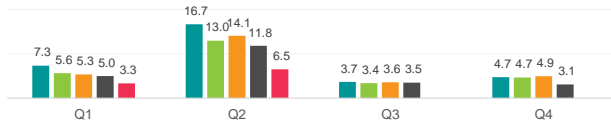


# Securities Lending Returns in MSCI Europe

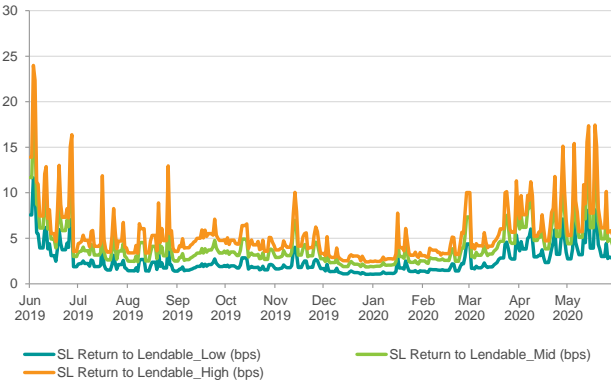


The MSCI Europe Index measures the performance of the large and mid cap segments across 15 developed markets countries in Europe. The index covers approximately 85% of the free float-adjusted market capitalization across the European developed markets equity universe. IHS Markit provides the securities lending return made from securities in the index since 2015 and further provides a break down by fee categories, top sectors & countries as well as the level of short interest in the index constituents. There are currently 435 securities on loan out of the 437 securities in the index

SL Returns to Lendable (bps) : Quarterly Comparison



SL Returns to Lendable : Jun 19 - May 20



Indexed Short Interest

	2016	2017	2018	2019	2020*
End of Year Levels	113.3	97.9	117.7	91.4	144.0
YOY change	4%	-14%	20%	-22%	57.6%

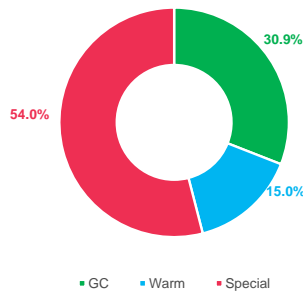
Index base date : 1st Jan 2015

\* as of 31st May 2020

Period	SL Return to Lendable_Low (bps)		SL Return to Lendable_Mid (bps)		SL Return to Lendable_High (bps)	
	2020	2019	2020	2019	2020	2019
Annualized						
Jan	1.4	1.6	2.5	3.0	3.3	3.9
Feb	1.8	2.4	3.2	4.3	4.3	5.5
Mar	2.6	4.2	4.4	7.2	5.8	9.6
Apr	3.9	5.9	6.4	9.7	7.7	12.0
May	4.1	11.6	6.6	17.9	8.4	22.7
Jun	-	4.8	-	7.6	-	9.6
Jul	-	2.2	-	3.6	-	4.9
Aug	-	2.0	-	3.5	-	4.9
Sep	-	1.9	-	3.3	-	4.9
Oct	-	2.0	-	3.5	-	4.7
Nov	-	2.1	-	3.7	-	4.8
Dec	-	1.3	-	2.2	-	2.9
YTD	2.7	5.3	4.6	9.0	5.8	11.6
Full Year	2.7	3.5	4.6	5.9	5.8	7.9
Jun 19 - May 20	2.5		4.2		5.5	

## SL Revenue Contribution by Fee Categories

Annual Contribution by Fee Categories: Jun 19 - May 20



Period	GC Contribution		Warm Contribution		Special Contribution		Warm Securities		Special Securities	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Month										
Jan	44%	48%	9%	16%	47%	35%	9	18	5	5
Feb	36%	32%	12%	23%	52%	45%	19	21	5	6
Mar	39%	17%	16%	14%	45%	68%	23	34	9	14
Apr	30%	12%	12%	18%	57%	69%	28	62	13	27
May	25%	6%	18%	14%	56%	80%	38	67	18	44
Jun	-	16%	-	10%	-	74%	-	34	-	18
Jul	-	31%	-	10%	-	59%	-	17	-	10
Aug	-	32%	-	22%	-	46%	-	15	-	6
Sep	-	34%	-	10%	-	56%	-	14	-	5
Oct	-	34%	-	24%	-	42%	-	19	-	4
Nov	-	32%	-	21%	-	46%	-	19	-	6
Dec	-	51%	-	23%	-	26%	-	15	-	3

## Top Sectors & Countries by SL Revenue and SL Return to Lendable for May 2020

Top 3 Sectors by SL Return to Lendable	SL Return to Lendable (bps)	SL Revenue Contribution
Transportation	31.0	5.8%
Software & Services	27.7	15.1%
Energy	11.7	8.5%

Top 3 Sectors by SL Revenue	SL Revenue Contribution
Software & Services	15.1%
Pharmaceuticals, Biotechnology & Life Sciences	14.4%
Materials	10.7%

Top 3 Countries by SL Return to Lendable	SL Return to Lendable (bps)	SL Revenue Contribution
Norway	74.6	10.8%
Portugal	59.1	1.1%
Finland	16.5	3.5%

Top 3 Countries by SL Revenue	SL Revenue Contribution
France	28.5%
Germany	24.8%
Switzerland	11.2%

### 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 on a daily basis for individual market areas within the index.
- Indexed Short Interest: 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: 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