



IHS Markit®

# Securities Finance

## Consulting Services

Providing independent expertise and data led solutions

IHS Markit provides independent consultancy services to help firms make data-led informed decisions. Our services provide a unique solution combining our extensive securities financing experience with the most in-depth data set available in the market.

Our unique approach is built around our securities finance data, which is comprised from an extensive global stock loan database dating back to 2002. Using this data, we provide research to support tactical or strategic securities lending reviews..

### Key Stats

**\$25 trillion**  
securities in lending programmes

**\$2.5 trillion**  
value on loan

**20,000+**  
equity instruments

**222,000+**  
fixed income instruments

**18**  
years of history

**85%**  
Coverage of securities lending market

### We provide services to:



Pension Funds



Asset Managers



Insurance Companies



Sovereign Wealth Funds and Quasi - Governmental Bodies



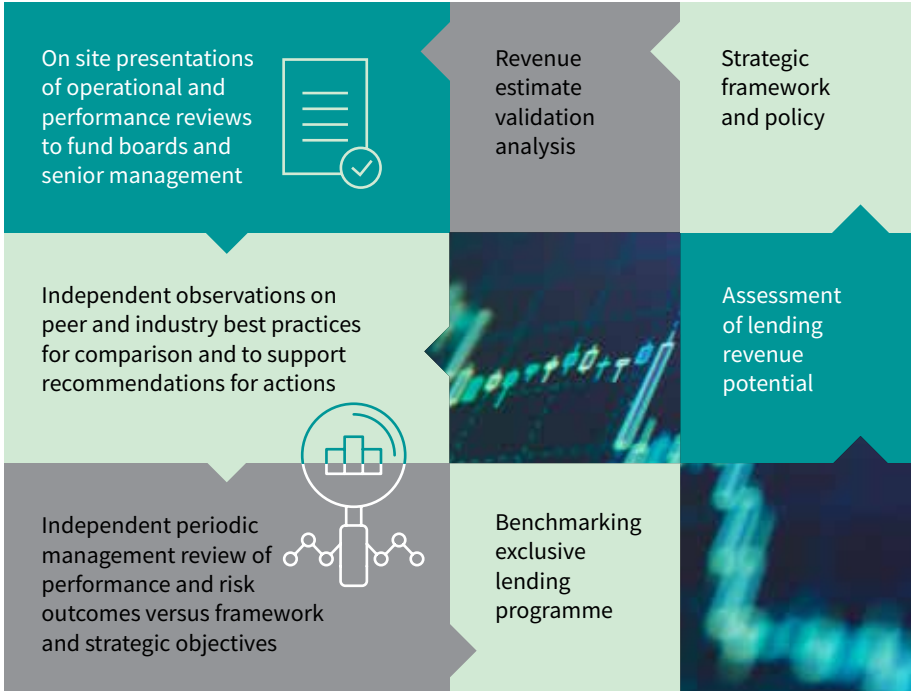
Mutual Funds/  
UCITS



Corporates

# Our consulting service includes:

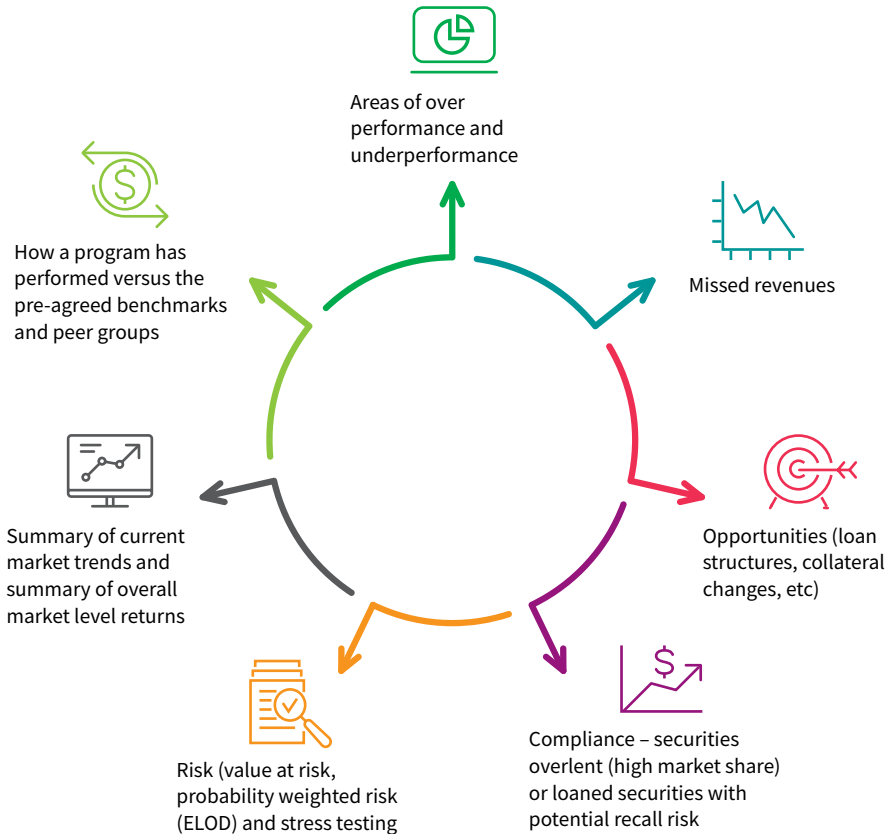
IHS Markit Securities Finance Consultancy Services provide fully independent expertise and consultancy services to institutions already active, or considering becoming active, in the securities finance market.



# The IHS Markit Advantage:

Do you need to regularly validate your activity to internal stakeholders or merely give your programme a health check?

We provide a deep dive into your existing lending programme, which includes an independent review of the securities lending market, an overview of the rewards and risks of lending activities, the identification of potential opportunities and address additional points related to the securities lending. Our broad range of services includes:



# The IHS Markit Advantage:

What is the appropriate Oversight Management structure for my lending activity?

- We provide in depth reviews with detailed analysis of trading strategies, operational processes, the overall lending business, exclusives, compliance and comparisons against industry practices.
- Through a tailored Governance Framework Document, we help you manage your programme effectively providing a structured approach to internal approvals, lending parameters and activity.

What if I want to change my collateral profile? How does it affect my risk level?

- We offer risk analysis based on a hypothetical collateral mix to examine the impact of changing collateral on programme risk level.
- We can also help you identify the optimal collateral mix which offers the highest return and risk ratio tailored to your risk appetite.
- By analysing different collateral profiles with our risk model, lenders can determine in a quantifiable way the increased revenue and associated risk. For example, we analysed the risk and revenue impact of lending government bonds versus equity collateral with an outcome that enables the client the option of adding revenue to the bottom line.



# The IHS Markit Advantage:

How can I find out the revenue potential of my assets or validate my revenue estimate?

- RFPs (request for proposals) attract agent lenders with their own assessment of revenue potential and/or relative performance of different programs.
- Our consultancy services can assist in this process through the extensive IHS Markit securities lending database, which includes prices, rates and volumes.
- This will enable you to make accurate decision based on a comparable set of normalised revenue/performance data across various programs/providers; the data is independently validated and serves to identify areas of discrepancy.
- We provide you with details on the value of a portfolio in terms of an opportunity lending basis, based on historical fee and utilisation data.

Should I start lending?

- Our consultancy service produces potential revenue estimates using historical fee and utilisation data, alongside with risk estimates including VaR and probability weighted risk.
- This enables you to evaluate different types of programme structures, from high value intrinsic lending to high volume GC/ Term lending programs.
- The comparison of both revenue potential and quantifiable risk will allow you to determine the appropriate programme approach for you given your own risk and reward appetite.



# Working together to find the right balance

## Will my programme impact my core investment activity?

Our Liquidity report and Compliance checks tool will provide liquidity of loan positions, liquidity indicators and provide support in management of lending limits and restrictions.

## Is it important to manage risk?


Our risk offering helps to quantify financial risk in securities lending and enables you to monitor your programme risk level on an ongoing basis. The main sources of risk include credit risk, mismatch risk, liquidity risk, and cash reinvestment risk, all of which measured, managed and mitigated.

## Is my programme robust enough to withstand another market default?

Our stress test analysis tests your current portfolio against significant markets events from the past such as the Lehman default and Global recession to derive new portfolio positions after these types of large market movements.

## Am I comparing my performance with the correct peer group?

In consultation with you, we create custom peer groups that most accurately reflect your organisation, helping you ensure the right comparison and understand your true performance. Our Intuitive Performance Benchmarking Report highlights in-depth comparative performance of your lending programme against your agreed peer group.





## About IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

### CUSTOMER CARE

#### NORTH AND SOUTH AMERICA

**T** +1 800 447 2273  
+1 303 858 6187 (Outside US/Canada)

#### EUROPE, MIDDLE EAST AND AFRICA

**T** +44 1344 328 300

#### ASIA PACIFIC

**T** +604 291 3600

**E** [MSF-Consultancy@ihsmarkit.com](mailto:MSF-Consultancy@ihsmarkit.com)