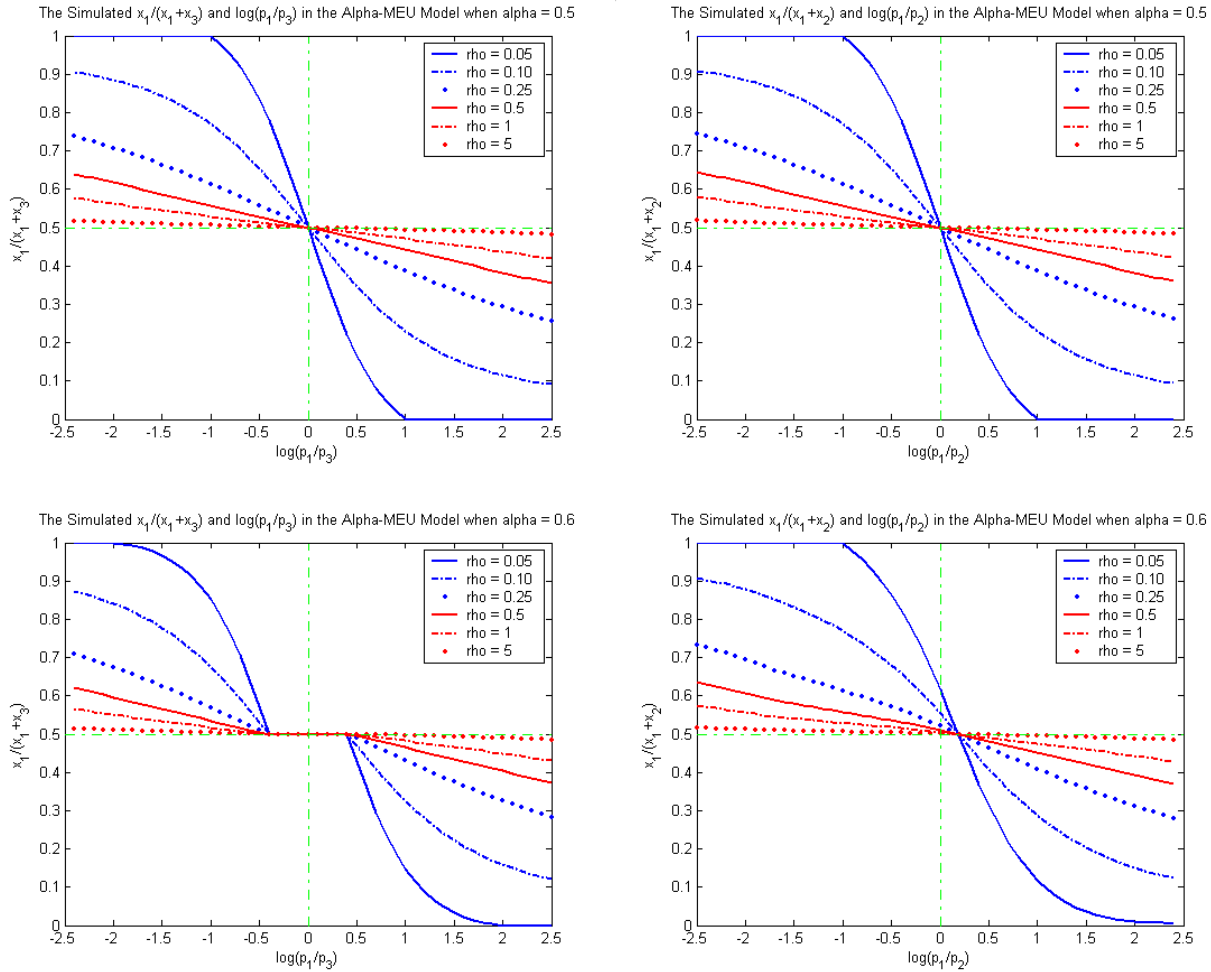


Appendix VI

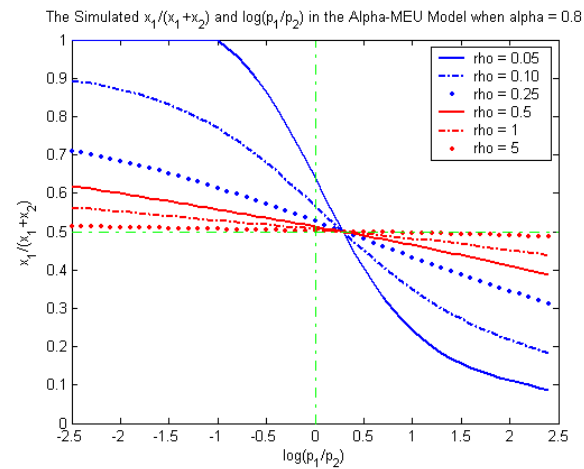
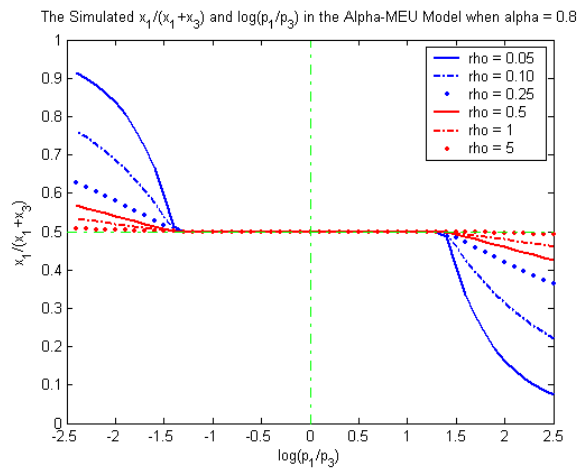
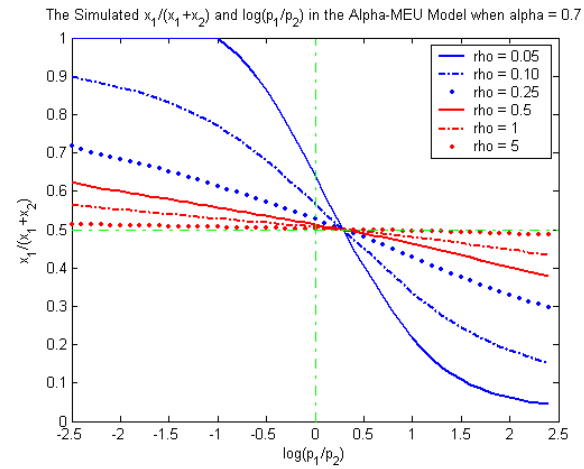
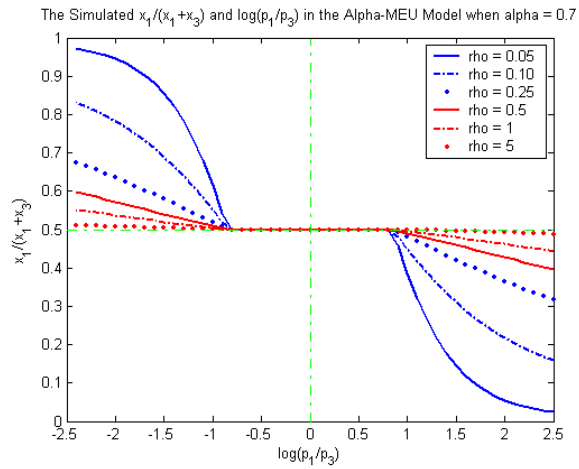
An illustration of the relationships between log-price ratio and optimal token share

A: Kinked specification (equation 1)

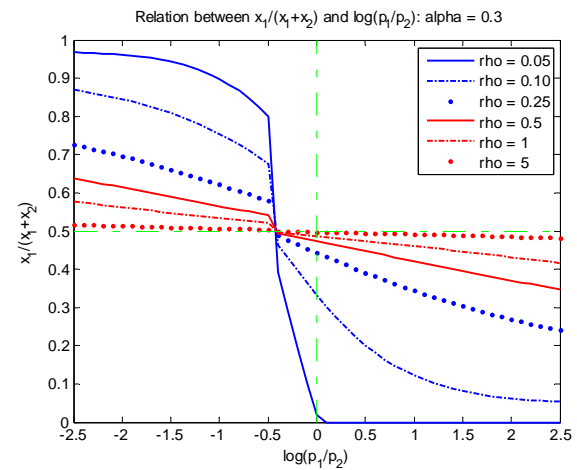
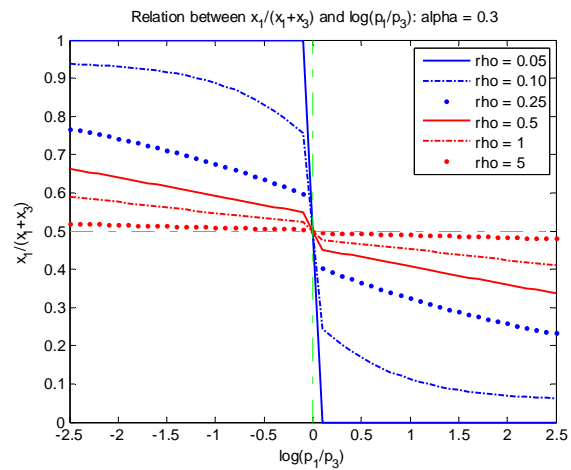
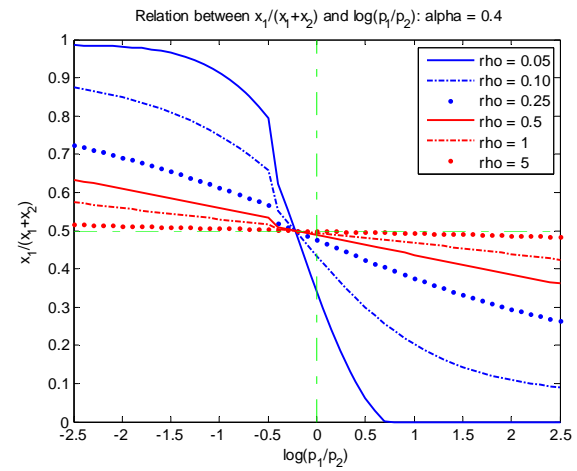
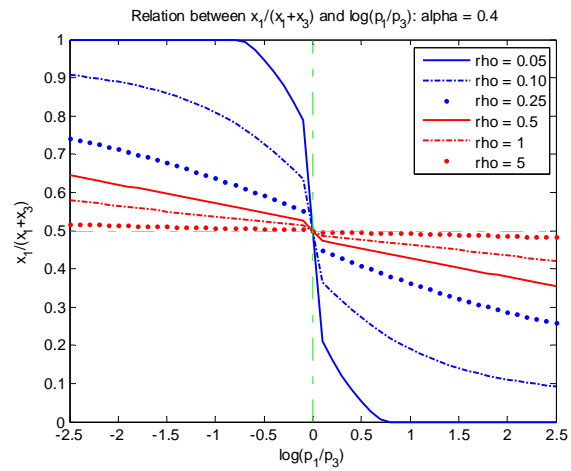


Note: we restrict the parameters so that preferences are risk averse ($\rho \geq 0$) in both specifications and ambiguity averse ($\alpha \geq 0$) in the smooth specification.

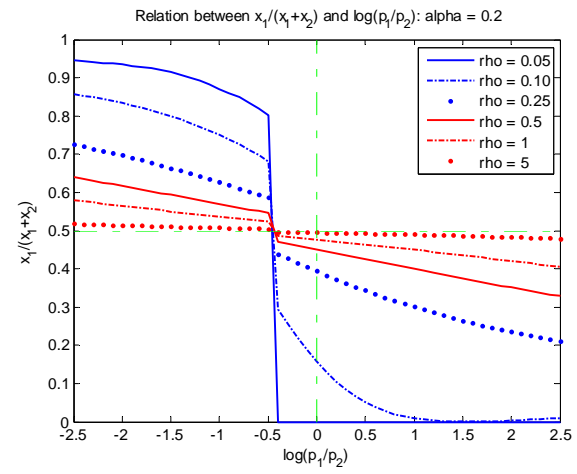
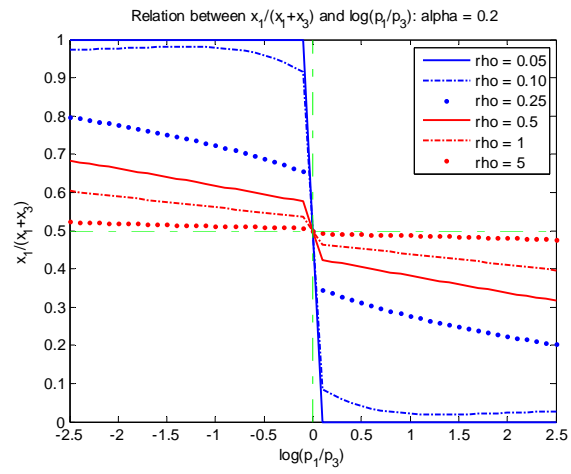
Kinked specification (cont.)



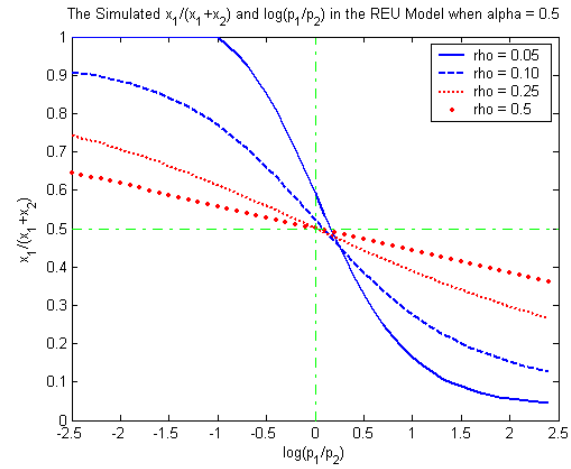
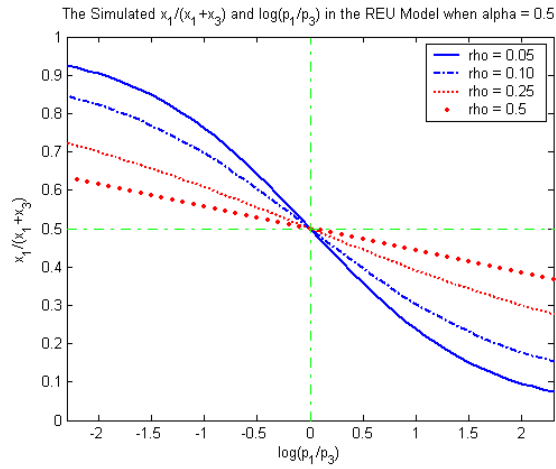
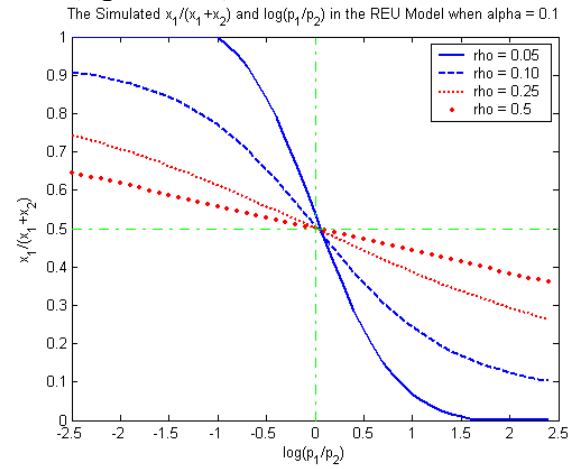
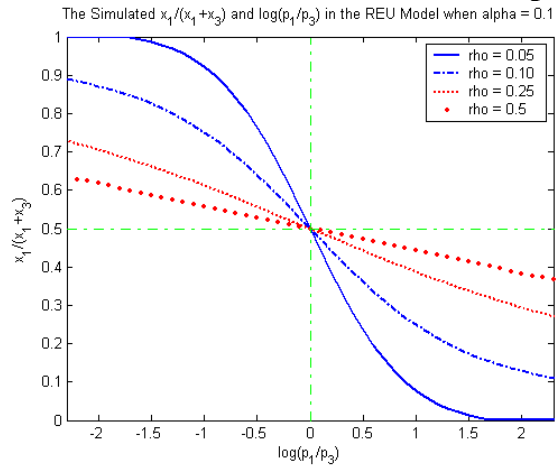
Kinked specification (cont.)



Kinked specification (cont.)



B: Smooth specification (equation 2)



Smooth specification (cont.)

