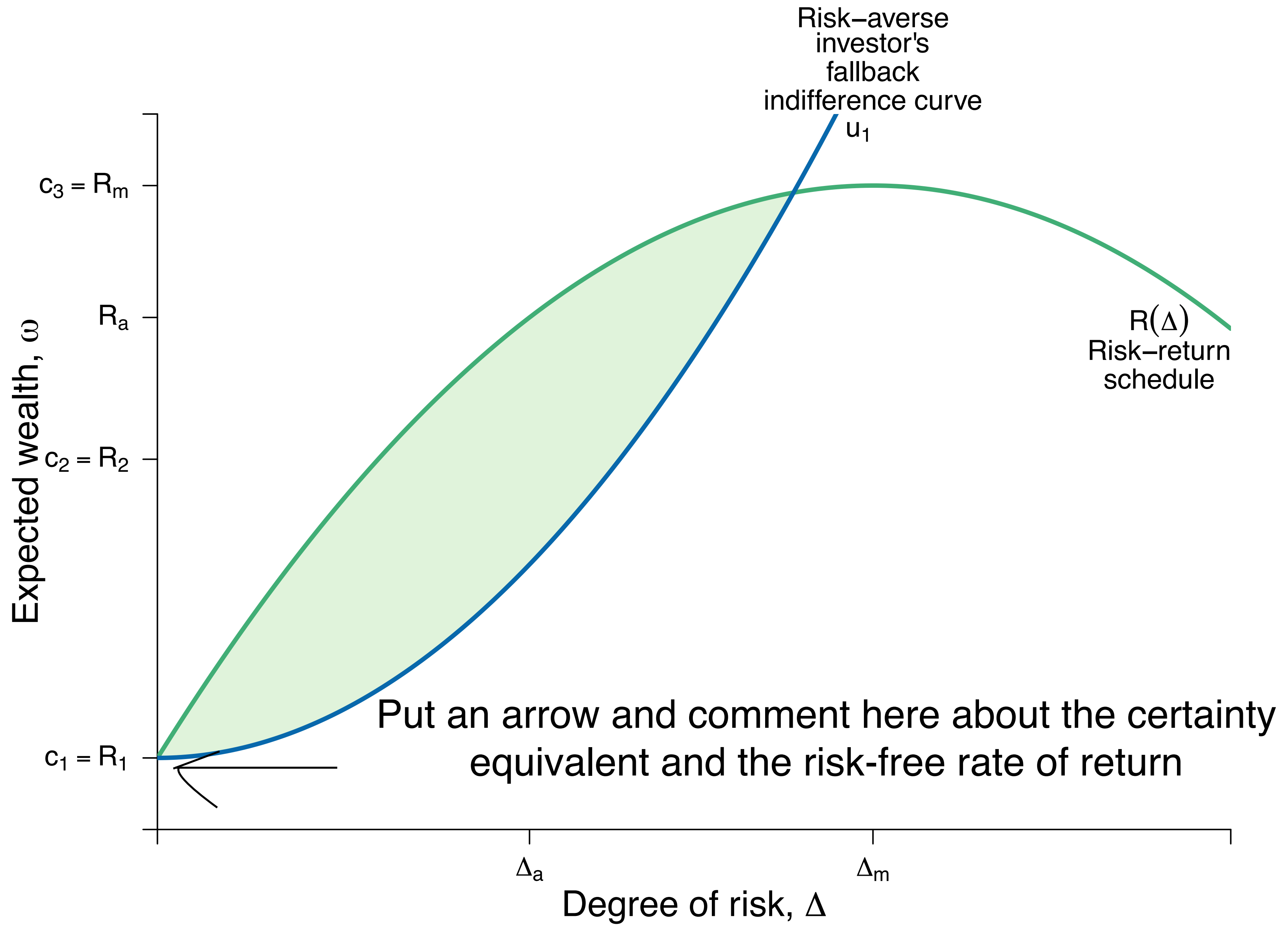

Risk–averse investor's fallback indifference curve
u_1
$c_3 = R_m$
R_a
$c_2 = R_2$
$c_1 = R_1$
$R(\Delta)$
Risk–return schedule
Put an arrow and comment here about the certainty equivalent and the risk-free rate of return
Expected wealth, ω
Δ_a
Δ_m
Degree of risk, Δ