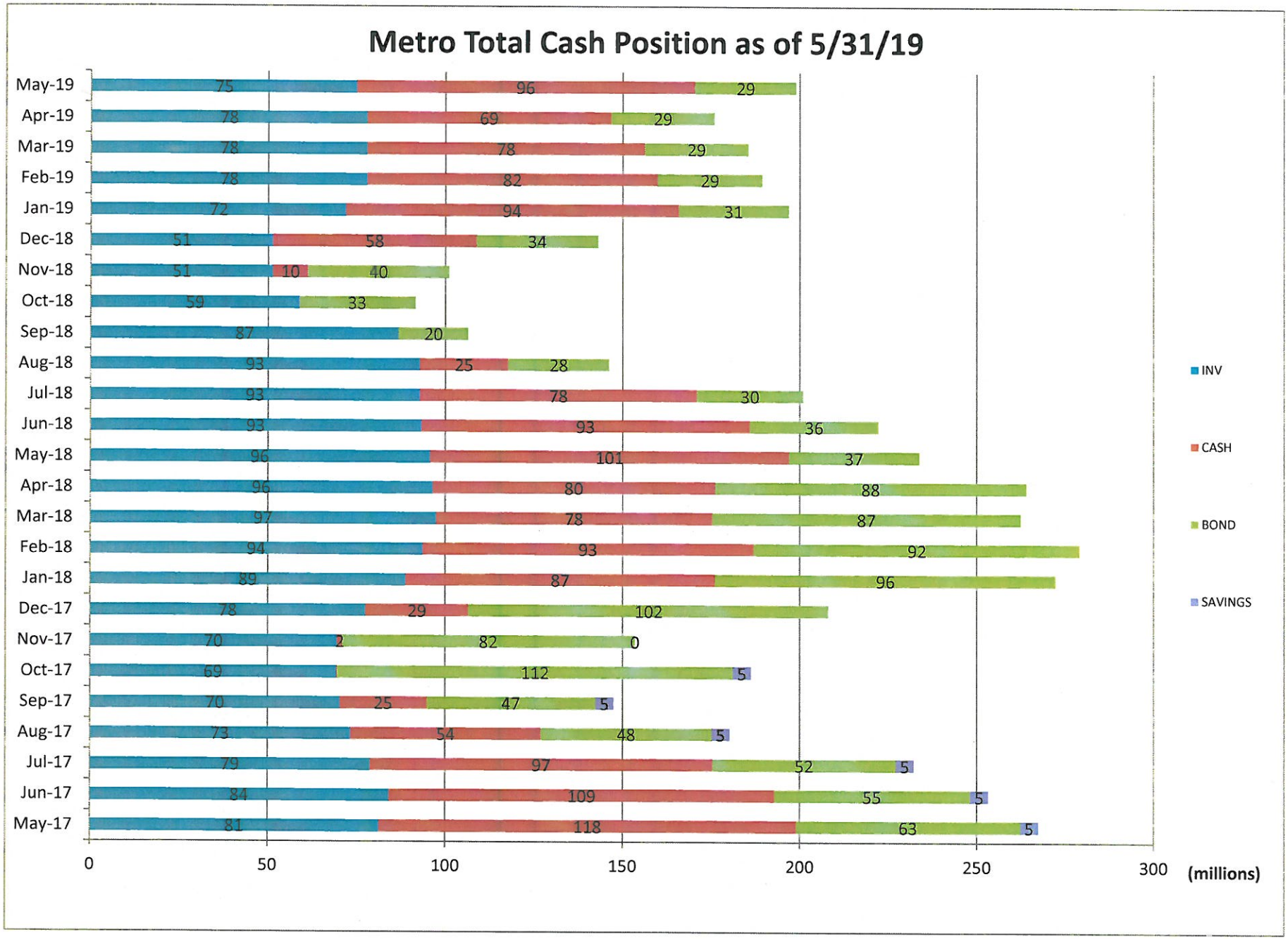
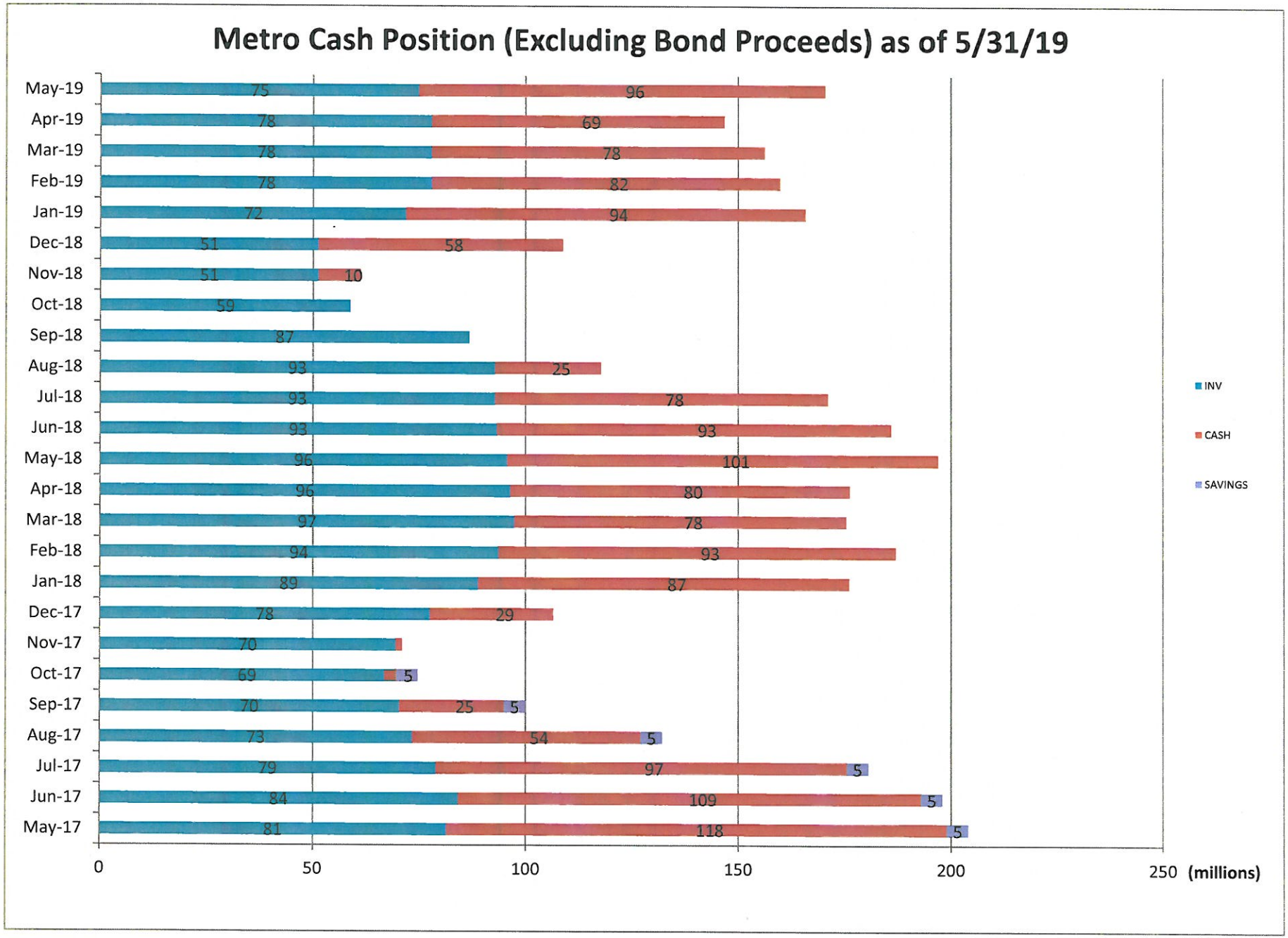
Louisville Metro Investment Council

Louisville METRO

June 19, 2018

PORTFOLIO COMPOSITION


Metro Total Cash Position as of 5/31/19
May-19 75 96 29
Apr-19 78 69 29
Mar-19 78 78 29
Feb-19 78 82 29
Jan-19 72 94 31
Dec-18 51 58 34
Nov-18 51 10 40
Oct-18 59 33
Sep-18 87 20
Aug-18 93 25 28
Jul-18 93 78 30
Jun-18 93 93 36
May-18 96 101 37
Apr-18 96 80 88
Mar-18 97 78 87
Feb-18 94 93 92
Jan-18 89 87 96
Dec-17 78 29 102
Nov-17 70 2 82 0
Oct-17 69 112 5
Sep-17 70 25 47 5
Aug-17 73 54 48 5
Jul-17 79 97 52 5
Jun-17 84 109 55 5
May-17 81 118 63 5
0
50
100
150
200
250
300
(millions)
INV
CASH
BOND
SAVINGS


Metro Cash Position (Excluding Bond Proceeds) as of 5/31/19
May-19
Apr-19
Mar-19
Feb-19
Jan-19
Dec-18
Nov-18
Oct-18
Sep-18
Aug-18
Jul-18
Jun-18
May-18
Apr-18
Mar-18
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Jan-18
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Nov-17
Oct-17
Sep-17
Aug-17
Jul-17
Jun-17
May-17
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72
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51
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93
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80
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78
94
93
89
87
78
29
70
69
5
70
25
5
73
54
5
79
97
5
84
109
5
81
118
5
0
50
100
150
200
250
(millions)
INV
CASH
SAVINGS

Acc Int / Amort / Mkt Val

Lou / Jeff Cty Metro Finance

Effective Interest - Callable Life

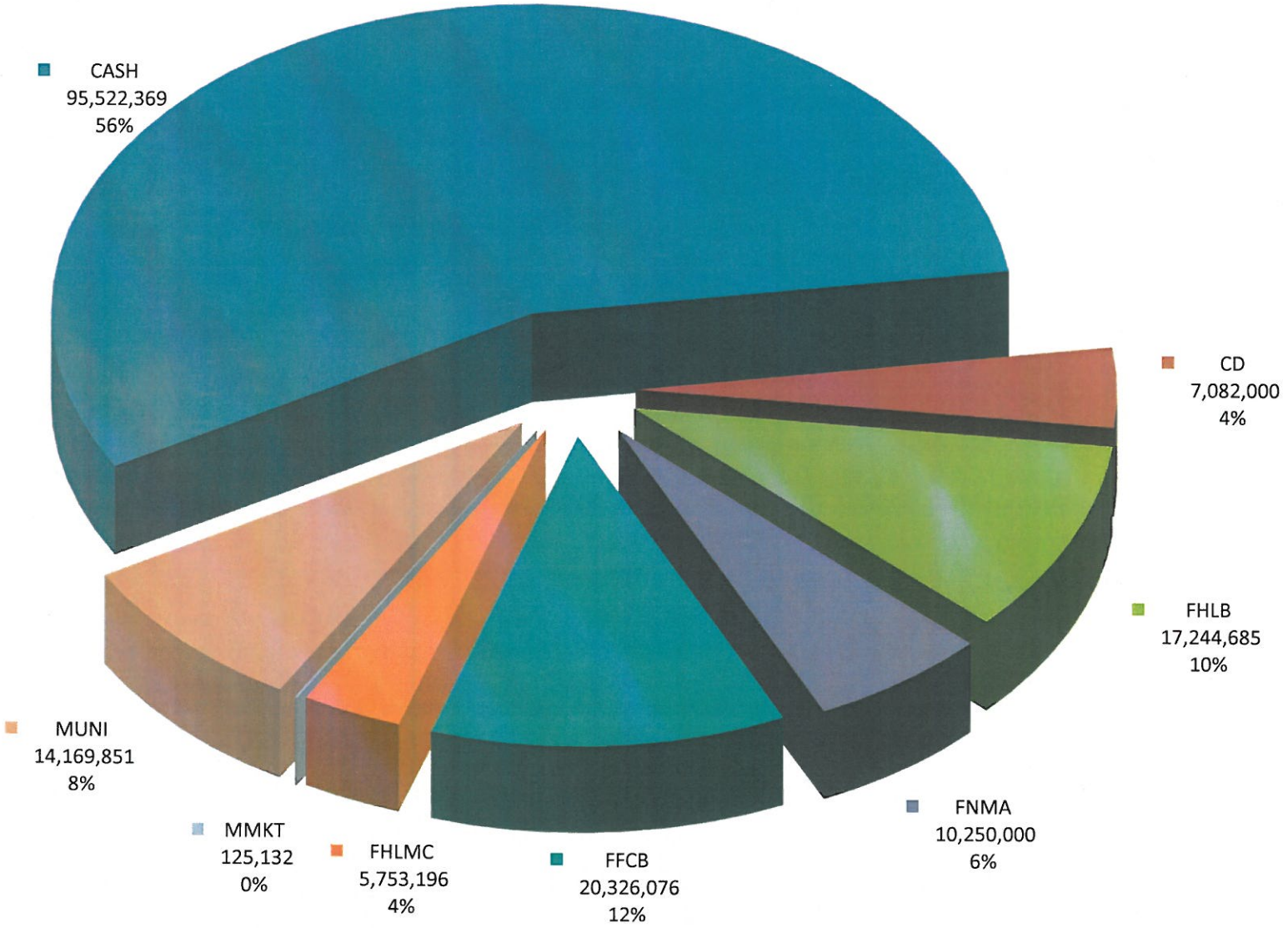
Receipts in Period

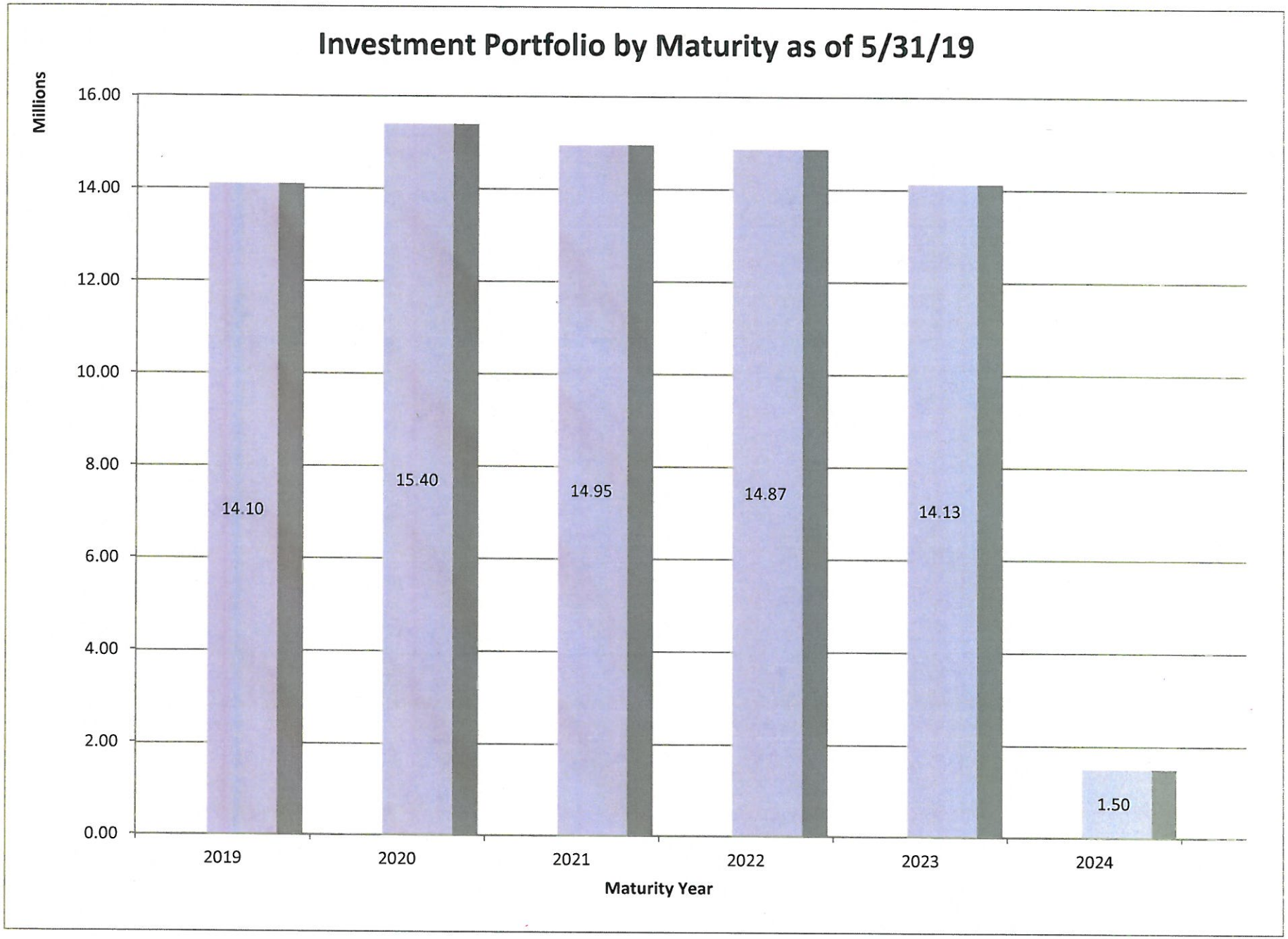
5/31/2019

	Invest Number	CUSIP	Security Description	Call Date	Purchase Date	Ending Par Val/Shares	Ending Amor Val/Cost	Ending Market Val	Amortization Purch/Date	PTD Purch Received	Int/Div Rec Purch/Date	Int/Div Accrued Purch/Date	Purch Int + Acc Int
	AR-0046	METRO CONC 53- 714868609	Cash Account	Open	09/22/08	91,980,714.40	91,980,714.40	91,980,714.40	0.00	0.00	1,753,255.39	0.00	0.00
	AR-0054	METRO SAFEKEEPING - 1050996303	Cash Account	Open	12/30/16	3,541,654.32	3,541,654.32	3,541,654.32	0.00	0.00	67,552.81	225.37	225.37
	Cash Total					95,522,368.72	95,522,368.72	95,522,368.72	0.00	0.00	1,820,808.20	225.37	225.37
Certificate of Deposit	18-0057	02007GAQ6	ALLY BK UTAH 2.25 01/27/20	Open	01/25/18	250,000.00	250,000.00	250,000.00	0.00	0.00	5,625.00	1,984.38	1,984.38
	18-0058	211163GW4	CONT BANK UTAH 2.10 07/26/21	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	5,250.00	1,837.50	1,837.50
	18-0059	55266CYB6	MB FINL BK ILL 2.35 01/26/22	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	7,806.51	81.60	81.60
	18-0060	58404DBA8	MEDALLION BK UTAH 2.40 01/26/22	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	7,972.60	83.33	83.33
	18-0061	857894WJ4	STEARNS BK MINN 2.20 01/26/21	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	7,308.17	76.39	76.39
	18-0062	27113PCG4	EAST BOSTON SVGS 2.30 07/30/21	Open	01/30/18	250,000.00	250,000.00	250,000.00	0.00	0.00	5,750.00	1,948.61	1,948.61
	18-0065	501798LQ3	LCA BANK CORPORATION 2.60 02/28/22	Open	02/28/18	246,000.00	246,000.00	246,000.00	0.00	0.00	6,396.00	1,652.30	1,652.30
	18-0067	856285JS1	ST BK IND NYC 3.00 03/06/23	Open	03/06/18	246,000.00	246,000.00	246,000.00	0.00	0.00	7,380.00	1,783.50	1,783.50
	18-0068	254673MW3	DISCOVER BANK 2.65 03/08/21	Open	03/07/18	246,000.00	246,000.00	246,000.00	0.00	0.00	6,519.00	1,539.21	1,539.21
	18-0070	75272LAD8	RANDOLPH SAVINGS BANK 2.60 03/09/22	Open	03/09/18	246,000.00	246,000.00	246,000.00	0.00	0.00	6,396.00	1,492.40	1,492.40
	18-0084	CD075	METRO 1.50 06/07/19	Open	06/07/18	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	13,726.02	1,000.00	1,000.00
	19-0003	CD772	METRO 1.50 10/07/19	Open	10/07/18	100,000.00	100,000.00	100,000.00	0.00	0.00	871.25	100.00	100.00
	19-0004	CD1499	YCB 0.149 09/23/19	Open	10/23/18	250,000.00	250,000.00	250,000.00	0.00	0.00	217.67	8.28	8.28
	19-0020	86789VXR3	SUNTRUST SILC 3.00 08/12/22	02/12/20	02/12/19	248,000.00	248,000.00	248,000.00	0.00	0.00	1,814.14	407.67	407.67
	19-0021	38148P5B9	GOLDMAN SACHS NYC 3.10 02/13/24	Open	02/14/19	250,000.00	250,000.00	250,000.00	0.00	0.00	0.00	2,259.37	2,280.60
	19-0022	61690UEH9	MORGAN STANLEY, SALT LK CITY 3.05 02/14/24	Open	02/14/19	250,000.00	250,000.00	250,000.00	0.00	0.00	0.00	2,235.27	2,235.27
	19-0023	949763XQ4	WELLS FARGO SIOUX FALLS 3.10 02/13/24	Open	02/14/19	250,000.00	250,000.00	250,000.00	0.00	20.50	1,889.73	387.50	408.73
	19-0024	05581WL45	BMO HARRIS BANK 3.00 02/15/23	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	1,828.77	349.32	349.32
	19-0025	06426KBA5	BANK OF NEW ENGLAND SALEM 2.85 02/15/24	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	1,737.33	312.33	312.33
	19-0026	17312Q2V0	CITIBANK SIOUX FALLS 3.00 02/15/24	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	0.00	2,178.08	2,178.08
	19-0028	48128HGA0	JPMORGAN CHASE COLUMBUS 3.00 02/15/23	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	0.00	2,178.08	2,178.08
	19-0029	87270LBU6	TIAA FSB JACKSONVILLE 3.00 02/22/24	Open	02/22/19	250,000.00	250,000.00	250,000.00	0.00	0.00	0.00	2,034.25	2,034.25
	19-0036	CD423	METRO 2.00 05/07/20	Open	05/07/19	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	0.00	1,333.33	1,333.33
	Certificate of Deposit Total					7,082,000.00	7,082,000.00	7,082,000.00	0.00	20.50	88,488.19	27,262.70	27,305.16
FFCB	17-0010	3133EGNK7	FFCB 1.32 07/27/20	07/27/17	07/27/16	3,000,000.00	3,000,000.00	2,976,060.00	0.00	0.00	99,000.00	13,640.00	13,640.00
	17-0022	3133EGVJ1	FFCB 1.16 09/26/19	09/26/17	09/27/16	3,000,000.00	3,000,000.00	2,990,250.00	0.00	96.67	87,000.00	6,283.33	6,380.00
	17-0077	3133EHMG5	FFCB 1.80 03/12/21	09/12/17	06/22/17	2,000,000.00	2,000,000.00	1,992,940.00	1,400.00	5,000.00	63,000.00	7,900.00	8,900.00
	18-0052	3133EHL43	FFCB 2.15 07/26/22	01/29/18	01/23/18	1,850,000.00	1,850,000.00	1,850,000.00	20,442.50	9,778.02	49,718.75	13,810.76	23,423.05
	18-0053	3133EHRL9	FFCB 2.00 07/19/21	07/19/18	01/23/18	1,769,000.00	1,769,000.00	1,769,000.00	12,383.00	393.11	35,380.00	12,972.67	13,365.78
	19-0011	3133EHVP5	FFCB 2.30 08/23/23	02/04/19	01/29/19	1,500,000.00	1,500,000.00	1,497,885.00	30,750.00	14,950.00	17,250.00	9,391.67	24,341.67
	19-0012	3133EFM38	FFCB 2.23 03/14/23	02/04/19	01/29/19	2,000,000.00	2,000,000.00	2,000,020.00	42,000.00	16,725.00	22,300.00	9,539.44	26,264.44
	19-0014	3133EJP60	FFCB 3.00 05/02/23	Open	01/29/19	2,000,000.00	2,024,264.98	2,077,160.00	-1,935.02	14,500.00	30,000.00	4,833.33	19,333.33
	19-0017	3133EGJ22	FFCB 2.00 11/16/23	Open	01/29/19	2,000,000.00	1,932,811.45	2,000,000.00	4,811.45	8,111.11	20,000.00	1,666.67	9,777.78
	19-0027	3133EKAR7	FFCB 2.80 08/15/22	08/15/19	02/15/19	1,250,000.00	1,250,000.00	1,251,187.50	0.00	0.00	0.00	10,305.56	10,305.56
	FFCB Total					20,369,000.00	20,326,076.43	20,404,502.50	109,851.93	69,553.91	423,648.75	90,343.43	155,731.61
FHLB	16-0071	3130A8JZ7	FHLB 1.22 12/30/19	06/30/17	06/30/16	2,900,000.00	2,900,000.00	2,881,324.00	0.00	0.00	88,450.00	14,839.94	14,839.94
	17-0046	3130AAQV3	FHLB 1.67 04/30/20	01/30/18	02/02/17	2,400,000.00	2,400,000.00	2,387,136.00	0.00	6,828.44	80,160.00	13,471.33	13,694.00
	17-0066	3130AAQB7	FHLB 2.00 08/16/21	02/16/18	02/16/17	2,000,000.00	2,000,000.00	1,995,480.00	0.00	0.00	80,000.00	11,666.67	11,666.67
	19-0006	3130AFE78	FHLB 3.00 12/09/22	Open	01/29/19	2,000,000.00	2,022,939.60	2,070,520.00	-2,060.40	0.00	0.00	20,333.33	34,166.66
	19-0007	3130AAHM3	FHLB 2.80 12/27/23	03/27/19	01/29/19	1,000,000.00	1,000,000.00	1,000,280.00	5,470.00	0.00	0.00	9,488.89	11,977.78
	19-0008	3130A0JR2	FHLB 2.375 12/13/19	Open	01/29/19	1,000,000.00	999,031.37	1,000,300.00	621.37	0.00	0.00	8,048.61	11,083.33
	19-0009	3130A0JR2	FHLB 2.375 12/13/19	Open	01/29/19	1,000,000.00	999,000.68	1,000,300.00	640.68	0.00	0.00	8,048.61	11,083.33
	19-0015	3130AFAP2	FHLB 3.50 10/30/23	10/30/19	01/29/19	1,000,000.00	1,003,326.10	1,005,570.00	-2,673.90	8,652.78	17,500.00	3,013.89	11,666.67
	19-0016	3130AAHM3	FHLB 2.80 12/27/23	03/27/19	01/29/19	2,000,000.00	2,000,000.00	2,000,560.00	13,080.00	0.00	0.00	18,977.78	23,955.56
	19-0018	3130A9BK6	FHLB 1.80 09/01/23	Open	01/29/19	2,000,000.00	1,920,387.19	1,982,480.00	5,987.19	14,800.00	18,000.00	9,000.00	23,800.00
	FHLB Total					17,300,000.00	17,244,684.94	17,323,950.00	21,064.94	30,281.22	284,110.00	116,889.05	167,933.94
FHLMC	16-0051	3134G9JT5	FHLMC 1.35 11/26/19	08/26/16	05/26/16	1,500,000.00	1,500,000.00	1,492,800.00	525.00	0.00	60,750.00	281.25	281.25
	17-0016	3134G9W37	FHLMC 1.45 08/10/20	11/10/16	08/10/16	1,500,000.00	1,500,000.00	1,487,565.00	0.00	0.00	54,375.00	6,706.25	6,706.25
	19-0010	3134GSTN5	FHLMC 3.00 08/17/22	08/17/20	01/29/19	1,250,000.00	1,253,196.08	1,259,262.50	-866.42	16,875.00	18,750.00	10,833.33	27,708.33
	19-0031	3134GSW43	FHLMC 2.70 02/28/22	02/28/20	02/28/19	1,500,000.00	1,500,000.00	1,505,820.00	0.00	0.00	0.00	10,347.53	10,347.53
	FHLMC Total					5,750,000.00	5,753,196.08	5,745,447.50	-341.42	16,875.00	133,875.00	28,168.36	45,043.36
FNMA	17-0011	3136G3L37	FNMA 1.125 10/28/19	07/28/17	07/28/16	2,000,000.00	2,000,000.00	1,990,260.00	0.00	0.00	56,250.00	7,687.50	7,687.50
	17-0048	3136G4KD4	FNMA 1.75 06/29/20	06/29/17	02/03/17	2,000,000.00	2,000,000.00	1,993,360.00	0.00	3,305.56	70,000.00	14,777.78	18,083.34
	18-0054	3134G95P8	FNMA STEP 1.625 08/25/21	02/25/18	01/26/18	2,000,000.00	2,000,000.00	2,000,000.00	15,000.00	13,631.94	52,500.00	10,666.67	24,027.78
	18-0055	3136G3ZP3	FNMA STEP 1.50 07/28/21	04/28/18	01/23/18	2,000,000.00	2,000,000.00	1,999,200.00	2,000.00	14,583.33	50,000.00	13,666.67	28,250.00
	18-0056	3136G4QE6	FNMA 2.20 10/26/22	10/26/18	01/23/18	2,250,000.00	2,250,000.00	2,250,180.00	30,143.48	11,962.50	74,250.00	4,812.50	16,775.00
	FNMA Total					10,250,000.00	10,250,000.00	10,233,000.00	47,143.48	43,483.33	303,000.00	51,611.12	94,823.62
Money Market	AR-0001	MMKT FED - 5000638	Money Market	Open	07/01/99	163.51	163.51	163.51	0.00	0.00	1,652,557.85	0.00	0.00
	AR-0006	TARC FED - 4485281	Money Market	Open	07/01/99	0.00	0.00	0.00	0.00	0.00	30.61	0.00	0.00
	AR-0058	JPMORGAN MMKT - 00005017334	Money Market	Open	12/19/17	23,783.80	23,783.80	23,783.80	0.00	0.00	23,783.80	0.00	0.00
	AR-0059	GOLDMAN SACHS MMKT - 0188506760	Money Market	Open	12/19/17	39,515.66	39,515.66	39,515.66	0.00	0.00	39,515.66	0.00	0.00

	AR-0060	FEDERATED MMKT - 06090498885	Money Market	Open	12/19/17	23,896.37	23,896.37	23,896.37	0.00	0.00	23,896.33	0.00	0.00
	AR-0061	DREYFUS MMKT - 0616753258	Money Market	Open	12/19/17	37,772.69	37,772.69	37,772.69	0.00	0.00	37,772.68	0.00	0.00
	Money Market Total					**125,132.03**	**125,132.03**	**125,132.03**	**0.00**	**0.00**	**1,777,556.93**	**0.00**	**0.00**
Municipal Bond	15-0045	613357AF9	MONTG CO 2.44 11/01/19	Open	06/25/15	500,000.00	501,314.03	499,995.00	-11,935.97	1,830.00	48,800.00	1,016.67	2,846.67
	16-0065	64971WF39	NYC TRAN FIN AUTH-SUB 1.69 02/01/21	Open	06/23/16	1,350,000.00	1,353,094.83	1,340,523.00	-5,261.67	4,999.58	63,374.99	7,605.00	11,534.25
	17-0004	047681NZ0	ATLANTA ETC REC 2.41 12/01/19	Open	07/22/16	720,000.00	723,790.32	718,632.00	-21,179.28	2,440.96	43,319.17	8,676.00	11,134.20
	17-0012	555542LS6	MACON-BIBB CNTY GA 3.00 12/01/20	Open	08/01/16	425,000.00	434,739.62	427,388.50	-17,825.88	2,104.72	31,814.17	6,375.00	8,500.00
	17-0027	64990E4G9	NY DORM AUTH C-TXBL 1.10 02/15/20	Open	09/30/16	1,000,000.00	1,000,000.00	991,030.00	0.00	1,138.20	26,552.78	3,238.89	3,666.67
	17-0028	64990EEL7	NYS DORM AUTH C-TXBL 2.12 03/15/21	Open	09/30/16	2,000,000.00	2,020,023.58	1,995,860.00	-28,876.42	1,766.67	106,000.00	8,951.11	10,717.78
	17-0029	64971WN97	NY TRANSITION TXBL 1.35 08/01/20	Open	09/30/16	2,625,000.00	2,631,065.01	2,601,033.75	-13,569.99	4,162.27	83,573.44	11,812.50	12,600.00
	17-0032	597137GZ5	MIDDLETOWN OH 2.053 12/01/20	Open	10/07/16	400,000.00	403,565.63	398,832.00	-6,110.37	2,831.62	20,469.17	4,106.00	6,797.71
	17-0051	696624AV7	CA PDTDEV 2.75 10/01/22	Open	02/06/17	1,000,000.00	998,418.18	1,011,860.00	1,038.18	3,235.92	59,659.72	4,583.33	5,041.66
	17-0059	485429Y32	KANSAS ST DEV AUTH 2.608 04/15/20	Open	02/08/17	775,000.00	779,720.99	775,984.25	-12,150.76	6,344.32	50,530.00	2,582.64	8,926.96
	17-0075	041042ZV7	ARKANSAS ST 2.875 06/01/21	Open	06/09/17	800,000.00	816,379.96	812,768.00	-15,620.04	511.11	34,500.00	11,500.00	12,011.11
	18-0071	64966MWH8	NYC GO 2.80 03/01/22	Open	03/13/18	2,500,000.00	2,507,739.13	2,542,975.00	-3,235.87	0.00	68,875.00	17,500.00	17,500.00
	Municipal Bond Total					**14,095,000.00**	**14,169,851.28**	**14,116,881.50**	**-134,728.07**	**31,365.37**	**637,468.44**	**87,947.14**	**111,277.01**
	Investment Total					**170,493,500.75**	**170,473,309.48**	**170,553,282.25**	**42,990.86**	**191,579.33**	**5,468,955.51**	**402,447.17**	**602,340.07**

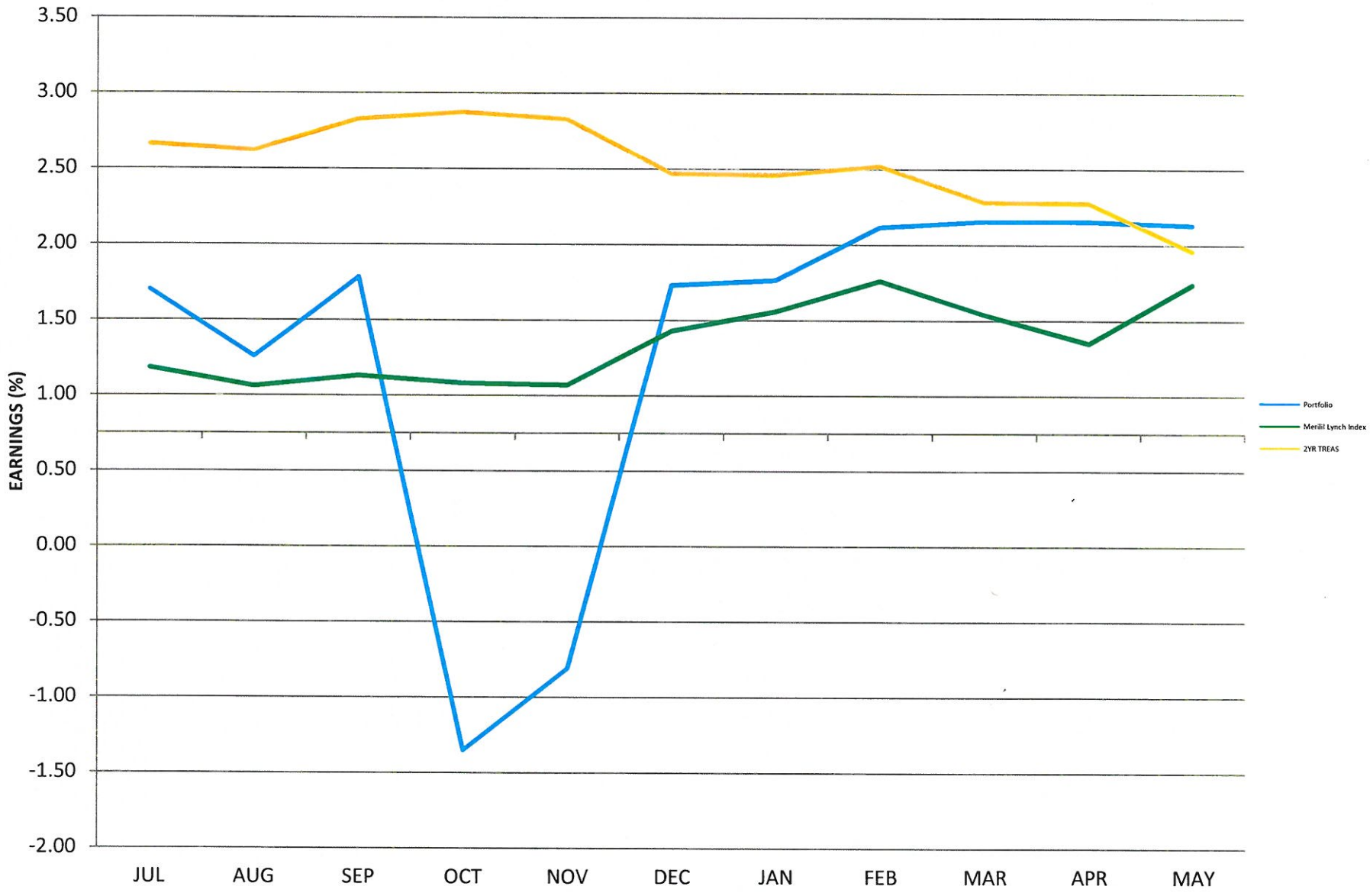
Total Portfolio Asset Allocation as of 5/31/2019




Investment Portfolio by Maturity as of 5/31/19
Millions
16.00
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
14.10
15.40
14.95
14.87
14.13
1.50
2019
2020
2021
2022
2023
2024
Maturity Year

PORTFOLIO PERFORMANCE

Portfolio Performance as of 5/31/19



DATA ANALYSIS

Metro Cash Position

Cash levels increased thanks to the April 15th tax collections of the Revenue Commission. While the total cash position of Metro is behind the totals at this point last year, it's important to note that this is due t the fact that the investment portfolio is not as large as it was a year ago. When comparing the actual cash balances year-over-year Metro is in a stable position going into year end.

Asset Allocation

There was activity to report for the month of May to report:

Calls:	$2,000,000	FFCB	2.94	03/06/23 – Called on 5/29/19 @ 3.072% yield
	$1,000,000	FFCB	3.05	05/08/23 – Called on 5/8/19 @ 3.05% yield

It is likely that if rates continue to fall, more calls will follow.

Maturity Distribution

There was no significant change to maturity distribution for the month of May.

Portfolio Performance

Portfolio yield remained constant over last month. With the decline in rates, the 2-year has dropped below that of the portfolio. With the fed projected to cut rates in the coming months, this gap could widen further and strengthen the portfolio.

ECONOMIC UPDATE

ECONOMIC UPDATE

How quickly things can change. It seems not that long ago that we were discussing rate cuts and that it was likely that the Fed would wait to cut in December or early 2020. Here we are now, a few weeks later, and the economic data is beginning to support the market's view that the economy is slowing to the point that will force the Fed to make a move soon. This is evident by the 87% chance that a rate cut will occur at the next Fed meeting in July.

One reason for the slow down is the current trade war with China. Each day we don't have a deal hurts and it's beginning to show in the numbers. There is still time to fix it, but that window is closing and eventually you reach a point when the damage can't be reversed, and economic momentum becomes a casualty. Speaking to this, President Trump and President Xi is expected to meet at the G-20 summit on June 28th and 29th. The result of this meeting could be bullish for the economy and reduce the need for a rate cut.

99) Export World Interest Rate Proba

United States Instrument Futures: Fed Funds - Effective Fed Effective Rate

1) Overview 2) Future Implied Probability

Current Implied Probabilities 3) Add/Remove Rates

Dates Meeting Calculation Calculated 06/17/2019 Based on rate 2.25-2.

Meeting	Hike Prob	Cut Prob	1.25-1.5	1.5-1.75	1.75-2	2-2.25	2.25-2.5	Fwd
06/19/2019	0.0%	21.3%	0.0%	0.0%	0.0%	21.3%	78.7%	
07/31/2019	0.0%	84.3%	0.0%	0.0%	17.1%	67.2%	15.7%	
09/18/2019	0.0%	96.1%	0.0%	12.8%	54.7%	28.6%	3.9%	
10/30/2019	0.0%	97.3%	4.1%	26.2%	46.3%	20.7%	2.7%	
12/11/2019	0.0%	98.8%	16.2%	37.2%	32.3%	10.8%	1.2%	
01/29/2020	0.0%	99.1%	21.7%	35.9%	26.7%	8.3%	0.9%	
03/18/2020	0.0%	99.3%	25.2%	33.6%	22.1%	6.5%	0.7%	
04/29/2020	0.0%	99.4%	26.2%	32.3%	20.4%	5.8%	0.6%	
06/10/2020	0.0%	99.5%	27.6%	29.6%	17.0%	4.6%	0.5%	

Historical Analysis for Meeting 06/19/2019 4) Add/Remove Series

The implied probabilities above paint a clearer picture of where things stand. When you consider the probabilities, it's no wonder why markets are beginning to price in 2+ cuts in 2019. With so many factors for the market to consider (slow global growth, a "never-ending" trade war, low inflation, etc) it's no wonder why rate cuts are drawing near. While the Fed would most likely prefer to remain "patient", as they like to call it, it's becoming more and more likely that they will be forced into action.

Total Portfolio Shock Table

Lou / Jeff Cty Metro Finance

Effective Interest - Actual Life

Receipts in Period

5/31/2019

Data Category	Down 300	Down 200	Down 100	Current	Up 100	Up 200	Up 300
Current Par	74,971,132.03	74,971,132.03	74,971,132.03	74,971,132.03	74,971,132.03	74,971,132.03	74,971,132.03
Amor. Cost	74,813,630.03	74,813,630.03	74,813,630.03	74,813,630.03	74,813,630.03	74,813,630.03	74,813,630.03
Market Value	74,806,375.53	74,881,221.53	74,956,067.53	75,030,913.53	75,105,759.53	75,180,605.53	75,255,451.53
% Change	-0.30 (0.10)	-0.20 (0.10)	-0.10 (0.10)	0.00 (0.10)	0.10 (0.10)	0.20 (0.10)	0.30 (0.10)
Market Price	99.78	99.88	99.98	100.08	100.18	100.28	100.38
Market Yield	2.5064	2.4286	2.3509	2.2734	2.196	2.1187	2.0416
Gain / Loss	-7,254.50	67,591.50	142,437.50	217,283.50	292,129.50	366,975.50	441,821.50

The table above represents the interest rate risk of the investment portfolio of individual fixed incomesecurities. By adjusting current market rates and by using the matrix pricing technique, the portfolio wassubjected to an immediate interest rate shock of plus or minus 300 basis points. The results in weightedaverage total is presented above which details the projected market value, market price, total unrealizedgain (loss) and percentage market value change from the current interest rate environment.