Securities Lending Returns in MSCI USA

The MSCI USA Index measures the performance of the large and mid cap segments of the US market. The index covers approximately 85% of the free float-adjusted market capitalization in 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 626 securities in the index and all of them are out on loan.

Indexed Short Interest 2018 2019 2020 2021 2022
End of Year Levels 103.0 84.7 78.8 72.5 93.1
Y/Y change 18% -18% -7% -8% 28%
Index base date: 1st Jan 2015 * as of 30th Jun 2022

SL Returns to Lendable (bps) - Quarterly Comparison

SL Returns to Lendable : Jul 21 to Jun 22

SL Revenue Contribution by Fee Categories

Indexed Short Interest 2022
End of Year Levels 103.0 84.7 78.8 72.5 93.1
Y/Y change 18% -18% -7% -8% 28%
Index base date: 1st Jan 2015 * as of 30th Jun 2022

Top Sectors by SL Revenue and SL Return to Lendable for Jun 2022

Top 3 Sectors by SL Return to Lendable

<table>
<thead>
<tr>
<th>Sector</th>
<th>SL Return to Lendable (bps)</th>
<th>SL Revenue Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automoblies &amp; Components</td>
<td>11.6</td>
<td>22.4%</td>
</tr>
<tr>
<td>Diversified Financials</td>
<td>4.5</td>
<td>23.5%</td>
</tr>
<tr>
<td>Media and Entertainment</td>
<td>2.8</td>
<td>20.8%</td>
</tr>
</tbody>
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Top 3 Sectors by SL Revenue

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Notes

- SL Return to Lendable_Low: Returns from securities lending relative to lendable value from all the lender funds who are not 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 not 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: 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 Categories: GC (value weighted average securities lending fee of <= 35 bps are classified as GC), Warm (35 bps & <= 150 bps are classified as Warm) and Special (value weighted average securities lending fee of > 150 bps are classified as Special). This fee classification is done on a daily basis.

Securities Lending Returns in MSCI USA

Media and Entertainment
Diversified Financials
Automobiles & Components
Top Sectors as SL Return to Lendable
Top Sectors as SL Revenue and SL Return to Lendable for Jun 2022