Securities Lending Returns in MSCI AC Asia Pacific Ex Japan

The MSCI AC Asia Pacific Ex Japan Index measures the performance of the large and mid cap segments across 4 of the 5 developed markets countries (Ex Japan) and 9 emerging markets countries in Asia Pacific. 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 break down by fee categories, top sectors & countries as well as the level of short interest in the index constituents.

There are currently 531 securities on loan out of the 1251 securities in the index.

SL Returns to Lendable (bps) : Quarterly Comparison

SL Returns to Lendable : Jan 22 to Dec 22

SL Revenue Contribution by Fee Categories

Top Sectors & Countries by SL Revenue and SL Return to Lendable for Dec 2022

Top 3 Sectors by SL Return to Lendable

Top 3 Countries by SL Return to Lendable

Notes

SL Return to Lendable_Low
Returns from securities lending relative to lendable value from only those lender funds with the lowest loan value that represent 15% of the cumulative loan value in respective market areas that are part of the index.

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 on a daily basis for individual market areas within the index. 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 active loans in respective market areas that are part of the index. Funds are classified 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. This fee classification is done on a daily basis.

Indexed Short Interest 2018 2019 2020 2021 2022

End of Year Levels 157.3 94.9 82.5 89.3 85.5
YOY change 10% -40% -13% 9% -5%

Index base date : 1st Jan 2015
* as of 31st Dec 2022

Period SL Return to Lendable_Low (bps) SL Return to Lendable_Mid (bps) SL Return to Lendable_High (bps)

Annualized 2022 2022 2022 2022 2022
Jan 3.8 2.1 5.8 3.7 7.5 5.2
Feb 3.4 2.2 5.4 4.1 6.9 5.6
Mar 3.2 2.2 5.3 4.1 6.9 5.6
Apr 3.3 2.1 5.5 4.0 6.7 5.3
May 4.0 2.7 6.6 5.1 8.0 6.6
Jun 3.3 3.4 5.3 6.3 6.5 8.2
Jul 3.3 3.5 5.3 6.6 6.4 8.3
Aug 2.6 3.7 4.3 6.6 5.1 7.9
Sep 2.5 4.7 4.2 7.7 5.0 9.2
Oct 2.9 3.5 4.6 5.7 5.8 6.9
Nov 3.8 4.1 6.0 6.5 7.2 7.8
Dec 3.3 3.9 5.3 6.1 6.6 7.4

YOY change 8.2 5.5 9.6 6.6 7.7

Notes

SL Return to Lendable_Low
Returns from securities lending relative to lendable value from all the lender funds who are part of the IHS Markit Securities Finance group.

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. 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.

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Top Sectors & Countries by SL Revenue

Consumer Services
15.1%

Technology Hardware & Equipment
15.9%

Transportation
14.8%

Consumer Services
12.2%

Automobiles & Components
14.8%

Retailing
9.3%

Taiwan
21.5%

Hong Kong
47.6%

South Korea
17.7%

Notes

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