Dynamic Hedging of Vol Swap with Var Swap VS Hedge Base 20 VS Hedge + 10% VS Hedge - 10% Volatility Swap Payoff 15 Vol Move 0% Vol Move 10% 10 Vol Move -10% PnL (MEUR) 5 0 **-**5 -100.5 0.1 0.2 0.3 0.4 0.0 Volatility