

Welcome!

- Payment in cash at the end
- You are anonymous to me
- Listen to the instructions
- Ask Questions!

- \$5 show-up fee + investment earnings
- Earnings depend on your choices and luck, not on other participants' choices
- Experiment will have 3 parts

Investment Process

- Start with an initial amount
- Invest in two assets, **A and B**
- 10 periods to invest and earn returns
- Obtain a final amount

10 periods = 1 INVESTMENT PATH

- Part 1 : 15 Paths
- 1 path selected for payment

Path: 1

Period: 1

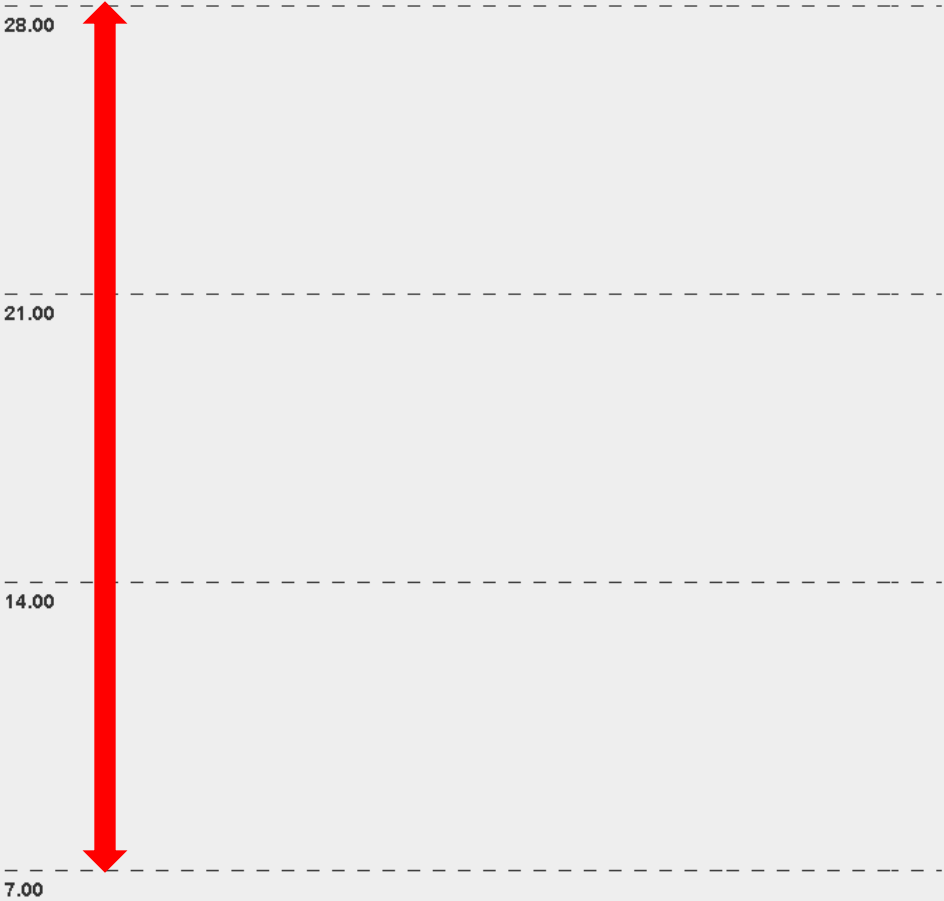
	Mean Return	St. Dev.
Asset A	6.00%	55.00%
Asset B	3.00%	-

Period ends in: 10 seconds

Account: \$

3.00

Last Period Multiplier:	
Asset A	--
Asset B	--



28.00

Path: 1

Period: 1

	Mean Return	St. Dev.
Asset A	6.00%	55.00%
Asset B	3.00%	-

21.00

Period ends in: 15 seconds

14.00



Account: \$

3.00

Last Period
Multiplier:

Asset A	--
Asset B	--

7.00



1



2

3

4

5

6

7

8

9

10

% \$



Record

28.00

Path: 1

Period: 10

	Mean Return	St. Dev.
Asset A	6.00%	55.00%
Asset B	3.00%	-

Period ends in: -- seconds

21.00

Account: \$

7.13

Last Period
Multiplier:

Asset A 1.22
Asset B 1.03

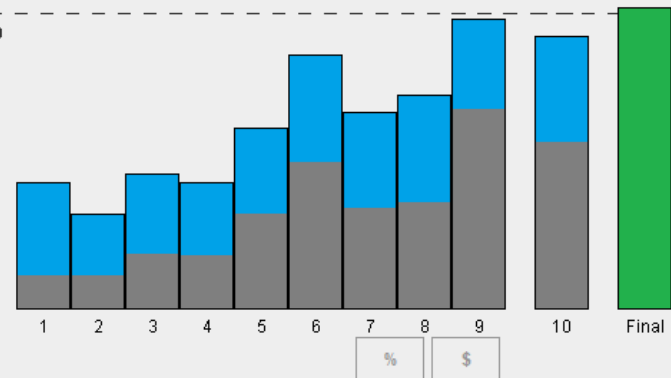
Message



The path has ended. Please click 'OK' to continue.

OK

7.00



Path: 2

Period: 4



	Mean Return	St. Dev.
Asset A	6.00%	55.00%
Asset B	3.00%	-

Period ends in: 1 seconds

Account: \$

4.21

Last Period
Multiplier:

Asset A 0.68

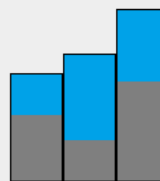
Asset B 1.03

32.00

24.00

16.00

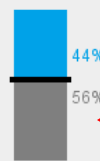
8.00



1

2

3



44%

56%



4

5

6

7

8

9

10

%

\$



5.73

2.89

Asset B - Example

\$2 in Asset B

Next Period: $\$2 \times 1.03 = \2.06

Reinvest: $\$2.06 \times 1.03 = \2.122

Path: 2

Period: 4



	Mean Return	St. Dev.
Asset A	6.00%	55.00%
Asset B	3.00%	-

Period ends in: 1 seconds

Account: \$

4.21

Last Period
Multiplier:

Asset A 0.68

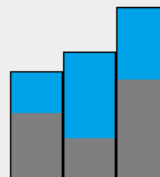
Asset B 1.03

32.00

24.00

16.00

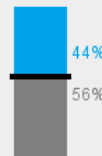
8.00



1

2

3



4

5

6

7

8

9

10

%

\$



5.73

2.89

Asset A - Examples

\$2 in Asset A

Multiplier is 0.8

Next Period: $\$2 \times 0.8 = \1.6

Multiplier is 1.5

Reinvest: $\$2.00 \times 1.5 = \3

Asset A - Table

Multiplier Range	Probability
0 – 0.67	20%
0.67 – 1.06	30%
1.06 – 1.7	30%
>1.7	20%

Path: 2

Period: 4

	Mean Return	St. Dev.
Asset A	6.00%	55.00%
Asset B	3.00%	-

Period ends in: 1 seconds

Account: \$

4.21

Last Period
Multiplier:

Asset A 0.68

Asset B 1.03

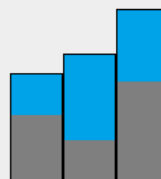


32.00

24.00

16.00

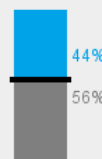
8.00



1

2

3



44%

56%

4

5

6

7

8

9

10

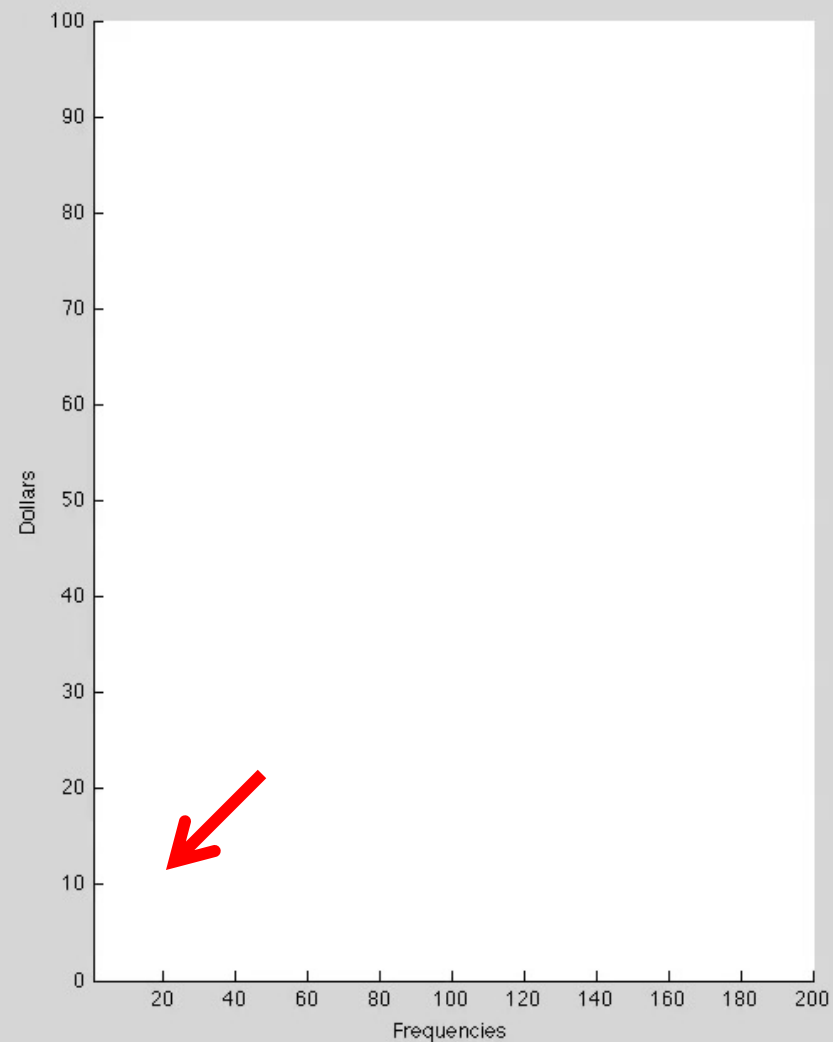
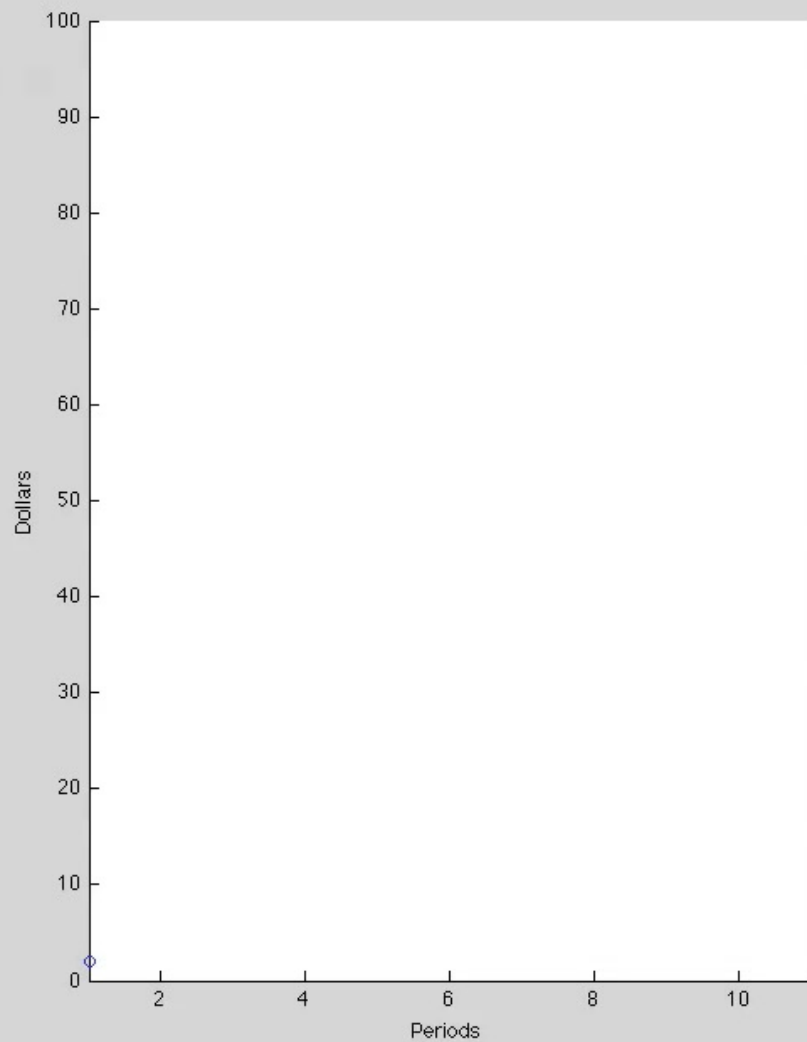
%

\$



5.73

2.89



Path: 1

Period: 4

	Mean Return	St. Dev.
Asset A	6.00%	55.00%
Asset B	3.00%	-

Period ends in: 0 seconds

Account: \$

11.22

Last Period
Multiplier:

Asset A	2.09
Asset B	1.03

60.00

45.00

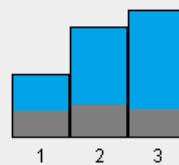
30.00

15.00

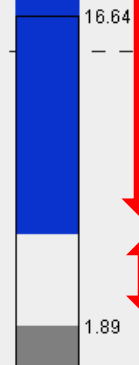
20%

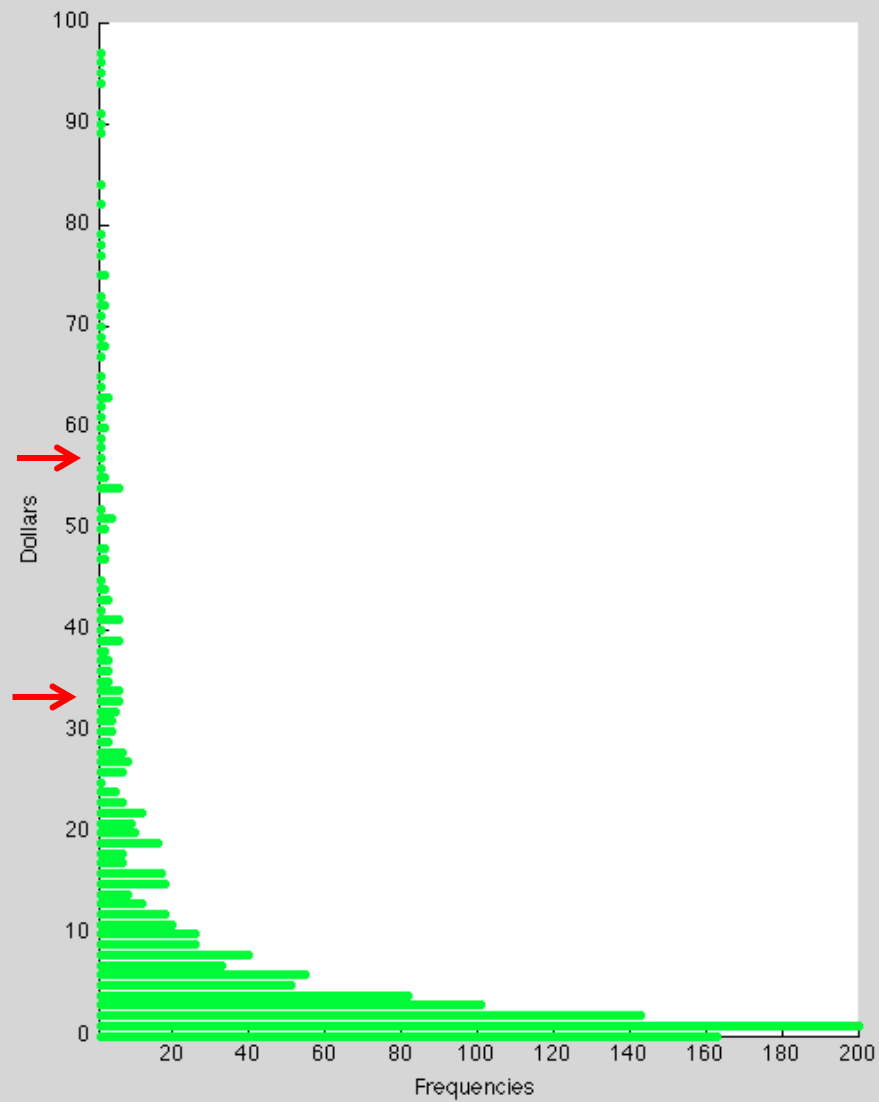
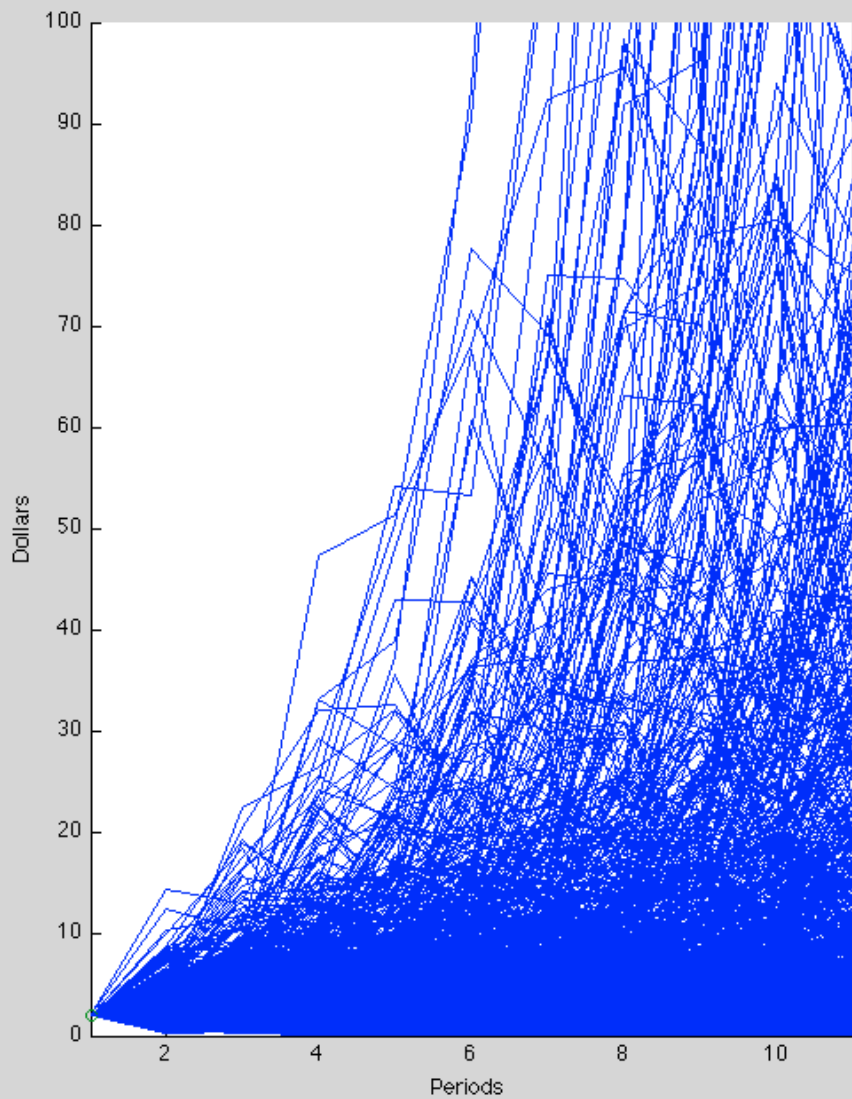
60%

20%



% \$





Important Points

1. The projection bar assumes you reinvest in the same asset
2. The projection bar recalculates instantly
3. The multipliers on asset A are independent
4. All of the participants start and end at the same time
5. The multipliers are the same for all participants

Path: 3

Period: 1

	Mean Return	St. Dev.
Asset A	6.00%	55.00%
Asset B	3.00%	-

Period ends in: 10 seconds

Account: \$

3.00

Last Period Multiplier:

Asset A --

Asset B --

4% to win \$20
cost: \$1

Buy

Previous Result:



Path: 4

Period: 5

	Mean Return	St. Dev.
Asset A	6.00%	55.00%
Asset B	3.00%	-

Period ends in: 6 seconds

Account: \$

7.58

Last Period
Multiplier:

Asset A 2.30

Asset B 1.03

4% to win \$20
cost: \$1

Buy

Previous Result:

Lowest:

Average:

Highest:

48.00

36.00

24.00

12.00

