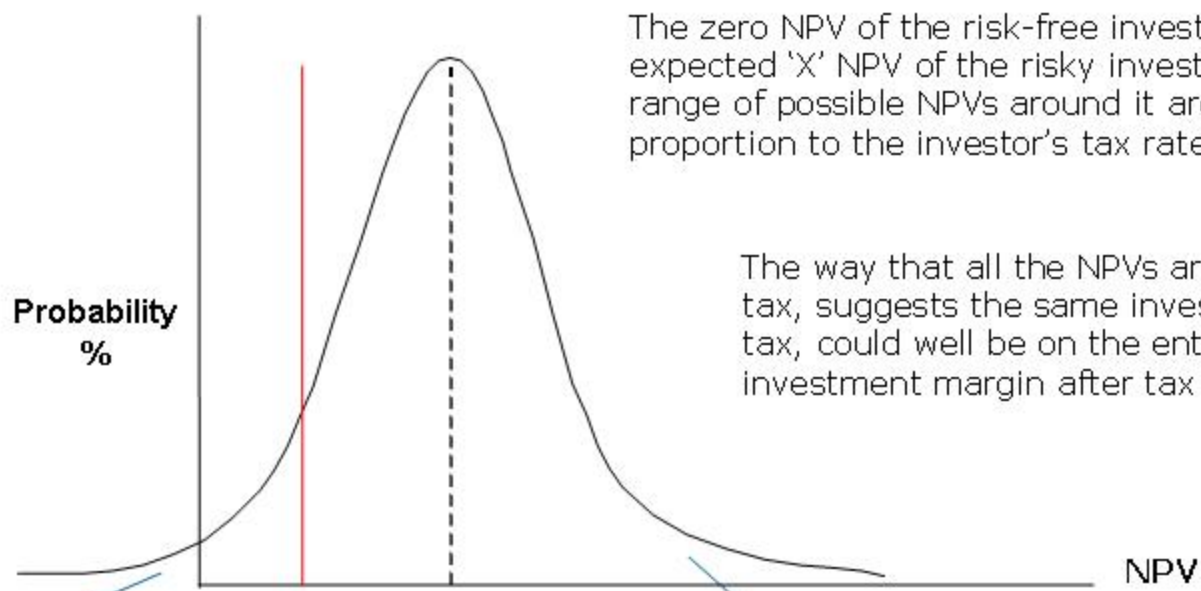


After tax under the benchmark base, pre-tax NPVs of all possible investment outcomes are reduced in proportion to the investor's $t\%$ tax rate if difference in asset cost and up-front value of cash flows (with discounting at risk-free rate) is included in tax assessment. Otherwise, proportional reduction depends on investment's deterioration rate and period of investment



The zero NPV of the risk-free investment, the expected 'X' NPV of the risky investment and the range of possible NPVs around it are all reduced in proportion to the investor's tax rate ($t\%$)

The way that all the NPVs are 'squeezed' after tax, suggests the same investments as before tax, could well be on the entrepreneur's investment margin after tax

Possible negative NPVs from risky investment reduced in proportion to investor's $t\%$ tax rate (if full loss offset applies)

Zero pre-tax NPV from government bonds reduced in proportion to investor's $t\%$ tax rate

Possible positive NPVs from risky investment reduced in proportion to investor's $t\%$ tax rate

Post-tax marginal investments