Structured retail products (SRP) are one of the most visible faces of financial innovation and are increasingly popular amongst retail investors. The number of SRP issued in Europe has been rising in recent years, reaching more than 850,000 in 2011. However, it is by now well established that these products are generally sold at a significant premium. Bergstresser (2008), Bernard et al. (2010), Grünbichler and Wohlwend (2005), Henderson and Pearson (2011), Jørgensen et al. (2011), Szymanowska et al. (2009), Wallmeier and Diethelm (2009), among others, address the subject of the pricing of different SRP in different markets and contexts and conclude that these products are persistently overpriced. Some arguments have been put forward that might justify the rationality of the increased retail demand for SRP. The low interest rate environment creates incentives to search for yield (Kiriakopoulos and Mavralexakis, 2011), and structured products that promise a high maximum return may be purchased. SRP's ability to offer exposure on some asset classes and market segments that are otherwise not available for retail investors (Schneider and Giobanu, 2010), as well as taxation (Nicolaus, 2010) and lower transaction costs (Entrop et al., 2016a,b), may also foster demand. However, many other researchers claim that investors' preferences to SRP depart from the standard rational expectations theory. It is the case of, for example, Henderson and Pearson (2008), Hens and Rieger (2011), Nicolaus (2010), Szymanowska et al. (2009), Vanini and Dobeli (2010) and Entrop et al. (2016a). As Henderson and Pearson (2008) put it, ''it is difficult to rationalize investor demand for structured equity products within any plausible normative model of the behavior of rational investors''. In this line of research, we think that the increasing popularity of SRP can be better explained by behavioral factors like the mental accounting bias, overconfidence or desire for gambling. Das and Statman (2012) argue that SRP can help improve portfolio allocation for investors with a mental accounting bias. According to this behavioral perspective, portfolios are composed of mental account subportfolios, each associated with a particular objective. Investors optimize each mental account by finding the assets and the asset allocation that maximize the expected return of each mental account sub-portfolio, such as retirement income or bequest. Some other behavioral biases may also explain the over investment in SRP, like investors' overconfidence or love for gambling. Overconfident investors have been associated with excessive risk taking (Dorn and Huberman, 2005; Nosic and Weber, 2010), that meaning they are more prone to take on risk for which there is no apparent reward and consequently more prone to invest in SRP. Similarly, recent research postulates that some individual investors view trading in the stock market as an opportunity to gamble. For instance, Barber et al. (2009) document that the introduction of the government-sponsored lottery in Taiwan did reduce the stock market turnover by about a quarter, apparently showing that part of the excessive trading of individual investors is motivated by their gambling desire.