

## **KYNEX Interest Rate Risk**

Three interest rate scenarios are currently calculated along with three corresponding spread scenarios. The scenarios are calculated off the base implied spread. The Scenarios are: Up 50bps, Up 100bps, Up 150bps, Up 50bps – 5% of implied spread, Up 100bps – 10% of implied spread, Up 150bps – 15% of implied spread. The spread scenarios simulate spread tightening as rates are rising.