The MSCI Europe Index measures the performance of the large and mid cap segments across 15 developed markets countries in Europe. The index covers approximately 85% of the free float-adjusted market capitalization across the European developed markets equity universe. IHS Markit provides the securities lending return made from securities in the index since 2015 and further provides a breakdown by fee categories, top sectors & countries as well as the level of short interest in the index constituents. There are currently 423 securities on loan out of the 424 securities in the index.

### SECURITIES LENDING RETURNS IN MSCI EUROPE

The MSCI Europe Index is set to a base value of 100 on loan out of the 424 securities in the index.

#### Indexed Short Interest

- **End of Year Levels:**
  - 2019: 91.4
  - 2020: 103.0
  - 2021: 86.1
  - 2022: 130.3
  - 2023: 122.0

- **YOY change:**
  - 2019: -22%
  - 2020: 13%
  - 2021: -16%
  - 2022: 51%
  - 2023: -6%

#### Top 3 Sectors by SL Return to Lendable for Mar 2023

<table>
<thead>
<tr>
<th>Sector</th>
<th>SL Return to Lendable (bps)</th>
<th>SL Revenue Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>11.2</td>
<td>18.8%</td>
</tr>
<tr>
<td>Pharmaceuticals, Biotechnology &amp; Life Sciences</td>
<td>10.3</td>
<td>26.3%</td>
</tr>
<tr>
<td>Transportation</td>
<td>10.3</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

#### Top 3 Countries by SL Return to Lendable for Mar 2023

<table>
<thead>
<tr>
<th>Country</th>
<th>SL Return to Lendable (bps)</th>
<th>SL Revenue Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>21.3</td>
<td>26.6%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>12.4</td>
<td>35.9%</td>
</tr>
<tr>
<td>Finland</td>
<td>9.4</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

#### SECURITIES LENDING RETURNS

- **Annualized SL Return to Lendable:**
  - 2022: 2.7 bps
  - 2023: 2.8 bps

- **Q1-Q2-Q3-Q4:**
  - 2022: 5.5 bps
  - 2023: 3.4 bps

- **YOY change:**
  - 2022: -16%
  - 2023: 13%

#### Fee Classification

- GC: Securities with value weighted average securities lending fee of <= 35 bps are classified as GC.
- Warm: > 35 bps & <= 150 bps are classified as Warm.
- Special: > 150 bps are classified as Special.

### SL Revenue Contribution by Fee Categories

#### Annual Contribution by Fee Categories: Apr 22 to Mar 23

<table>
<thead>
<tr>
<th>Fee Classification</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>GC</td>
<td>46.3%</td>
</tr>
<tr>
<td>Warm</td>
<td>37.4%</td>
</tr>
<tr>
<td>Special</td>
<td>16.3%</td>
</tr>
</tbody>
</table>

#### Period SL Return to Lendable (bps)

<table>
<thead>
<tr>
<th>Period</th>
<th>SL Return to Lendable, Low (bps)</th>
<th>SL Return to Lendable, Mid (bps)</th>
<th>SL Return to Lendable, High (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Markit provides the securities lending return made from securities in the index.

- SL Return to Lendable_Low
- SL Return to Lendable_Mid
- SL Return to Lendable_High

### Indexed Short Interest

- Index base date: 1st Jan 2015
- SL Return to Lendable_High: 2.4 bps
- SL Return to Lendable_Mid: 4.2 bps
- SL Return to Lendable_Low: 5.5 bps

### 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.
- 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 individual market areas within the index.
- Indexed Short Interest: 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.

- Securities with value weighted average securities lending fee of <= 35 bps are classified as GC.
- > 35 bps & <= 150 bps are classified as Warm.
- > 150 bps are classified as Special.

- This fee classification is done on a daily basis.

### Transportation

- Pharmaceuticals, Biotechnology & Life Sciences
- Banks
- Capital Goods