

# Maravon Hedge Effectiveness Testing



## Reporting Parameters

<b>Reporting for</b>	Company ABC Group
<b>Reporting on</b>	2009-12-31
<b>Reporting Currency</b>	EUR

## Hedging Relation

<b>Type</b>	Cash flow hedge
<b>Risk strategy</b>	EUR protection
<b>Risk being hedged</b>	FX risk

## Hedged Item

<b>Hedged item</b>	Highly expected sale
<b>Initial date of sale</b>	2009-07-01
<b>Expected sales done</b>	2010-03-31
<b>Receivables settled</b>	2010-06-21
<b>Sales amount</b>	100,000,000
<b>Sales currency</b>	USD
<b>Functional currency</b>	EUR

## Hedging Instrument

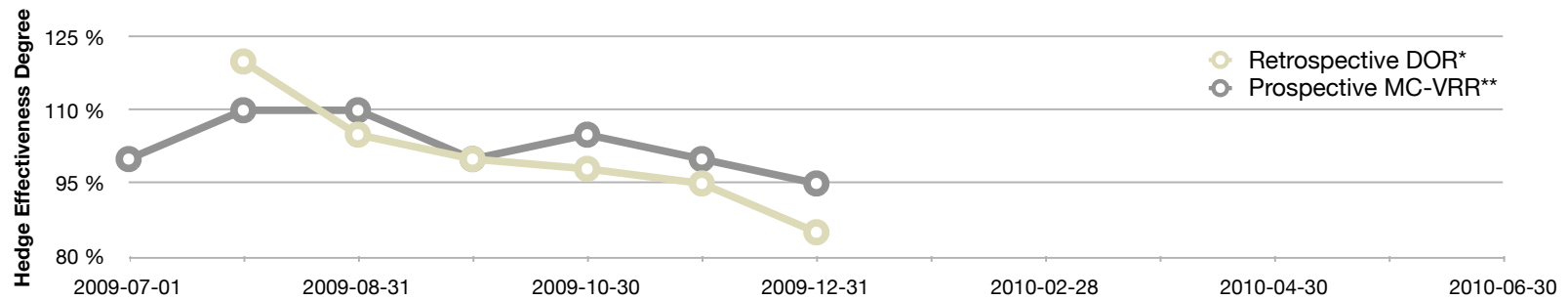
<b>Hedging instrument</b>	FX Forward
<b>Currency 1</b>	USD
<b>Currency 2</b>	EUR
<b>Start date</b>	2009-07-01
<b>Delivery date</b>	2010-06-30
<b>Notional</b>	-100,000,000
<b>Strike rate</b>	0.80
<b>Day count convention</b>	30/360

# Maravon Hedge Effectiveness Testing



## Hedge Effectiveness Measurement

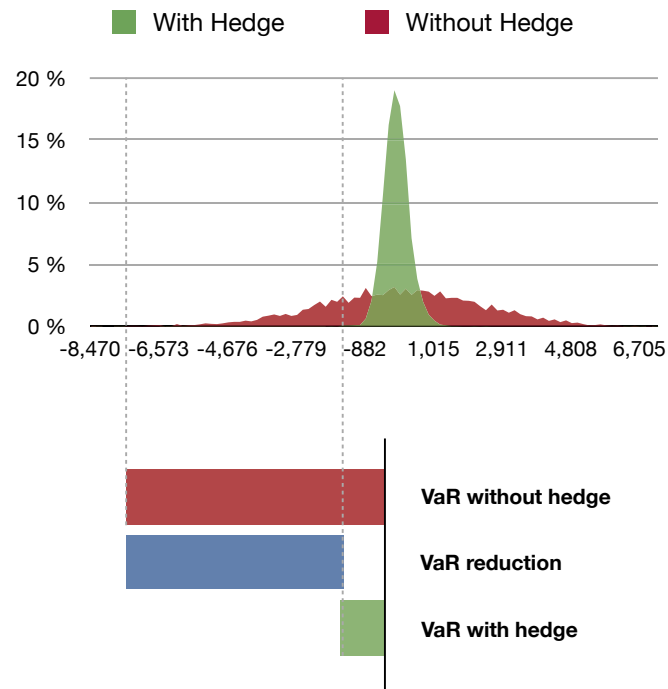
	Inception		Reporting date						Maturity				
Date	2009-07-01	2009-07-31	2009-08-31	2009-09-30	2009-10-30	2009-11-30	2009-12-31	2010-01-31	2010-02-28	2010-03-31	2010-04-30	2010-05-31	2010-06-30
Retrospective DOR*		120 %	105 %	100 %	98 %	95 %	85 %						
Prospective MC-VRR**	100 %	110 %	110 %	100 %	105 %	100 %	95 %						



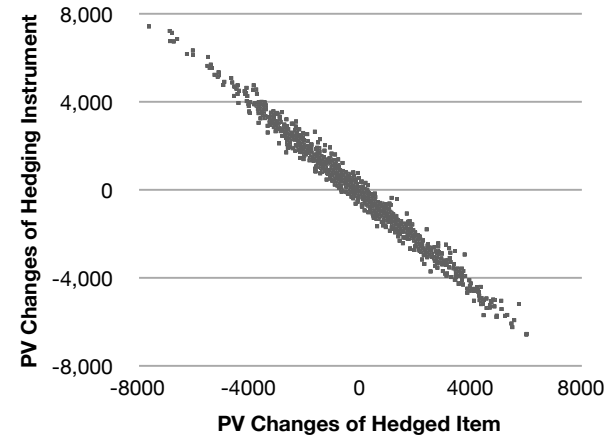
DOR : Dollar Offset Ratio  
 MC-VRR : Monte Carlo Value-at-Risk Reduction Ratio

# Maravon Hedge Effectiveness Testing

Risk Profiles with & without Hedging (PV Changes)



Correlation of PV Changes



<b>Pearson Correlation Coefficient</b>	-99.04 %
<b>R-Squared</b>	98.08 %