The MSCI Japan Index measures the performance of the large and mid cap segments of the Japanese market. The index covers approximately 85% of the free float-adjusted market capitalization in Japan. IHS Markit provides the securities lending return made from securities in the index since 2015 and further provides a break down by fee categories, top sectors as well as the level of short interest in the index constituents. There are currently 301 securities in the index and all are out on loan.

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>SL Return to Lendable_Low (bps)</td>
<td>3.3</td>
<td>4.3</td>
<td>3.6</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>SL Return to Lendable_Mid (bps)</td>
<td>2.5</td>
<td>3.0</td>
<td>3.0</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>SL Return to Lendable_High (bps)</td>
<td>1.3</td>
<td>1.4</td>
<td>1.9</td>
<td>3.0</td>
<td>3.0</td>
</tr>
</tbody>
</table>

### SL Revenue Contribution by Fee Categories

- **Annualized**
  - 2021: 1.5%
  - 2020: 2.2%
  - 2021*: 3.3%

- **Indexed Short Interest**
  - 2020: 116.3
  - 2021: 114.9

- **YOY change**
  - 2021: -17%
  - 2019: 145%
  - 2018: 38%
  - 2017: -7%

### Top Sectors by SL Revenue and SL Return to Lendable for Jan 2021

<table>
<thead>
<tr>
<th>Top 3 Sectors by SL Return to Lendable</th>
<th>SL Return to Lendable (bps)</th>
<th>SL Revenue Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food, Beverage &amp; Tobacco</td>
<td>7.6</td>
<td>18.5%</td>
</tr>
<tr>
<td>Energy</td>
<td>3.6</td>
<td>1.3%</td>
</tr>
<tr>
<td>Household &amp; Personal Products</td>
<td>2.8</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

- **Notes**
  - Returns from securities lending relative to lendable value from all the lender funds who are part of the IHS Markit Securities Finance group.
  - 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. This metric is used in the report unless stated otherwise.

- **Indexed Short Interest**
  - The MSCI Japan Index is set to a base value of 100.
  - 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 respective market areas within the index.

- **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.