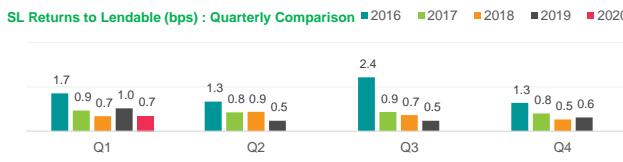


# Securities Lending Returns in MSCI USA

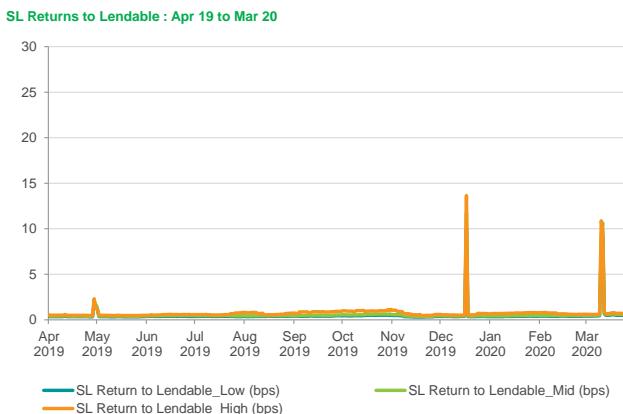


The MSCI USA Index measures the performance of the large and mid cap segments of the US market. The index covers approximately 85% of the free float-adjusted market capitalization in US. IHS Markit provides the securities lending return made from securities in the index since 2015 and further provides a break down by fee categories, top sectors as well as the level of short interest in the index constituents. There are currently 636 securities in the index and all of them are out on loan



Indexed Short Interest	2016	2017	2018	2019	2020
End of Year Levels	108.9	87.4	103.0	84.7	97.8
YOY change	-14%	-20%	18%	-18%	15.5%

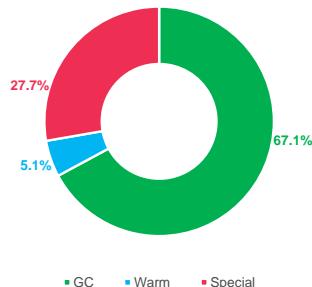
Index base date : 1st Jan 2015



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	0.4	0.6	0.5	0.7	0.7	0.9
Feb	0.4	0.4	0.5	0.5	0.7	0.6
Mar	1.0	1.6	1.2	1.8	1.3	2.1
Apr	-	0.4	-	0.5	-	0.6
May	-	0.4	-	0.4	-	0.5
Jun	-	0.4	-	0.5	-	0.6
Jul	-	0.4	-	0.5	-	0.6
Aug	-	0.4	-	0.5	-	0.7
Sep	-	0.4	-	0.5	-	0.9
Oct	-	0.5	-	0.6	-	1.0
Nov	-	0.4	-	0.4	-	0.6
Dec	-	0.7	-	0.8	-	1.1
YTD	0.6	0.9	0.7	1.0	0.9	1.2
Full Year	0.6	0.5	0.7	0.6	0.9	0.8
Apr 19 - Mar 20	<b>0.5</b>		<b>0.6</b>		<b>0.8</b>	

## SL Revenue Contribution by Fee Categories

### Annual Contribution by Fee Categories: Apr 19 to Mar 20



Period	GC Contribution		Warm Contribution		Special Contribution		Warm Securities	Special Securities
	2020	2019	2020	2019	2020	2019		
Month								
Jan	78%	59%	2%	0%	20%	41%	2	2
Feb	71%	92%	3%	1%	26%	7%	2	2
Mar	32%	24%	3%	1%	65%	75%	4	3
Apr	-	78%	-	1%	-	20%	-	1
May	-	85%	-	7%	-	8%	-	2
Jun	-	88%	-	11%	-	1%	-	3
Jul	-	85%	-	14%	-	1%	-	3
Aug	-	82%	-	15%	-	3%	-	1
Sep	-	77%	-	11%	-	12%	-	3
Oct	-	69%	-	2%	-	29%	-	1
Nov	-	87%	-	0%	-	13%	-	1
Dec	-	46%	-	0%	-	53%	-	2

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

Top 3 Sectors by SL Return to Lendable	SL Return to Lendable (bps)
Health Care Equipment & Services	9.3
Automobiles & Components	2.3
Media and Entertainment	2.0

Top 3 Sectors by SL Revenue	SL Revenue Contribution
Health Care Equipment & Services	55%
Media and Entertainment	13%
Software & Services	7%

## 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