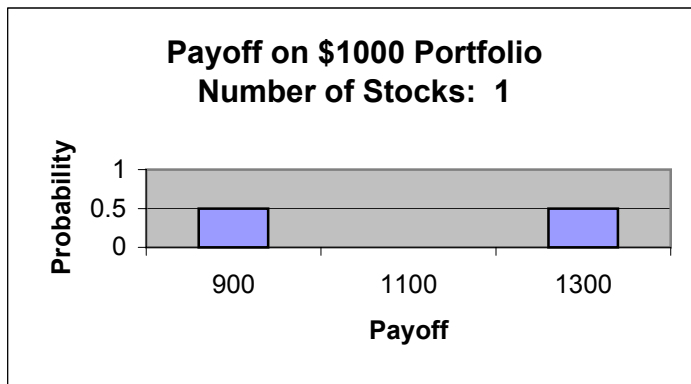


Payoffs from \$1 stocks that pay
 \$0.90 with probability 0.5
 \$1.30 with probability 0.5

Amount invested: \$1,000
 Number of independent stocks held: 1

Payoffs and probabilities:

	Payoff per Share	Chances	..in	Total	
				Payoff	Probability
\$1	\$0.90	1	2	900	0.5
	\$1.10	0	2	1100	0
	\$1.30	1	2	1300	0.5

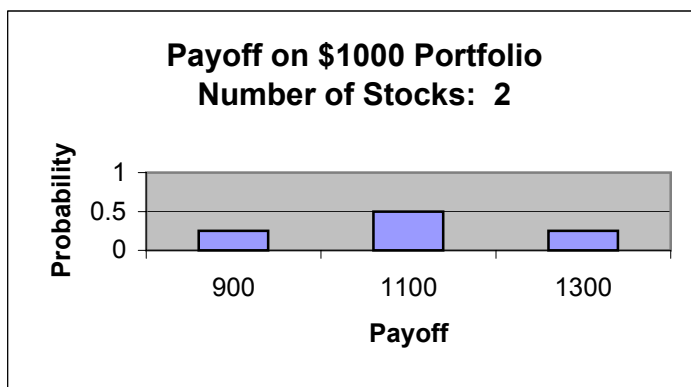


Payoffs from \$1 stocks that pay
 \$0.90 with probability 0.5
 \$1.30 with probability 0.5

Amount invested: \$1,000
 Number of independent stocks held: 2

Payoffs and probabilities:

	Payoff per Share	Chances	..in	Total Payoff	Probability
\$1	\$0.90	0.25		900	0.25
	\$1.10	0.5		1100	0.5
	\$1.30	0.25		1300	0.25



Payoffs from \$1 stocks that pay
 \$0.90 with probability 0.5
 \$1.30 with probability 0.5

Amount invested: \$1,000
 Number of independent stocks held: 4

Payoffs and probabilities:

	Payoff		..in	Total	
	per Share	Chances		Payoff	Probability
\$1 →	\$0.90	1	16	\$900	0.0625
	\$1.00	4	16	\$1,000	0.25
	\$1.10	6	16	\$1,100	0.375
	\$1.20	4	16	\$1,200	0.25
	\$1.30	1	16	\$1,300	0.0625

