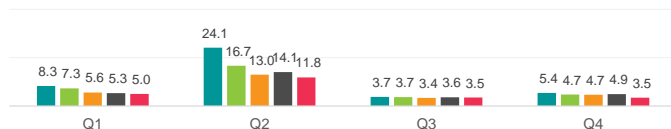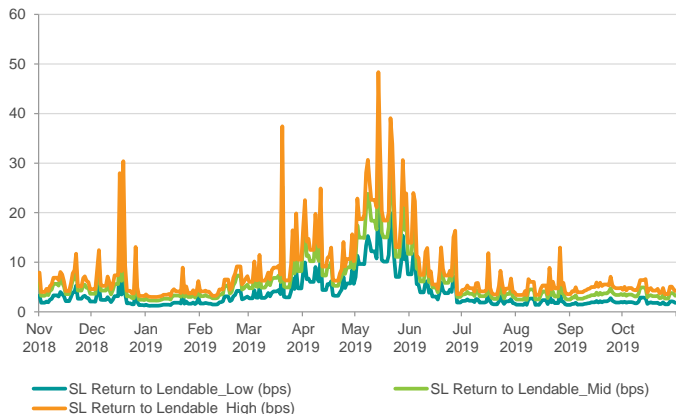# Securities Lending Returns in MSCI Europe

IHS Markit

The MSCI Europe Index measures the performance of the large and mid cap segments across 15 developed markets countries in Eur ope. 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 interes t in the index constituents. There are currently 440 securities on loan out of the 442 securities in the index

SL Returns to Lendable (bps) : Quarterly Comparison ■2015 ■2016 ■2017 ■2018 ■2019

Q1: 8.3 7.3 5.6 5.3 5.0
Q2: 24.1 16.7 13.0 14.1 11.8
Q3: 3.7 3.7 3.4 3.6 3.5
Q4: 5.4 4.7 4.7 4.9 3.5

Indexed Short Interest	2015	2016	2017	2018	2019
End of Year Levels	109.1	113.3	97.9	117.7	99.2
YOY change	9%	4%	-14%	20%	-16%

Index base date : 1st Jan 2015

SL Returns to Lendable : Nov 18 to Oct 19

SL Return to Lendable_Low (bps) — SL Return to Lendable_Mid (bps) — SL Return to Lendable_High (bps)

Period	SL Return to Lendable_Low (bps)		SL Return to Lendable_Mid (bps)		SL Return to Lendable_High (bps)	
Annualized	2019	2018	2019	2018	2019	2018
Jan	1.6	1.3	3.0	2.3	3.9	3.2
Feb	2.4	2.3	4.3	4.1	5.5	5.7
Mar	4.2	5.5	7.2	9.6	9.6	12.6
Apr	5.9	7.7	9.7	12.9	12.0	15.8
May	11.6	11.8	17.9	19.2	22.7	23.7
Jun	4.8	5.5	7.6	9.5	9.6	11.6
Jul	2.2	1.7	3.6	3.0	4.9	4.0
Aug	2.0	1.7	3.5	3.2	4.9	4.1
Sep	1.9	2.5	3.3	4.6	4.9	6.0
Oct	2.0	2.5	3.5	4.6	4.7	5.9
Nov	-	2.9	-	4.9	-	6.0
Dec	-	3.0	-	5.4	-	7.4
YTD	3.9	4.2	6.6	7.5	8.7	9.7
Full Year	3.9	4.0	6.6	7.1	8.7	9.2
Nov 18 - Oct 19	*3.7*		*6.3*		*8.4*	

SL Revenue Contribution by Fee Categories

Annual Contribution by Fee Categories : Nov 18 to Oct 19

19.4%
16.3%
64.4%
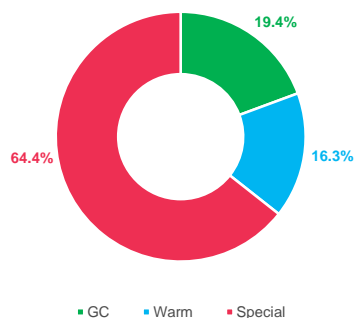
■ GC ■ Warm ■ Special

Period	GC Contribution		Warm Contribution		Special Contribution		Warm Securities		Special Securities	
Month	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Jan	48%	53%	16%	14%	35%	33%	18	26	5	5
Feb	32%	32%	23%	22%	45%	46%	21	23	6	6
Mar	17%	14%	14%	14%	68%	72%	34	40	14	16
Apr	12%	10%	18%	19%	69%	70%	62	71	27	34
May	6%	7%	14%	17%	80%	76%	67	97	44	47
Jun	16%	14%	10%	17%	74%	69%	34	64	18	22
Jul	31%	44%	10%	26%	59%	30%	17	42	10	7
Aug	32%	43%	22%	39%	46%	18%	15	41	6	3
Sep	34%	27%	10%	22%	56%	51%	14	38	5	6
Oct	34%	30%	24%	21%	42%	50%	19	24	4	6
Nov	-	26%	-	28%	-	46%	-	28	-	7
Dec	-	26%	-	21%	-	53%	-	21	-	5

Top Sectors & Countries by SL Revenue and SL Return to Lendable for Oct 2019

Top 3 Sectors by SL Return to Lendable	SL Return to Lendable (bps)
Food & Staples Retailing	83.3
Telecommunication Services	10.0
Retailing	7.6

Top 3 Sectors by SL Revenue	SL Revenue Contribution
Food & Staples Retailing	30%
Telecommunication Services	11%
Banks	11%

Top 3 Countries by SL Return to Lendable	SL Return to Lendable (bps)
Norway	28.2
Finland	16.0
France	8.1

Top 3 Countries by SL Revenue	SL Revenue Contribution
France	41%
UK	12%
Sweden	9%

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