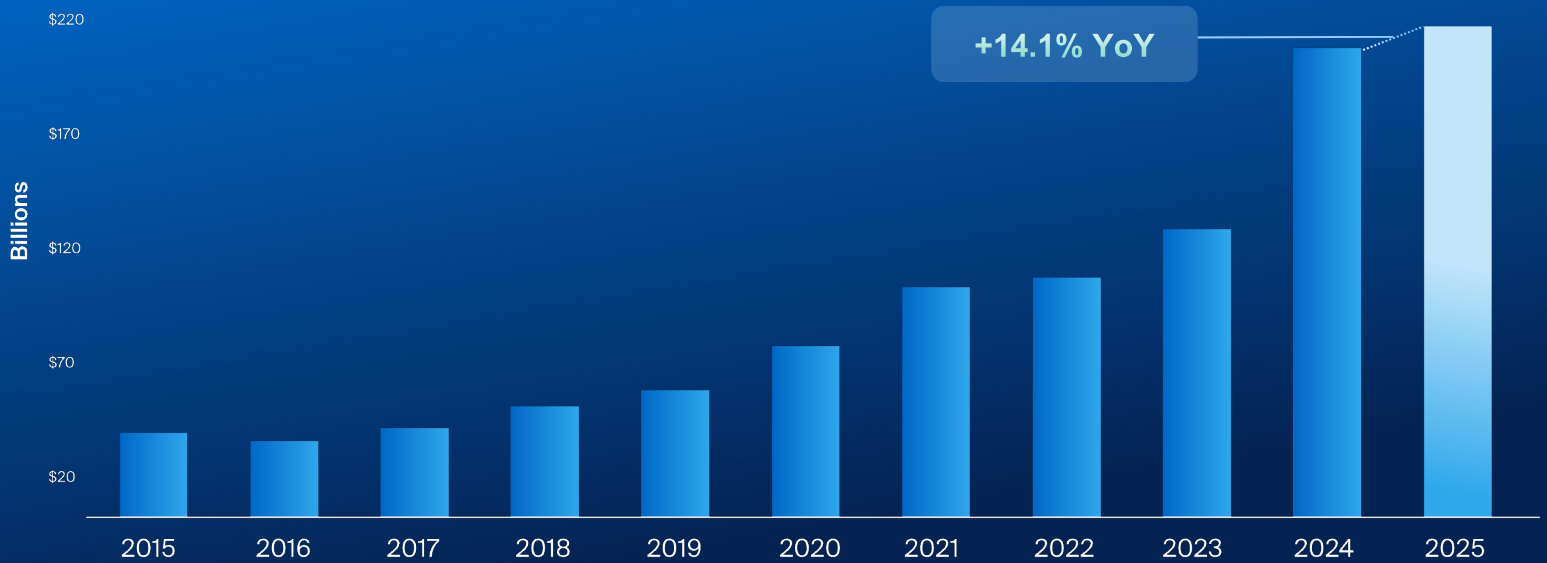
Risks advisors should weigh when evaluating structured notes

Structured investments had a landmark year in 2025. **US sales surpassed \$226 billion**—a 14.1% jump from the prior year—and issuance remains elevated into 2026. The first two months of the year combined for \$48.1 billion in issuance, **up 24.7% increase** over the same period last year.¹ When 60% of surveyed advisors say they plan to increase or maintain their allocation to structured notes this year, the signal may indicate continued interest.

What could be driving this? The answer goes beyond headline numbers. Shifting stock-bond correlations, a persistent search for income beyond traditional fixed income, and a broader rethinking of how portfolios may balance growth and downside exposure may indicate increased advisor interest in defined-income strategies.

This article reviews the factors that may have contributed to the 2025 record and examines early 2026 data for indications of how the market may evolve. It also gets into how different note structures may map to portfolio considerations, where they may fit into allocations, and what risks advisors should keep front of mind.

Exhibit 1
**Structured investment sales have grown significantly
 over the past decade**



Source: Structured Products Intelligence | Spi as of 12/31/2025

The Structured Investments Market: 2025 in Review, 2026 in Motion

2025: A Record Year

The independent wealth ecosystem led the charge. Broadening adoption among advisors pushed approximately 53,700 structured notes through the market over the course of the year, a testament to the sheer breadth of available strategies.² The S&P 500 held its position as the dominant underlying reference, but single-stock notes gained meaningful traction as advisors turned to structured strategies to express concentrated market views.

The “why” behind this adoption matters as much as the “what.” In our [2026 CAIS–Mercer survey](#), advisors pointed to four primary motivations:

- 1 Diversifying Risk (54%)**
- 2 Preserving Capital (48%)**
- 3 Supplementing Income (39%)**
- 4 Enhancing Returns (33%)**

Each reflects a distinct problem. Taken together, they suggest advisors are evaluating structured notes not as standalone products but as tools that may work within their allocation frameworks. Structured notes are investment vehicles—not an asset class unto themselves—that may be used across different portfolio contexts and objectives, giving advisors a way to define specific risk-return parameters within an existing allocation framework.

Momentum Continues in 2026³

The first two months of 2026 reinforced the trajectory. January set a new monthly record at \$23.8 billion in issuance, and February topped it with \$24.3 billion, up 22.7% year-over-year. Through February, demand has been broadly distributed: Income structures led at 41.9% of issuance, growth followed at 37.3%, and capital-protected structures accounted for 20.7%.

One standout: Single-stock structures represented 28.7% of total volume, illustrating continued appetite for structured exposure to high-profile single names. The fact that 88.4% of structures carried SEC registration underscores the market's continued tilt toward retail distribution and regulatory transparency.

These figures may provide insight into advisor preferences and the factors influencing their decisions. Income structures continuing to lead suggests yield generation remains a priority in an environment where traditional fixed income returns have yet to fully satisfy. The rise in single-stock notes points to a more nuanced use case: Advisors are taking directional views on individual names, from mega-cap technology to single-name dividend plays, while defining downside risk in advance, subject to structure and market conditions.

Structured Notes in This Environment: Yield, Growth, and Protection

Broadly speaking, structured investments fall into three categories of defined return profiles, and 2025–2026 issuance data makes it clear how advisors are deploying each. The graphic on the next page illustrates those dynamics at a glance. What follows is a closer look at each category: What it does, how it works, and why it may appeal to advisors.

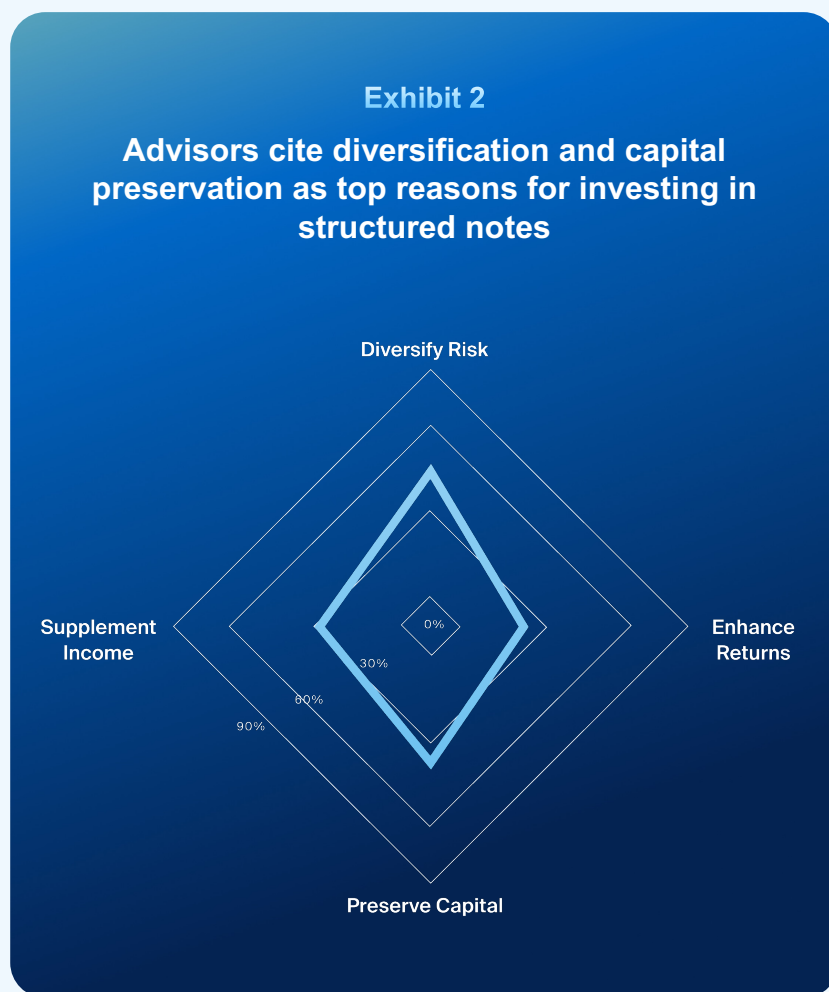
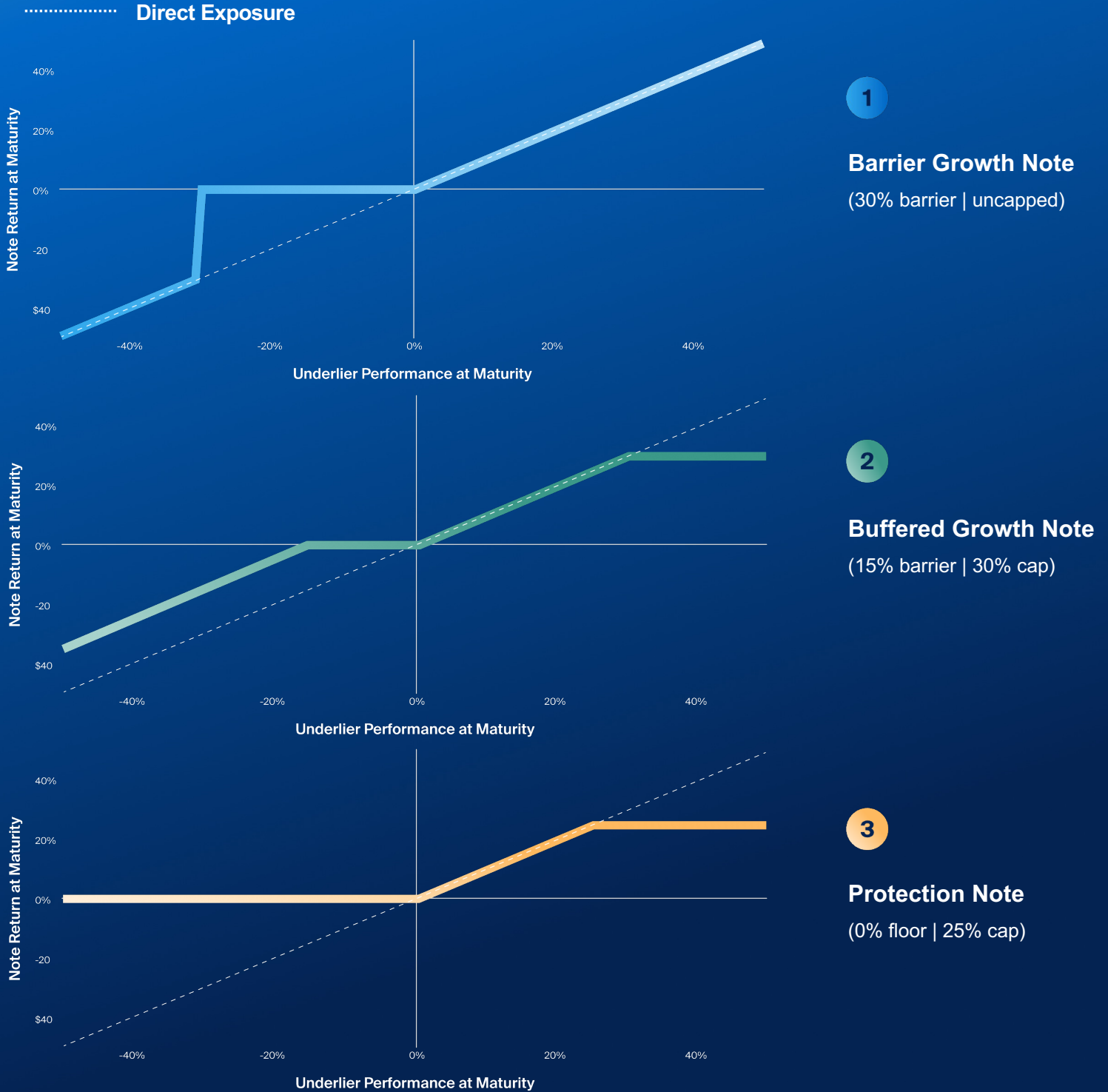


Exhibit 3

Yield, growth, and protection notes represent three approaches to downside management⁴



The cards on the next page unpack each one individually—what’s driving demand, how the mechanics work, and what advisors may give up in return.⁵

Yield Notes

Conditional income | barrier protection

41.9%

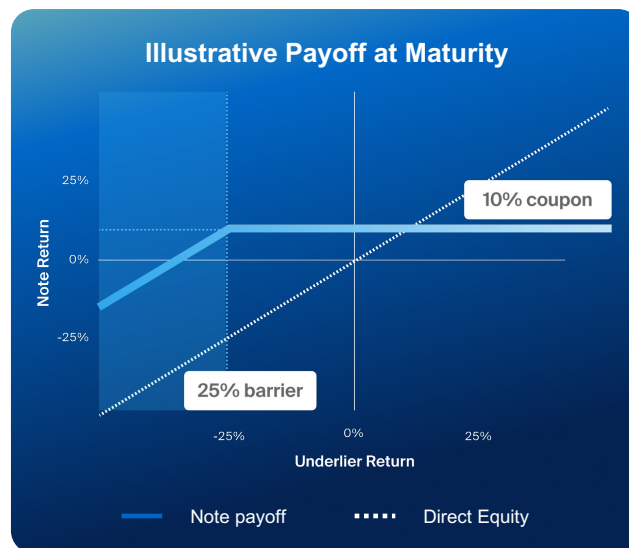
of YTD 2026 issuance

Why Now

The rate hikes of 2022–2023 changed the economics. With zero-coupon bonds priced at steeper discounts, issuers gain flexibility to design structures offering potentially enhanced yields. 39% of advisors cite supplementing income as a top motivation.

Key Mechanics

- **Fixed or Contingent Coupons:** Some pay regularly, others only when conditions are met
- **Autocall Features:** Provisions that redeem the note early if thresholds are met
- **Memory Features:** May pay missed coupons retroactively if conditions improve
- **Observation Dates:** When the issuer assesses note conditions



Key Structural Considerations: Income is conditional on market performance. If the note gets called early, the investor must reinvest—potentially at lower rates.

Growth Notes

Equity participation | defined downside

37.3%

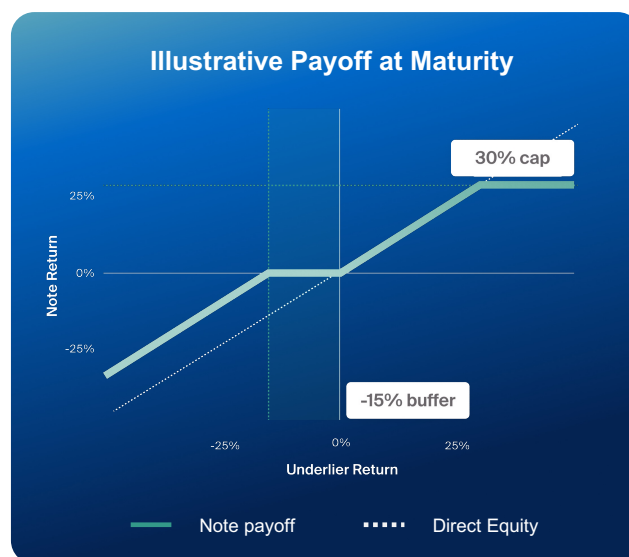
of YTD 2026 issuance

Why Now

33% of advisors cite enhancing returns as a top motivation. Growth notes let advisors maintain equity exposure—whether to a broad index or individual names—while defining the downside in advance. Equity shares-linked structures represent 28.7% of total volume, reflecting appetite for targeted, single-name positioning alongside index-based strategies.

Key Mechanics

- **Buffers:** Absorb losses gradually up to a defined threshold (e.g., first 15% of decline)
- **Barriers:** Conditional protection that vanishes entirely if breached
- **Participation Rates:** The degree of upside sharing
- **Caps:** The ceiling on returns, regardless of underlier performance



Key Structural Considerations: Gains may be capped. Buffer protection is gradual; barrier protection is conditional and may be lost entirely if the underlying declines past the barrier level.

Protection Notes

0% floor | capped upside

Why Now

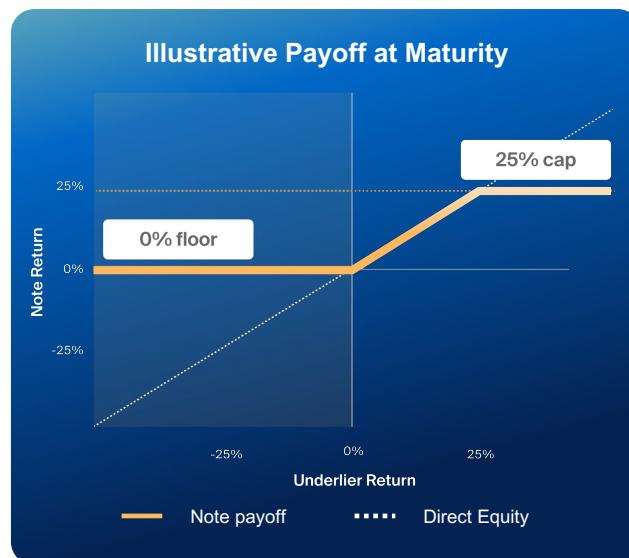
48% of advisors cite preserving capital as a top motivation — second only to diversifying risk. These structures are designed to define the extent of potential losses at maturity while maintaining equity-linked exposure.

Key Mechanics

- **Floor:** Hard floor at 0%—no loss of principal at maturity, backed by issuer creditworthiness
- **Caps:** Upside participation capped (typically lower than growth structures)
- **Protection:** Market-linked CDs may carry FDIC insurance up to applicable limits

20.7%

of YTD 2026 issuance



Key Structural Considerations: Lowest return potential of the three approaches. Upside is capped, and protection depends entirely on issuer creditworthiness (or FDIC limits for CDs).

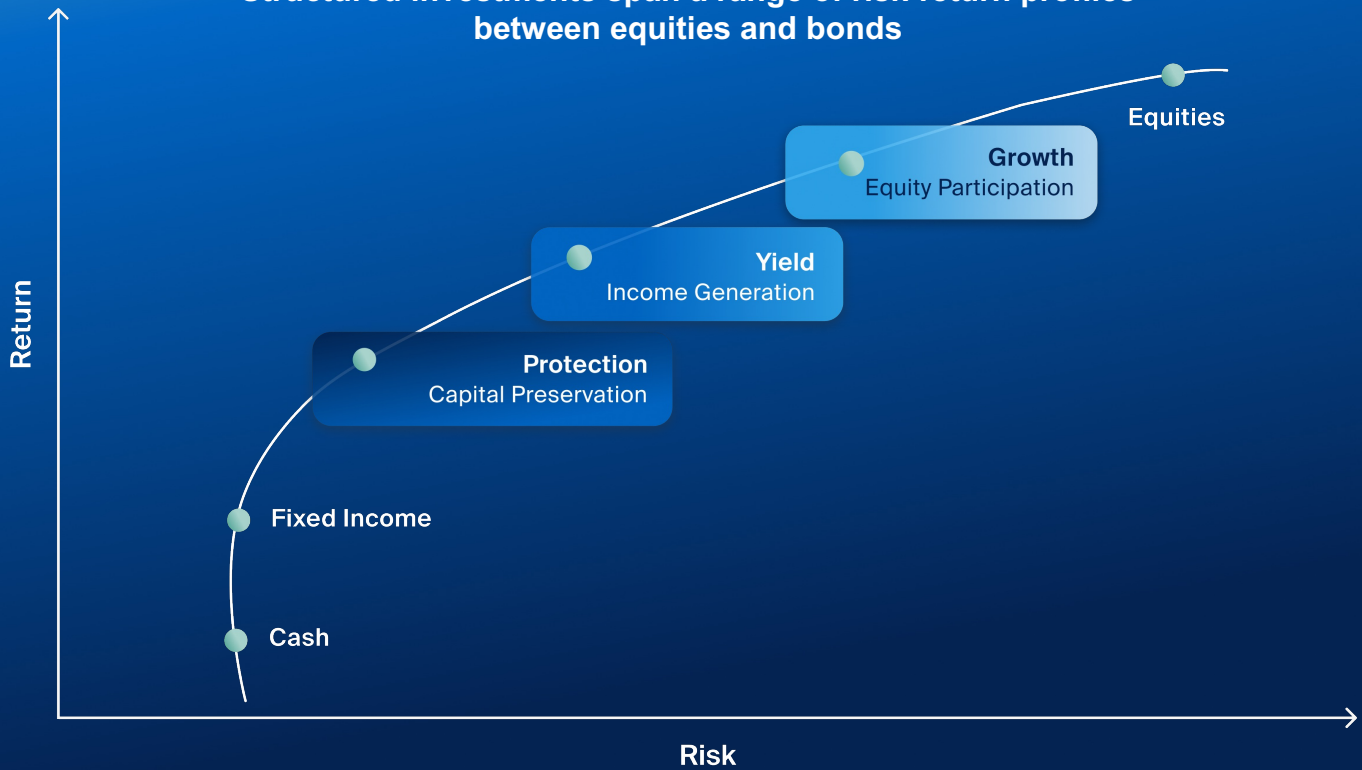
Considering Structured Investments in a Portfolio Context

Understanding note mechanics is one thing. Evaluating how they relate to broader portfolio objectives is another, and it's the question many advisors tend to ask first. Because payout profiles can be defined in advance, structured notes may offer a degree of precision in shaping the balance between income, equity participation, and downside exposure. That characteristic may help explain why they've drawn increasing attention from a portfolio construction standpoint.

Structured investments don't operate as a standalone asset class. In practice, advisors have incorporated them alongside traditional exposures—think fixed income, equities, etc.—in different ways. Some may use them as complements to existing holdings, while others have reallocated traditional positions where a structured alternative may align with a specific portfolio objective. The approach depends on the portfolio's overall risk profile, time horizon, and what problem the advisor is trying to address.

Exhibit 5

Structured investments span a range of risk-return profiles between equities and bonds



Each portfolio aligns with a different set of structural features and tradeoffs. Here, we illustrate a range of potential objectives with the structure designed to address them.

Structure characteristics may address specific portfolio objectives (Exhibit 6)⁶

Investment Objective	Structural Characteristics	Key Structural Characteristics
Income Generation	Conditional coupons, autocall triggers, memory features, fixed-rate structures	Income is conditional on market performance; early call risk may require reinvestment at lower rates
Equity Participation With Defined Downside	Buffers, barriers, participation rates, caps on upside	Gains may be capped; buffer protection is gradual; barrier protection is conditional and may be lost entirely
Capital Preservation	Principal floors, FDIC-insured market-linked CDs, limited equity-linked upside	Lower return potential; protection depends on issuer creditworthiness (or FDIC limits for CDs)

Evaluating Risks Within Structured Investments

Advisors should carefully consider all risks that structured investments carry.



Credit and Liquidity Risk

Structured notes are unsecured debt obligation of issuing banks; payments at maturity depend entirely on the issuer's creditworthiness. Market-link CDs may carry FDIC insurance up to applicable limits, but many other structured notes do not. Though secondary markets are emerging, they're not yet ubiquitous, and selling before maturity may mean accepting a loss.



Principal and Barrier Risk

Noteholders can lose some or all of their principal. In barrier-based notes, protection is conditional: If the underlier breaches the barrier level, the noteholder may face the full decline at maturity regardless of any subsequent recovery. Buffers absorb losses up to a defined threshold, but losses beyond that may remain exposed.



Complexity and Reinvestment Risk

Contingent coupons, observation dates, autocall triggers, and memory features all add layers that demand careful diligence. If a note gets called early, the noteholder receives principal back and may be responsible for finding comparable reinvestment terms. Advisors should review offering documents thoroughly and walk clients through the range of potential outcomes under various market scenarios.

With 2025 in the books as a record year and early 2026 issuance reinforcing the trajectory, structured investments continue to draw advisor attention as defined-outcome tools within a broader portfolio construction framework. As the market evolves, the mechanics, portfolio considerations, and risks outlined above can serve as a starting point for advisors' understanding of how these instruments work.



Want To Learn More?

If you would like to learn more about structured investments, please reach out to a CAIS Capital Markets product specialist.

Contact

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1. Structured Products Intelligence, "Market Report United States January 2026 Edition," January 2026; Structured Products Intelligence, "Market Report United States February 2026 Edition," February 2026.
2. SRP, "[Top Underlyings US 2025: Single Stocks Gain Visibility, ETFs Lose Steam](#)," Structured Retail Products, January 5, 2026.
3. Structured Products Intelligence, "Market Report United States January 2026 Edition," January 2026; Structured Products Intelligence, "Market Report United States February 2026 Edition," February 2026
4. Payoff diagrams are for illustrative purposes only and do not represent actual structured note terms. Issuance figures for growth notes encompass both buffered and barrier structures.
5. Payoff diagrams are for illustrative purposes only and do not represent actual structured note terms. Issuance figures for growth notes encompass both buffered and barrier structures.
6. This matrix is for educational purposes only and does not represent a recommendation to purchase any specific structured note type.

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