



This document addresses the most common questions asked about Enhanced Yield Deposit (EYD) accounts and transactions. If you have further questions, please [book a brief meeting](#) with one of our EYD experts.

Q. What is an Enhanced Yield Deposit? How does it work?

An Enhanced Yield Deposit ("EYD") is a short-term deposit that clients make in one currency in anticipation of converting to an alternate currency in the near future. The client enters into an agreement to sell the deposit currency at a designated "Strike Price" in exchange for the alternate currency at an agreed upon date ("Expiration Date"). This agreement gives the buyer the option to purchase the deposit currency in the event the currency is trading *In the Money* upon expiration. If the currency is trading *Out of the Money* upon expiration, no conversion will take place. The client earns a premium whether the conversion takes place or not. The EYD is considered a "covered call" transaction because the deposit currency is held as collateral.

Q. Does the client have to pay a premium or other fee to participate in this product?

No, the client does not pay anything. Just the opposite – the client always earns a premium whether or not the option is exercised. The counter party (the "buyer" of the option) is the one that pays the premium.

Q. How is the premium calculated?

The premium is market driven and influenced by multiple factors. These factors include the notional amount, currency pair, strike price relative to initial spot rate, expiration time frame and most importantly currency volatility. The premium changes constantly based on market conditions. Your Monex USA expert can advise you on how best to optimize the premium.

Q. What currencies are available?

The following currencies are available: USD, AUD, CAD, CHF, CZK, DKK, EUR, GBP, JPY, MXN, NOK, NZD, PLN, SEK, SGD, TRY, ZAR.

Q. Does the deposit currency have to be in U.S. dollars?

No, the deposit currency can be in any of the currencies listed above.

Q. Does the USD always have to be part of the currency pair?

No, the currency pairs can be non-dollar currencies.

Q. Is there a minimum deposit amount? How about a maximum deposit amount?

Yes, the minimum deposit amount is equivalent to USD \$200,000. There is no maximum amount at this time.

Q. Is there a minimum or maximum expiration term?

The sweet spot is between 7 to 14 days. The minimum is 7 days and the maximum is 365 days.

Q. How long has Monex USA offered this product?

Monex has offered this product for many years, but EYDs were introduced to U.S. clients in 2021.

Q. Why is a Legal Entity Identifier ("LEI") needed?

The Enhanced Yield product is governed by the Commodity Exchange Act that requires all participants to have a Legal Entity Identifier.

Q. How does my company obtain an LEI?

A Legal Entity Identifier (LEI) is easy to obtain and can be purchased online via www.gmeiutility.org. Alternatively, your relationship manager can help facilitate one.

Q. If I am interested, how do I learn more about Enhanced Yield Deposits?

Visit MonexUSA.com/EYD and/or [book a introductory meeting](#) with an EYD expert.

