

## EDG: customising crypto structured products and derivative trading solutions

Enhanced Digital Group (EDG) is developing structured products that will allow investors to gain access to crypto-linked payouts in familiar USD-denominated formats.

The US-based crypto company is seeking to enable greater sophistication of crypto derivative trading solutions in a turnkey package by enhancing the product development of both traditional financial services and crypto-native firms - including private banks, family offices, asset managers, exchanges, custodians, trading firms, corporates and broker dealers. Chris Bae, founder and CEO, talks about the market as well as the products and services EDG will be deploying to fill the demand gap.



From our side, the first challenge is a lack of derivatives experience in the crypto market.

Hedging is second nature to trading in TradFi, but that doesn't seem to be the mindset in the crypto market as many people that invested in the early days only saw the market going up. Investors need to understand what they are buying and the importance of downside risk.

The second challenge is to overcome the sophistication in terms of setup within crypto markets to get across the message that products using derivatives can be accretive to optimise investment portfolios.

more sophisticated as institutional capital and traders flow into the system. At the same time, investors coming from the TradFi world are getting more comfortable and familiar with the asset class. This enables greater long-term financial planning and satisfies investors' concerns over proper risk management in extremely volatile markets. Longer term, these cycles can provide the needed experience to evolve the marketplace.

### EDG was formed by a group of ex-derivatives traders from the traditional finance sector. How does working in crypto differ?

People often think crypto is much different than other asset classes. From a market structure perspective, we view crypto as similar in structure and functionality as most frontier markets. Frontier markets are attractive due to high current and projected growth rates, but capital starves due to structural barriers to entry. Crypto looks similar, and we can apply the same strategies to help institutions understand their risks and opportunities.

### What challenges is the industry facing to expand investor choice and serve the different needs of investors in digital assets?

### How do you see crypto markets evolving over time?

The market structure for digital assets is still evolving. In crypto markets, it's nearly impossible to predict what will happen next, but as the asset class matures through greater diversification and sophistication of market participants, then so will the market's abilities to stand the bouts of volatility and sell offs, much like traditional markets.

Over time, sudden market shocks, technological improvements and a maturing futures market will all contribute to the greater use of and need for structured products and derivatives products.

As these elements evolve, we believe that crypto markets will move closer to how we see traditional markets behaving. But to do so there needs to be continued innovation, investment and advancement of the trading infrastructure ecosystem, which EDG encourages and is eager to see happen. Financial engineering never stops, it only evolves, and we think the crypto marketplace is ripe for further development.

## Crypto markets are unpredictable

## But your investment doesn't have to be

As digital asset marketplaces increase in sophistication, so should your trading strategies. Enhanced Digital Group, Inc. was formed by a group of experienced derivative traders and is a first-of-its-kind company delivering wholesale structured products to institutions.



Tailored structured products



Meet suitability characteristics of a diverse crypto client base



Structure leveraged and unlevered products to match client strategy



Ability to restructure to meet clients needs

For more information visit [www.enhanceddigital.group](http://www.enhanceddigital.group) or email: [info@enhanceddigital.group](mailto:info@enhanceddigital.group)

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