$$Hedging\ set\ amount$$

$$= \left[\left(\rho * \sum_{k=1}^{K} AddOn(Type_k)\right)^2 + (1 - (\rho)^2)\right.$$

$$\left. * \sum_{k=1}^{K} (AddOn(Type_k))^2 \right]^{\frac{1}{2}}$$