



Current wealth.

$$w_3 = 2.5$$

Current bet.

$$x_4 = 1.875$$

Outcome.

$$c_4 = -\nabla f(x_4) = 1$$

New wealth.

$$w_4 = w_3 + c_4 x_4 = 4.375$$

New betting fraction.

$$\beta_5 = \frac{\sum_{i=1}^4 c_i}{5} = 0.8$$

New bet.

$$x_5 = \beta_5 w_4 = 3.5$$