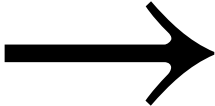


p



O

shorttime horizon



“there’s only present” opt.

risk-taking

anisohydric

long time horizon

“present = future” opt.

risk-averse

isohydric

exploration

exploitation



short time horizon

“there’s only present” opt.

risk-taking

anisohydric

long time horizon

“present = future” opt.

risk-averse

isohydric

$\rho \rightarrow 0$

$\rho \rightarrow \infty$

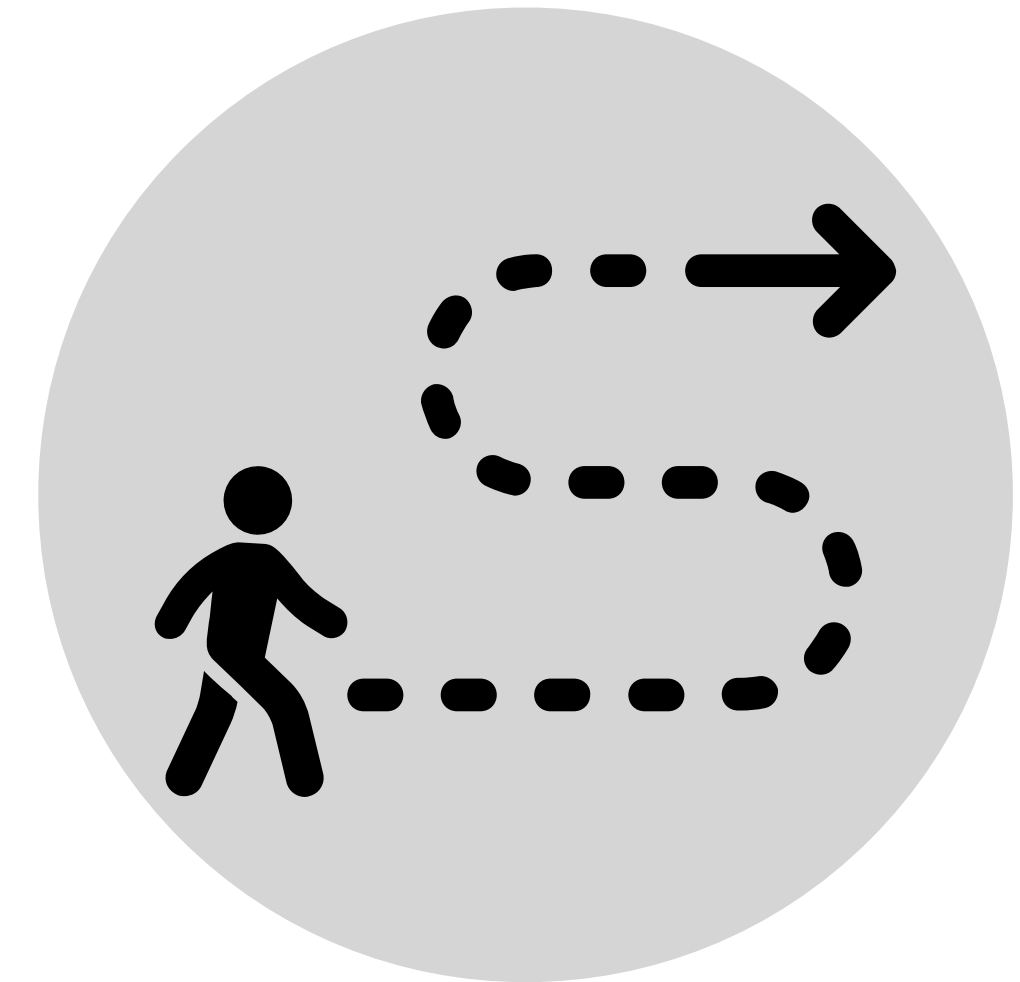
exploration

exploitation

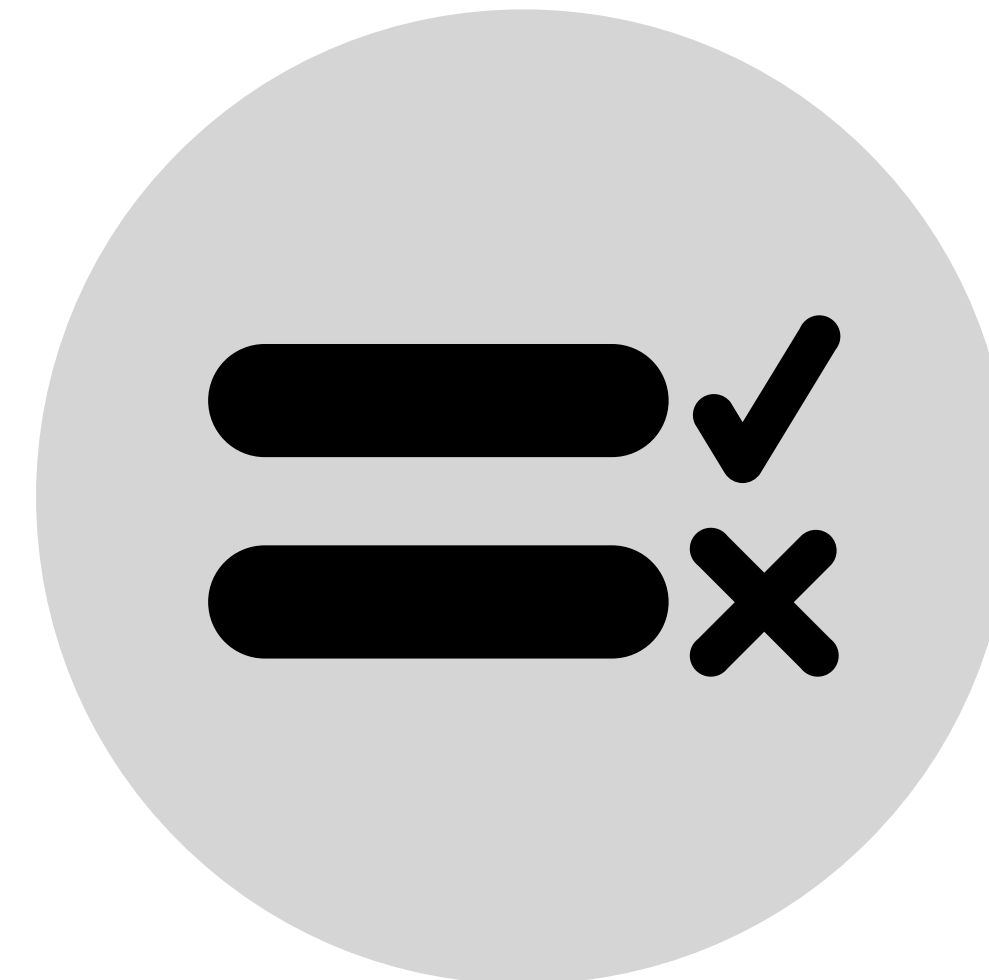
take-home message



observed path



instantaneous rule



global principle

