Scatter Plot of USD/ZAR returns vs Portfolio returns 60/40 Global Portfolio Returns (USD) (%) 20% 44% 27% 23.6% Hedge works but Hedge throws away amplifies volatility returns 10% 0% -10% Best case for hedge: Hedge removes higher return, lower volatility currency cushion 8.9% 23.6% 2.7% -20% -20% -10% 0% 10% 20% USD-ZAR Exchange Rate Returns (%)