Securities Lending Returns in iBoxx USD Liquid High Yield Index

IHS Markit’s iBoxx USD High Yield Index is designed to reflect the performance of the USD denominated high yield corporate debt. The index rules aim to offer a broad coverage of the USD high yield bond universe and is market-value weighted with an issuer cap of 5%. 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 1192 bonds on loan out of the 1197 bonds in the index.

Indexed Utilization | 2018 | 2019 | 2020 | 2021 | 2022*
--- | --- | --- | --- | --- | ---
End of Year Utilization Levels | 121.8 | 80.0 | 51.6 | 74.9 | 101.4
YOY change | 4% | -34% | -36% | 45% | 35%
Index base date: 1st Jan 2015 *As of 31st Aug 2022

### SL Return to Lendable (bps) - Quarterly Comparison 2018 - 2022

<table>
<thead>
<tr>
<th>Period</th>
<th>SL Return to Lendable_High (bps)</th>
<th>SL Return to Lendable_Mid (bps)</th>
<th>SL Return to Lendable_Low (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SL Revenue Contribution by Fee Categories

#### Annual Contribution by Fee Categories: Sep 21 to Aug 22

- GC: 30.4%
- Warm: 53.9%
- Special: 15.7%

#### SL Revenue and SL Return to Lendable by Years to Maturity and Ratings for Aug 2022

<table>
<thead>
<tr>
<th>Ratings</th>
<th>SL Return to Lendable (bps)</th>
<th>SL Revenue Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>BB</td>
<td>2.8</td>
<td>28.1%</td>
</tr>
<tr>
<td>B</td>
<td>6.7</td>
<td>40.6%</td>
</tr>
<tr>
<td>CCC</td>
<td>21.3</td>
<td>30.7%</td>
</tr>
<tr>
<td>CC</td>
<td>133.1</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

### SL Return to Lendable

- 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 as active on a daily basis for individual market areas. 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.

### SL Return to Lendable_High

*As of 31st Aug 2022 for 2022*

### Notes

- 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.
- 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.
- 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 as active on a daily basis for individual market areas. Finance trades are removed from our calculation.
- 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.

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 for individual market areas within the index. Finance trades are removed from our calculation.

Securities Lending Returns in iBoxx USD Liquid High Yield Index

**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 1192 bonds on loan out of the 1197 bonds in the index.