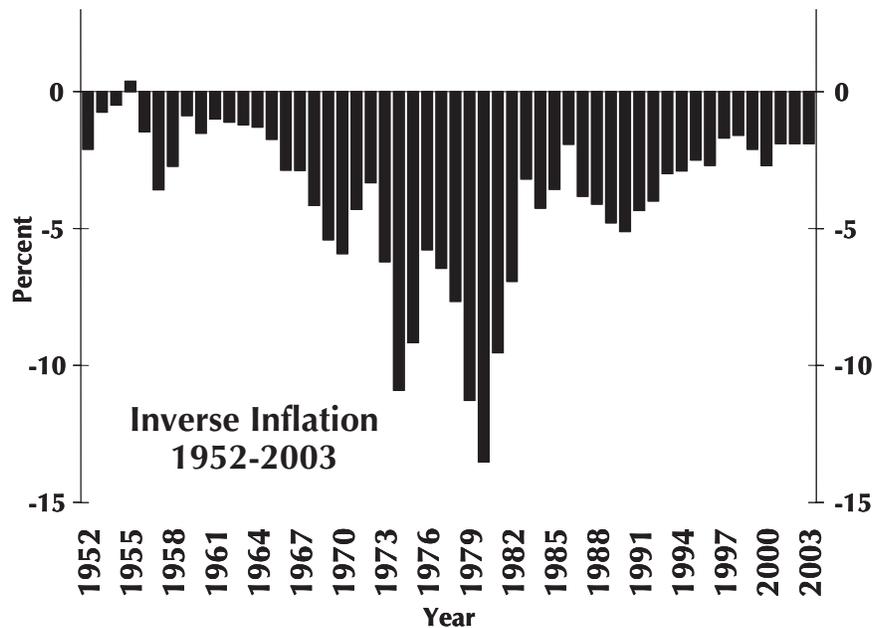


Chart 3



Your money, whether it's income or assets, lost value by this rate each year for the last fifty-two years. Over that period of time, what used to be a dollar shrank to about fifteen cents. This is the rate at which our yardstick has been shrinking. If you are talking about investing, everything is measured in dollars which means *it's measured by this yardstick*. The first thing you have to do with those dollars is to adjust them for the shrinking yardstick. Since most people have more experience with real estate (especially homes and mortgages) than with stocks and bonds, we're going to talk about real estate assets and, in particular, mortgages to explain what has happened to the value of your money over the last fifty-two years.