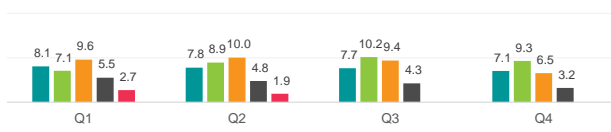# Securities Lending Returns in iBoxx USD Liquid High Yield Index
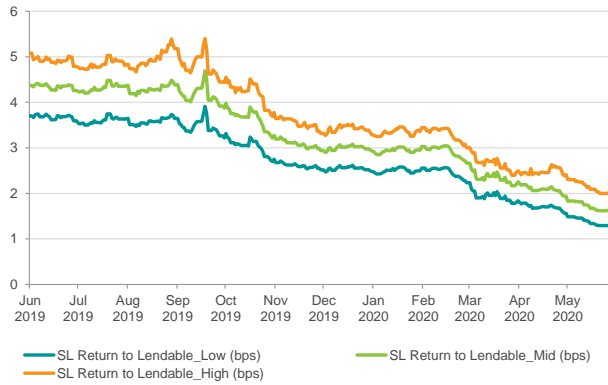
IHS Markit

IHS Markit iBoxx USD Liquid High Yield Index is designed to reflect the performance of the USD denominated high yield corporate debt. Th e index rules aim to offer a broad coverage of the USD high yield liquid bond universe and is market-value weighted with an issuer cap of 3%. IHS Markit Securities Finance provides the securities lending return made from the bonds in the index since 2015 and further provides a break down by fee categories, ratings & years to maturity as well as the level of Utilization in the index constituents. There are currently 977 bonds on loan out of the 997 bonds in the index

SL Returns to Lendable (bps) : Quarterly Comparison ■2016 ■2017 ■2018 ■2019 ■2020

Q1: 8.1 7.1 9.6 5.5 2.7
Q2: 7.8 8.9 10.0 4.8 1.9
Q3: 7.7 10.2 9.4 4.3
Q4: 7.1 9.3 6.5 3.2

Indexed Utilization	2016	2017	2018	2019	2020*
End of Year Utilization Levels	125.3	117.0	121.8	80.0	59.2
YOY change		6%	-7%	4%	-34%	-26%

Index base date : 1st Jan 2015   *As of 31st May 2020

SL Returns to Lendable : Jun 19 to May 20

— SL Return to Lendable_Low (bps)
— SL Return to Lendable_Mid (bps)
— SL Return to Lendable_High (bps)

Period	SL Return to Lendable_Low (bps)		SL Return to Lendable_Mid (bps)		SL Return to Lendable_High (bps)	
Annualized	2020	2019	2020	2019	2020	2019
Jan	2.5	4.8	2.9	5.6	3.3	6.6
Feb	2.5	4.8	2.9	5.6	3.3	6.6
Mar	1.9	4.6	2.3	5.4	2.7	6.2
Apr	1.7	4.4	2.1	5.2	2.5	6.0
May	1.4	4.1	1.7	4.8	2.1	5.7
Jun	-	3.7	-	4.3	-	4.9
Jul	-	3.6	-	4.3	-	4.8
Aug	-	3.6	-	4.3	-	5.0
Sep	-	3.5	-	4.2	-	4.8
Oct	-	3.0	-	3.6	-	4.2
Nov	-	2.6	-	3.1	-	3.5
Dec	-	2.5	-	3.0	-	3.4
YTD	2.0	4.5	2.4	5.3	2.8	6.2
Full Year	2.0	3.7	2.4	4.4	2.8	5.1
Jun 19 to May 20	2.7		3.2		3.7	

SL Revenue Contribution by Fee Categories

Annual Contribution by Fee Categories: Jun 19 to May 20

26.7%
22.0%
51.2%
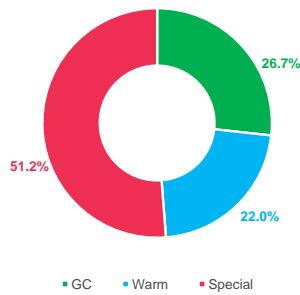
■ GC ■ Warm ■ Special

Period	GC Contribution		Warm Contribution		Special Contribution		Warm Securities		Special Securities	
Month	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Jan	24%	24%	28%	25%	48%	51%	34	58	25	38
Feb	23%	25%	18%	20%	59%	55%	29	56	29	39
Mar	31%	25%	27%	20%	42%	54%	44	57	31	36
Apr	28%	25%	30%	20%	43%	55%	49	50	57	36
May	31%	26%	30%	19%	38%	56%	47	40	52	32
Jun	-	28%	-	21%	-	51%	-	40	-	25
Jul	-	27%	-	19%	-	54%	-	42	-	26
Aug	-	24%	-	20%	-	55%	-	44	-	23
Sep	-	26%	-	19%	-	56%	-	41	-	23
Oct	-	27%	-	19%	-	54%	-	35	-	28
Nov	-	30%	-	21%	-	49%	-	33	-	25
Dec	-	26%	-	25%	-	50%	-	34	-	28

SL Revenue and SL Return to Lendable by Years to Maturity and Ratings for May 2020

Ratings	SL Return to Lendable (bps)	SL Revenue Contribution
BB	0.7	24.3%
B	2.2	47.3%
CCC	5.1	22.1%
CC	29.0	6.2%
C	1.6	0.0%

Years to Maturity	SL Return to Lendable (bps)	SL Revenue Contribution
3 Years and Less	1.4	10%
Between 3 and 5 Years	2.6	43%
Between 5 and 7 Years	1.5	30%
7 Years and more	1.1	17%

Notes

SL Return to Lendable_Low	Returns from securities lending relative to lendable value from all the lender funds who are part of the IHS Markit Securities Finance group. Finance trades are removed from our calculation
SL Return to Lendable_Mid	Returns from securities lending relative to lendable value from only those lender funds with active loans in respective market areas that are part of the index. Funds are classified as active on a daily basis for individual market areas. Finance trades are removed from our calculation. This metric is used in the report unless stated otherwise
SL Return to Lendable_High	Returns from securities lending relative to lendable value from only those lender funds with the highest loan value that represent 80% of the cumulative loan value in respective market areas that are part of the index. Funds are classified on a daily basis for individual market areas within the index. Finance trades are removed from our calculation
Indexed Utilization	Indexed Utilization tracks the daily change in lender loan value relative to lendable value calculated for the iBoxx index with an index base date of 1st Jan 2015 where the index is set to a base value of 100
Fee Classification	Securities with value weighted average securities lending fee of <= 35 bps are classified as GC, > 35 bps & <= 150 bps are classified as Warm and > 150 bps are classified as Special. This fee classification is done on a daily basis