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 break down by fee categories, top countries & sectors as well as the level of short interest in the index constituents. There are currently 558 securities on loan out of the 1377 securities in the index.

Top Sectors & Countries by SL Revenue and SL Return to Lendable for Apr 2023

Top 3 Sectors by SL Revenue

- **Banks**
  - 10.0%
- **Technology Hardware & Equipment**
  - 8.8%
- **Semiconductors & Semiconductor Equipment**
  - 8.5%

Top 3 Sectors by SL Return to Lendable

- **Health Care Equipment & Services**
  - 79.2
- **Transportation**
  - 50.8
- **Equity Real Estate Investment Trusts (REITs)**
  - 23.3

Top 3 Countries by SL Revenue

- **Hong Kong**
  - 28.3%
- **South Africa**
  - 22.3%
- **Taiwan**
  - 21.1%

Top 3 Countries by SL Return to Lendable

- **South Africa**
  - 30.2
- **Greece**
  - 31.2
- **Turkey**
  - 31.6

Notes:

- **SL Return to Lendable_Low**
  - Returns from securities lending relative to lendable value from only those lender funds, which are 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 within the index.

**Indexed Short Interest**

- **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 on 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.

---

**SL Return to Lendable (bps) : Quarterly Comparison**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>11.3</td>
<td>9.3</td>
<td>10.0</td>
<td>9.5</td>
<td>8.6</td>
</tr>
<tr>
<td>Q2</td>
<td>10.0</td>
<td>9.5</td>
<td>10.0</td>
<td>9.5</td>
<td>8.6</td>
</tr>
<tr>
<td>Q3</td>
<td>11.2</td>
<td>8.6</td>
<td>10.5</td>
<td>8.7</td>
<td>8.4</td>
</tr>
<tr>
<td>Q4</td>
<td>12.8</td>
<td>7.1</td>
<td>11.7</td>
<td>6.4</td>
<td>9.6</td>
</tr>
</tbody>
</table>

**SL Returns to Lendable : Mar 21 to Feb 22**

<table>
<thead>
<tr>
<th>Year</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct</td>
<td>5.6</td>
<td>7.4</td>
<td>8.5</td>
</tr>
<tr>
<td>Nov</td>
<td>6.5</td>
<td>8.8</td>
<td>9.7</td>
</tr>
<tr>
<td>Dec</td>
<td>7.3</td>
<td>9.1</td>
<td>10.2</td>
</tr>
</tbody>
</table>

**SL Returns to Lendable : May 22 to Apr 23**

<table>
<thead>
<tr>
<th>Period</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>11.3</td>
<td>9.3</td>
<td>10.0</td>
</tr>
<tr>
<td>Jun</td>
<td>10.0</td>
<td>9.5</td>
<td>10.0</td>
</tr>
<tr>
<td>Jul</td>
<td>11.2</td>
<td>8.6</td>
<td>10.5</td>
</tr>
<tr>
<td>Aug</td>
<td>12.8</td>
<td>7.1</td>
<td>11.7</td>
</tr>
</tbody>
</table>

**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>Warm Securities</th>
<th>Special Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 22 to Apr 23</td>
<td>5.0</td>
<td>7.5</td>
<td>8.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>