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 breakdown by fee categories, top countries & sectors as well as the level of short interest in the index constituents. There are currently 586 securities on loan out of the 1386 securities in the index.

Indexed Short Interest

<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>Annualized</td>
<td>5.3</td>
<td>7.9</td>
<td>9.4</td>
</tr>
<tr>
<td>Nov to Oct 22</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>

Top Sectors & Countries by SL Revenue and SL Return to Lendable for Oct 2022

- **Transportation**: 40.7
- **Consumer Services**: 33.2
- **Diversified Financials**: 31.0

Country Classification

- 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 is classified as Special

Notes

- SL Return to Lendable_Low: 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.
- SL Return to Lendable_Mid: Returns from securities lending relative to lendable value from only those lender funds with the middle loan value that represent 20% of the cumulative loan value in respective market areas.
- SL Return to Lendable_High: Returns from securities lending relative to lendable value from only those lender funds with the lowest loan value that represent 20% of the cumulative loan value in respective market areas.

### Top Sectors & Countries by SL Revenue

- **Transportation**: 40.7
- **Consumer Services**: 33.2
- **Diversified Financials**: 31.0

### Top Countries by SL Revenue

- **Taiwan**: 33.6%
- **South Korea**: 21.9%
- **Hong Kong**: 21.6%

### Notes

- 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 upon the country of domicile.
- Securities with value weighted average securities lending fee of <= 35 bps is classified as GC, > 35 bps & <= 150 bps is classified as Warm and > 150 bps is classified as Special. This fee classification is done on a daily basis.