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 433 securities on loan out of the 436 securities in the index.

Indexed Short Interest
Period 2016 2017 2018 2019 2020
End of Year Levels 113.3 97.9 117.7 91.4 113.8
YOY change 4% -14% 20% -22% 24.3%

Index base date: 1st Jan 2015 * as of 30th Sep 2020

SL Returns to Lendable - Oct 19 to Sep 20

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

Top 3 Sectors by SL Return to Lendable
- Real Estate: 40.8, 19.1%
- Transportation: 22.8, 10.7%
- Media and Entertainment: 15.6, 10.6%

Top 3 Countries by SL Return to Lendable
- Norway: 23.5, 4.3%
- Finland: 8.8, 2.9%
- Netherlands: 8.4, 19.9%

Top 3 Sectors by SL Revenue
- Real Estate: 19.1%
- Transportation: 10.7%
- Media and Entertainment: 10.6%

Top 3 Countries by SL Revenue
- France: 28.2%
- Netherlands: 19.9%
- Germany: 16.6%

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 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
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 Revenue Contribution by Fee Categories

SL Returns to Lendable
- Oct 19 to Sep 20
- SL Return to Lendable_Low (bps): 4.3%
- SL Return to Lendable_Mid (bps): 53.5%
- SL Return to Lendable_High (bps): 5.3%

SL Returns to Lendable - Quarter Comparison

SL Returns to Lendable:
- SL Return to Lendable_Low (bps): 4.3%
- SL Return to Lendable_Mid (bps): 53.5%
- SL Return to Lendable_High (bps): 5.3%