Securities Lending Returns in MSCI USA

The MSCI USA Index measures the performance of the large and mid cap segment of the US market. The index covers approximately 85% of the free float-adjusted market capitalization in the US. 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 638 securities in the index and all of them are out on loan.

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

- **SL Return to Lendable, Low (bps)**: Q1 2015: 1.7, Q4 2016: 0.9, Q3 2017: 1.3, Q2 2018: 0.9, Q1 2019: 1.2, Q4 2019: 1.6
- **SL Return to Lendable, Mid (bps)**: Q1 2015: 1.0, Q4 2016: 0.9, Q3 2017: 0.9, Q2 2018: 0.7, Q1 2019: 0.7, Q4 2019: 0.7
- **SL Return to Lendable, High (bps)**: Q1 2015: 2.4, Q4 2016: 2.0, Q3 2017: 2.0, Q2 2018: 2.0, Q1 2019: 1.3, Q4 2019: 1.3

### Indexed Short Interest

- **YOY change**: Percent change from the previous year.
- **Index base date**: 1st Jan 2015

### SL Revenue Contribution by Fee Categories

- **GC**: 33.3%
- **Warm**: 62.5%
- **Special**: 4.2%

### Top Sectors by SL Revenue and SL Return to Lendable for Dec 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>SL Return to Lendable (bps)</th>
<th>SL Revenue Contribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care Equipment &amp; Services</td>
<td>5.8</td>
<td>50%</td>
</tr>
<tr>
<td>Automobiles &amp; Components</td>
<td>1.8</td>
<td>10%</td>
</tr>
<tr>
<td>Media and Entertainment</td>
<td>1.0</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

**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 all the lender funds who are part of the IHS Markit Securities Finance group.
- **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.
- **Fee Classification**: Special. This fee classification is done on a daily basis. Securities with value weighted average securities lending fee <= 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.