GLOBAL INVESTOR/ISF FIXED INCOME LENDING SURVEY

2017 METHODOLOGY

The *Global Investor/ISF* Fixed Income Lending Survey 2017 is designed to identify excellence in the industry, and is designed to complement the highly regarded and longstanding Equity Lending Survey.

Borrowers are invited to rank their lending counterparties.

Respondents are asked to rank their top counterparties in each of the categories (see below) separately for each region.

There are three geographical regions. Global entities are asked to rate their counterparties for every relevant region: Europe, Middle East & Africa (EMEA), the Americas and Asia Pacific.

Regions are defined by where the underlying securities originate (not where either the respondent or counterparty is based). Therefore, global entity Borrower X is asked to rank its top counterparties, in each category, for every region where the fixed income securities that it trades originate.

Overall scores are defined as ones where all the category scores are combined (there are global overall scores and regional overall scores)

Global scores are defined as ones where scores from all regions are combined (there are global overall scores and global category scores).

All entities that meet the qualification criteria are included in the appropriate tables regardless of whether the entity actively participated in the survey (i.e. helped to circulate the survey in the industry).

RESPONSE VALIDATION

A global entity is only allowed to rank its counterparties once for each region (i.e. two people from Borrower X cannot rank its counterparties in the same category and same region). A global entity can rank its top counterparties in each category, for either one, two or all three regions.

If *Global Investor/ISF* receives multiple responses from the same entity for the same region we will ask the global head of the business to choose which should be used (*Global Investor/ISF* reserves the right to make the decision after reasonable efforts have been made).

Respondents are asked to rank seven counterparties in as many categories as possible. However, there is no minimum number required for the response to be valid and no categories are mandatory.

Responses are not permitted if they are submitted via one of the counterparties being ranked. IP addresses for all responses will be checked.

WINNERS AND HIGHLY COMMENDED

In line with the objective of recognising excellence in the industry, winners will be announced for the lenders ranked highest by their counterparties.

In addition, a select group of firms will be declared highly commended. These are the lenders that secured the next highest scores after the winners.

Winners and highly commended lists will be declared for:
- Global overall
- Global categories
- Regional overall
- Regional categories

CALCULATION METHOD

Respondents are asked to rank their top seven counterparties. These rankings are then inverted to create scores.

These scores are then added together and the firm with the highest total score is declared the winner (it does not matter which firm is ranked number one by the most counterparts). The counterparties with the next highest scores are declared highly commended.

All respondents are asked to rank their top seven counterparties for each category, in each region. The rankings are then inverted to provide scores (i.e. a number one rank produces a score of seven).

Rank	Score
1	7
2	6
3	5
4	4
5	3
6	2
7	1

Weighting by importance

When combining category scores – for global overall and regional overall – the categories are weighted by importance. This means that an allowance made for how relatively important each category is considered by the survey respondents (i.e. more significant attributes are given more weight than the less important ones).

In the survey questionnaire, respondents are asked to rank the categories according to how important they consider that attribute to be. These ranks are combined to provide weightings theoretically between 0 and 2 (but are likely to be much less extreme) for each category.

For example, if relationship management is considered very important by respondents and generates a weighting of 1.5, and Bank X achieves a score of 25 in that category, 37.5 will be added to the overall score (1.5 x 25 = 37.5).

These weightings are calculated on a global basis and applied to all overall tables (even if there is a disparity between how important attributes are between the regions).

Therefore the combined scores are calculated as follows:
- **Regional categories:** All scores for the relevant category, for the relevant region, are simply added together.
- **Global categories:** All scores for the relevant category, for every region, are added together.
- **Regional overall:** Regional category scores are weighted by importance and then added together to create an overall score for that region.
- **Global overall:** Global category scores are weighted by importance and then added together to create an overall score for the entire globe.

CATEGORIES

- Breath of supply – Developed Markets
- Breadth of supply – Emerging Markets
- Breadth of supply – Corporates
- Collateral trading ability across currencies and collateral types
- Trading connectivity and automation
- Stability of borrows (including recall frequency and term capability)
- Relationship management (including senior management engagement, trading desk engagement, sales desk engagement, coordination/communication between desks globally)
- Operational efficiency

VOTING CATEGORIES

Respondents are asked to nominate individuals for our lifetime achievement award. The most innovative awards are calculated as in previous years.
- **Lifetime achievement** (open to individuals)
- **Most innovative lender of the year** (open to organisations)

DATA PROVIDER VOTING

We are also inviting all respondents (both borrowers and lenders) to score their securities lending data vendor (DataLend, Markit Securities Finance and FIS Astec Analytics) while completing each region of the equity lending survey.

Previously part of the Technology survey, this has been considerably simplified and incorporated into the equity and fixed income lending survey to save all participants the time involved in filling out multiple surveys.

We kindly ask respondents to respond for all vendors that they are using.

The scores will be across 5 categories, between 1 for unacceptable to 7 for excellent:

- Breadth/coverage of data
- Speed/frequency of data
- Reliability of data
- Client service - helpdesk responsiveness to solve issues
- Innovation

AWARDS PRESENTED

Ranking awards
- Global winner: Fixed Income Lender of the Year 2017
- Global category winners e.g. Fixed Income Lender Awards 2017: Relationship Management
- Regional winners e.g. Fixed Income Lender of the Year (Americas) 2017

Voting awards
- Lifetime achievement (fixed income lender)
- Most innovative fixed income lender of the year

Data awards
- Global winner
- Regional winners
- Category winners

PRACTICALITIES & DISCLAIMER

Respondents may re-enter their survey form after completion. Even if the form is finished and submitted, the respondent may revise their answers until the final deadline. Reactivation codes are available from gisurveys@euromoneyplc.com.

All responses are strictly confidential. **Lenders will never be able to find out which counterparts ranked them.**