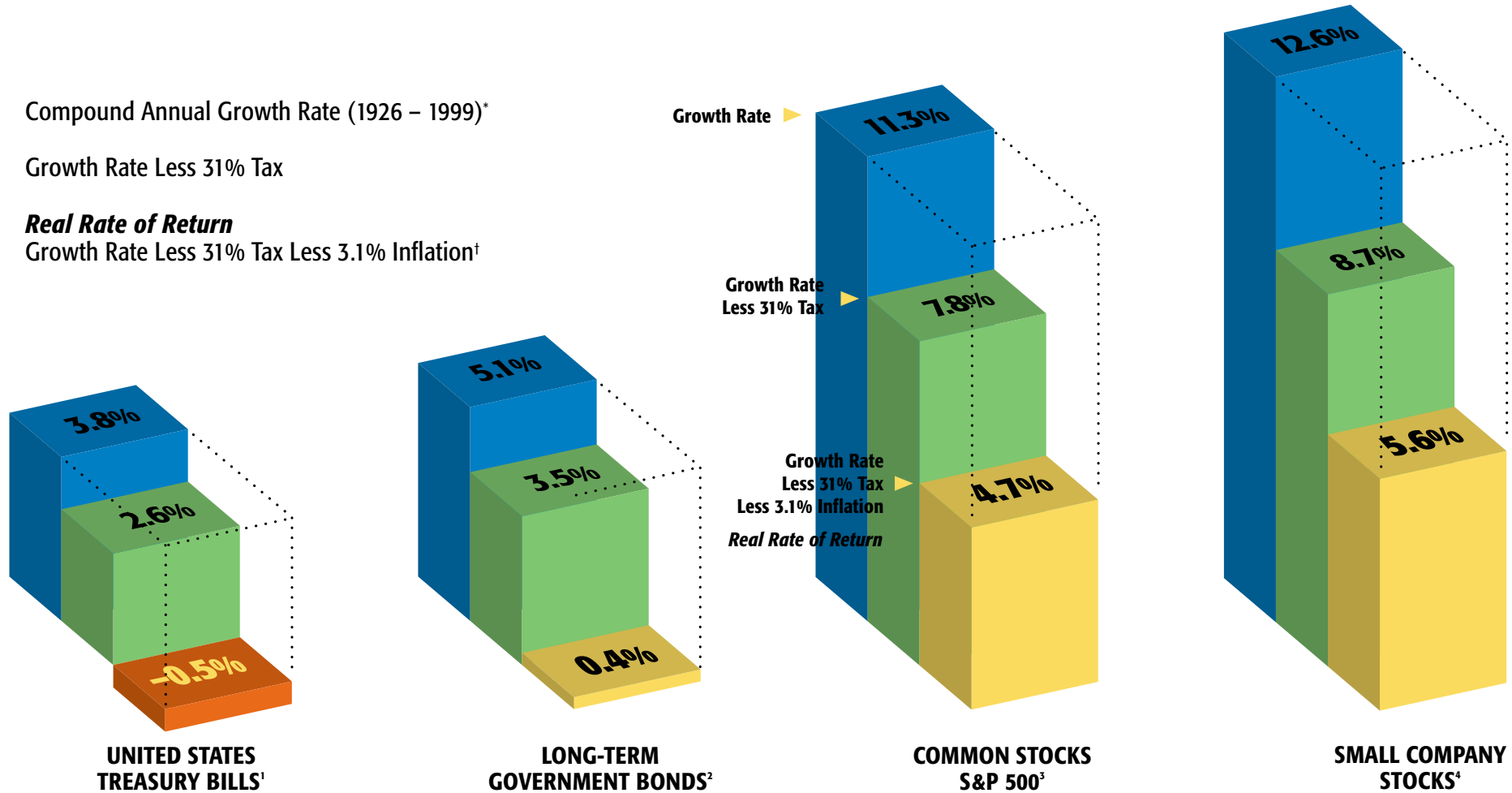


Historical Real Rate of Return

Of Stocks, Bonds and Treasury Bills from 1926 – 1999*

- Compound Annual Growth Rate (1926 – 1999)*
- Growth Rate Less 31% Tax
- **Real Rate of Return**
Growth Rate Less 31% Tax Less 3.1% Inflation†



Not FDIC Insured	May Lose Value
	No Bank Guarantee

The principal value and investment returns of Small Company Stock and Common Stock investments are not guaranteed and involve a significant degree of risk. Government Bonds and U.S. Treasury Bills offer a guarantee of principal and a fixed rate of return if held to maturity. The performance of any of the above indices does not indicate the performance of any specific investment.*Source Ibbotson Associates, Chicago, 2000 Yearbook. †Compound annual rate of inflation from 1926-1999, Consumer Price Index, United States Department of Labor, Bureau of Labor Statistics. 1. Represented by one-year Treasury Bill. 2. Measured using a one-bond portfolio with a maturity near twenty years. 3. Represented by the Standard and Poor's 500 Stock Composite Index (S&P 500). 4. Represented by the fifth capitalization quintile of stocks on the NYSE for 1926-1981 and the performance of the Dimensional Fund Advisors (DFA) Small Company thereafter. The information contained herein is based on sources we believe are reliable; however, we cannot guarantee its accuracy. The information contained herein is prepared for your use by Essex National Securities, Inc., member NASD-SIPC.

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The Real Rate of Return *The impact of taxes and inflation on your investments!*

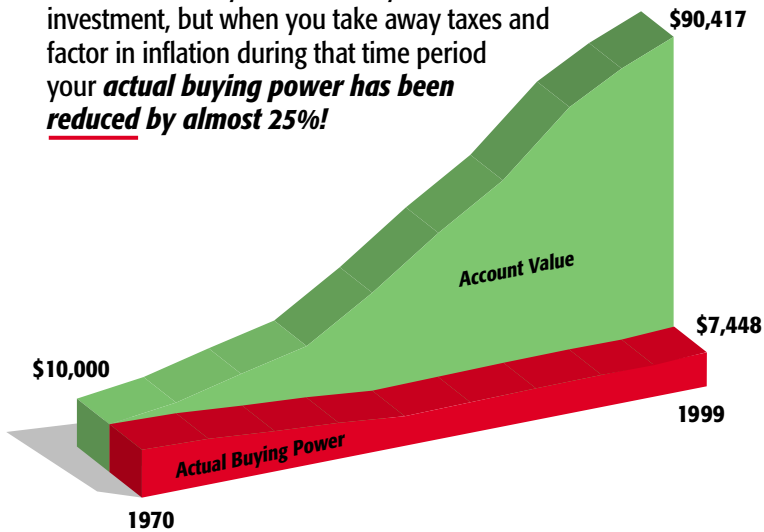
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After you deduct taxes from the interest on your CD and adjust for inflation, what has happened to your buying power since 1970? The Real Rate of Return chart at the right shows that for 16 of the past 30 years, ***your real rate of return has been negative.***

How to calculate the Real Rate of Return: An example using the figures for 1999

Interest Rate on Short-Term Investment	5.5%
Less Federal Taxes	- 31.0%
Interest Rate Less Federal Taxes	3.8%
Less Inflation	- 2.7%
Real Rate of Return	1.1%

The graph below shows that \$10,000 grows to \$90,417 over 30 years. That may seem like a sound investment, but when you take away taxes and factor in inflation during that time period ***your actual buying power has been reduced by almost 25%!***



	Certificate Of Deposit ¹	Less Federal Taxes ²	Less Inflation ³	The Real Rate of Return
1999	5.5%	31%	2.7%	1.1%
1998	5.4%	31%	1.6%	2.2%
1997	5.7%	31%	1.7%	2.2%
1996	5.5%	31%	3.3%	0.5%
1995	6.0%	31%	2.5%	1.6%
1994	5.0%	31%	2.7%	0.8%
1993	3.3%	31%	2.8%	-0.5%
1992	3.8%	31%	2.9%	-0.3%
1991	5.9%	31%	3.1%	1.0%
1990	8.2%	33%	6.1%	-0.6%
1989	9.1%	33%	4.7%	1.4%
1988	7.9%	33%	4.4%	0.9%
1987	7.0%	39%	4.4%	-0.1%
1986	6.5%	48%	1.1%	2.3%
1985	8.3%	48%	3.8%	0.5%
1984	10.7%	48%	4.0%	1.6%
1983	9.3%	50%	3.8%	0.9%
1982	12.6%	50%	3.9%	2.4%
1981	15.8%	63%	8.9%	-3.1%
1980	13.0%	55%	12.4%	-6.6%
1979	11.4%	55%	13.3%	-8.2%
1978	8.6%	55%	9.0%	-5.1%
1977	5.9%	50%	6.8%	-3.9%
1976	5.6%	50%	4.8%	-2.0%
1975	6.9%	50%	7.0%	-3.6%
1974	10.0%	45%	12.2%	-6.7%
1973	8.3%	45%	8.8%	-4.2%
1972	5.0%	40%	3.4%	-0.4%
1971	5.2%	50%	3.4%	-0.8%
1970	7.7%	50%	5.5%	-1.7%
Total Average Real Rate of Return =				-1.0%

1. Average 6-Month Certificate of Deposit Rate, Board of Governors of the Federal Reserve System. Annual Statistic Digest, 1970-1999. Certificates of Deposit are insured and offer a fixed rate of return, whereas both the principal value and rate of return of securities will fluctuate with changes in market conditions. 2. Federal Taxes according to Internal Revenue Service assuming \$75,000 income in 1990 for a single taxpayer adjusted backwards (to 1926) and forwards (to 1999) for inflation. 3. Consumer Price Index for All Urban Consumers (CPI-U). U.S. Department of Labor, Bureau of Labor Statistics, 1970-1999. The information contained herein is based on sources we believe are reliable; however, we cannot guarantee its accuracy. The information contained herein is prepared for your use by Essex National Securities, Inc., member NASD-SIPC.