

# Securities Lending Returns in MSCI USA

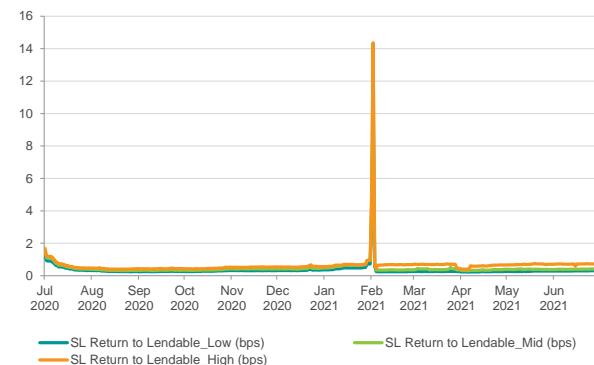


The MSCI USA Index measures the performance of the large and mid cap segments of the US market. The index covers approximately 85% of the free float-adjusted market capitalization in US. IHS Markit provides the securities lending return made from securities in the index since 2015 and further provides a breakdown by fee categories, top sectors as well as the level of short interest in the index constituents. There are currently 627 securities in the index and all of them are on loan.

SL Returns to Lendable (bps) : Quarterly Comparison ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021



SL Returns to Lendable : Jul 20 to Jun 21



Indexed Short Interest	2017	2018	2019	2020	2021*
End of Year Levels	87.4	103.0	84.7	78.8	74.6
YOY change	-20%	18%	-18%	-7%	-5.3%

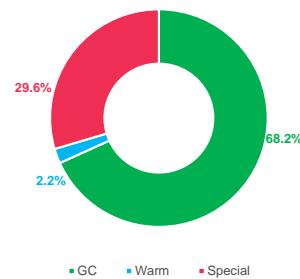
Index base date : 1st Jan 2015

\* as of 30th June 2021

Period	SL Return to Lendable_Low (bps)		SL Return to Lendable_Mid (bps)		SL Return to Lendable_High (bps)	
	2021	2020	2021	2020	2021	2020
Annualized						
Jan	0.5	0.4	0.6	0.5	0.7	0.7
Feb	0.7	0.4	1.1	0.5	1.7	0.7
Mar	0.3	1.0	0.4	1.2	0.7	1.3
Apr	0.2	0.6	0.3	0.7	0.6	0.9
May	0.3	0.9	0.4	1.1	0.7	1.3
Jun	0.3	1.1	0.4	1.3	0.7	1.5
Jul	-	0.5	-	0.7	-	0.7
Aug	-	0.3	-	0.3	-	0.4
Sep	-	0.3	-	0.3	-	0.4
Oct	-	0.3	-	0.4	-	0.5
Nov	-	0.3	-	0.4	-	0.5
Dec	-	0.3	-	0.4	-	0.6
YTD	0.4	0.7	0.5	0.9	0.8	1.1
Full Year	0.4	0.5	0.5	0.6	0.8	0.8
Jul 20 to Jun 21	0.4		0.5		0.6	

SL Revenue Contribution by Fee Categories

Annual Contribution by Fee Categories: Jul 20 to Jun 21



Period	GC Contribution		Warm Contribution		Special Contribution		Warm Securities		Special Securities	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Month										
Jan	50%	78%	1%	2%	49%	20%	1	2	1	1
Feb	33%	71%	0%	3%	67%	26%	1	2	2	1
Mar	98%	32%	1%	3%	1%	65%	2	4	1	2
Apr	94%	45%	5%	6%	0%	49%	2	3	1	3
May	80%	29%	7%	1%	13%	70%	3	1	1	4
Jun	78%	24%	2%	1%	20%	75%	2	2	2	3
Jul	-	47%	-	1%	-	52%	-	2	-	1
Aug	-	92%	-	1%	-	8%	-	2	-	1
Sep	-	99%	-	1%	-	1%	-	1	-	1
Oct	-	87%	-	6%	-	7%	-	2	-	1
Nov	-	74%	-	3%	-	23%	-	1	-	1
Dec	-	73%	-	2%	-	25%	-	2	-	2

Top Sectors by SL Revenue and SL Return to Lendable for Jun 2021

Top 3 Sectors by SL Return to Lendable	SL Return to Lendable (bps)	SL Revenue Contribution
Automobiles & Components	1.1	4.4%
Software & Services	1.0	39.3%
Media and Entertainment	0.5	12.6%

Top 3 Sectors by SL Revenue	SL Revenue Contribution
Software & Services	39.3%
Media and Entertainment	12.6%
Retailing	4.6%

## 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