

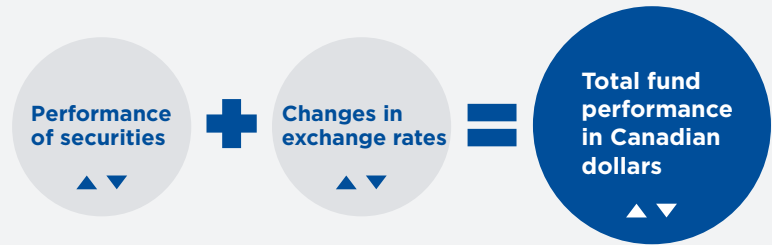
# Understanding currency hedging strategies



## Impact of currency fluctuations on fund performance

Many iA Financial Group segregated funds are partially or fully invested in securities traded in foreign currencies.

To find out which ones and the currency hedging strategy applied, see the brochure **Know Your Funds** (F13-1052A).

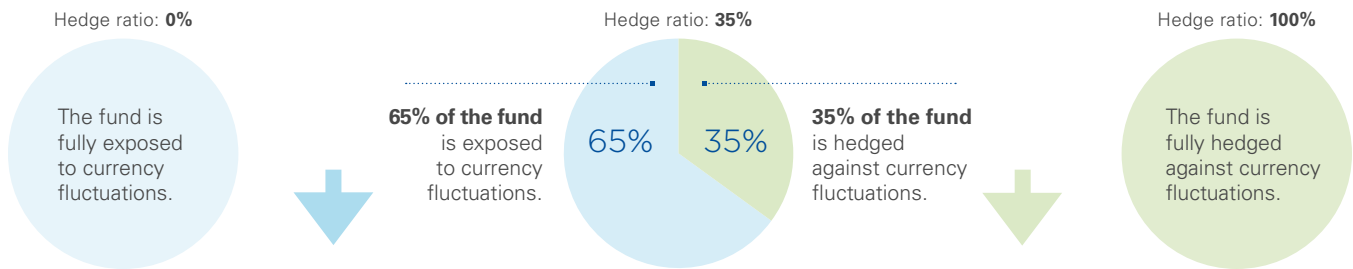


## Currency hedging strategy

Here are the ways portfolio managers can manage the impact of increases ▲ and decreases ▼ in exchange rates on total fund performance in Canadian dollars.

Unhedged	Actively hedged	100% hedged
The fund is fully exposed to fluctuations in foreign currencies.	A percentage of the fund is exposed to currency fluctuations based on the portfolio manager's strategy.	The fund is not exposed to currency fluctuations.

## Example of U.S. Equity Fund fully invested in foreign currency



Impact on Canadian dollar	
▲ If foreign currency appreciates	▼ If foreign currency depreciates
Higher total return	Lower total return

Impact on Canadian dollar	
▲ If foreign currency appreciates	▼ If foreign currency depreciates
No change in total return	

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