

# Securities Lending Returns in MSCI Japan



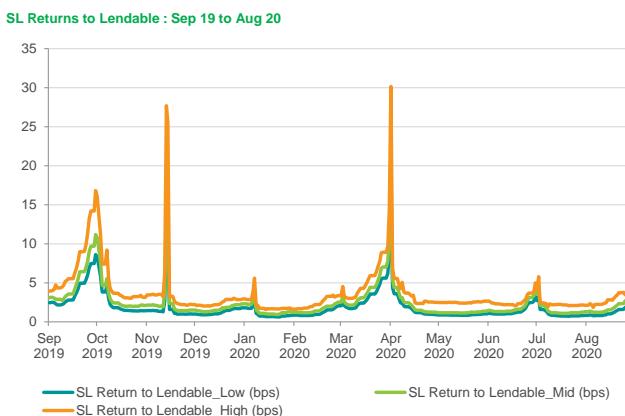
The MSCI Japan Index measures the performance of the large and mid cap segments of the Japanese market. The index covers approximately 85% of the free float-adjusted market capitalization in Japan. IHS Markit provides the securities lending return made from securities in the index since 2015 and further provides a break down by fee categories, top sectors as well as the level of short interest in the index constituents. There are currently 320 securities in the index and all are out on loan



Indexed Short Interest	2016	2017	2018	2019	2020*
End of Year Levels	139.8	116.3	285.4	177.1	230.9
YOY change	13%	-17%	145%	-38%	30%

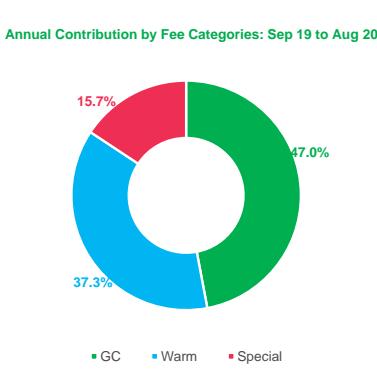
Index base date : 1st Jan 2015

\* as of 31st Aug 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	1.0	3.9	1.5	4.8	2.2	6.0
Feb	1.2	1.6	1.6	2.2	2.4	3.2
Mar	3.4	3.4	4.2	4.4	5.6	6.6
Apr	2.2	1.9	2.8	2.6	4.7	4.2
May	0.9	0.8	1.2	1.2	2.5	1.9
Jun	1.4	1.5	1.9	2.1	2.7	2.9
Jul	1.0	1.3	1.5	1.9	2.5	3.0
Aug	1.3	1.5	1.9	1.9	3.0	3.0
Sep	-	4.0	-	5.2	-	7.6
Oct	-	2.5	-	3.4	-	5.2
Nov	-	1.8	-	2.7	-	4.4
Dec	-	1.2	-	1.7	-	2.5
YTD	1.5	2.0	2.1	2.7	3.3	4.0
Full Year	1.5	2.1	2.1	2.9	3.3	4.3
Sep 19 to Aug 20		1.8		2.5		3.9

## SL Revenue Contribution by Fee Categories



Period	GC Contribution		Warm Contribution		Special Contribution		Warm Securities	Special Securities
	2020	2019	2020	2019	2020	2019		
Month								
Jan	62%	24%	28%	10%	10%	66%	8	12
Feb	69%	64%	24%	26%	7%	10%	21	29
Mar	29%	29%	65%	62%	7%	9%	89	88
Apr	44%	41%	36%	45%	21%	14%	47	40
May	91%	81%	5%	11%	4%	7%	6	8
Jun	56%	42%	32%	51%	12%	8%	14	23
Jul	67%	58%	26%	26%	7%	16%	9	12
Aug	76%	70%	21%	25%	3%	5%	13	19
Sep	-	32%	-	56%	-	12%	82	-
Oct	-	37%	-	34%	-	29%	38	-
Nov	-	37%	-	5%	-	58%	5	-
Dec	-	55%	-	42%	-	3%	18	-

## Top Sectors by SL Revenue and SL Return to Lendable for Aug 2020

Top 3 Sectors by SL Return to Lendable	SL Return to Lendable (bps)	SL Revenue Contribution
Food & Staples Retailing	8.8	9.1%
Real Estate	4.6	7.5%
Retailing	3.1	5.3%

Top 3 Sectors by SL Revenue	SL Revenue Contribution
Capital Goods	13.2%
Telecommunication Services	9.6%
Food & Staples Retailing	9.1%

### 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