Securities Lending Returns in MSCI Emerging Markets

The MSCI Emerging Markets Index measures the performance of the large and mid cap segments across 26 emerging markets countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country. IHS Markit provides the securities lending return made from securities in the index since 2015 and further provides a breakdown by fee categories, top countries & sectors as well as the level of short interest in the index constituents. There are currently 627 securities on loan out of the 1420 securities in the index.

Indexed Short Interest

<table>
<thead>
<tr>
<th>Index</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>9.2</td>
<td>11.3</td>
<td>9.9</td>
<td>9.6</td>
<td>9.1</td>
</tr>
<tr>
<td>Q2</td>
<td>13.6</td>
<td>11.2</td>
<td>11.7</td>
<td>11.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Q3</td>
<td>8.4</td>
<td>8.4</td>
<td>8.4</td>
<td>8.4</td>
<td>8.4</td>
</tr>
<tr>
<td>Q4</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
</tr>
</tbody>
</table>

**SL Returns to Lendable (bps) - Quarterly Comparison**

- **Q1**: 9.2 bps, **Q2**: 13.6 bps, **Q3**: 8.4 bps, **Q4**: 5.0 bps

**SL Returns to Lendable - Jan 21 to Dec 21**

- **SL Return to Lendable, Low (bps)**: 1.0 bps to 3.4 bps
- **SL Return to Lendable, Mid (bps)**: 3.7 bps to 5.4 bps
- **SL Return to Lendable, High (bps)**: 8.4 bps to 11.3 bps

**SL Revenue Contribution by Fee Categories**

<table>
<thead>
<tr>
<th>Period</th>
<th>GC Contribution</th>
<th>Warm Contribution</th>
<th>Special Contribution</th>
<th>YTD</th>
<th>End of Year Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2021</td>
<td>14.1%</td>
<td>10.8%</td>
<td>75.1%</td>
<td>4.9</td>
<td>10.2</td>
</tr>
</tbody>
</table>

**Top Sectors & Countries by SL Revenue and SL Return to Lendable for Dec 2021**

**Top Sectors**
- **Health Care Equipment & Services**: 25.5%
- **Transportation**: 22.4%
- **Real Estate**: 19.4%

**Top Countries**
- **Greece**: 114.9
- **South Korea**: 35.4
- **Taiwan**: 29.2
- **Hong Kong**: 24.6

**Notes**
- SL Return to Lendable, Low: 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. This metric is used in the report unless stated otherwise.
- SL Return to Lendable, Mid: 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. 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. This metric is used in the report unless stated otherwise.
- Indexed Short Interest: Tracks the daily change in short interest relative to market capitalization calculated for the MSCI index with an index base date of 1st Jan 2015 where the index is set to a base value of 100.
- Country Classification: Country classification for common equity securities done by IHS Markit Securities Finance is based on the country in which the security is traded with the exception of depository receipts which are based upon the country of domicile.
- 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. The fee classification is done on a daily basis.