

McCarthy Asset Management, Inc.

Registered Investment Advisor

April 1, 2009

Dear MAM Client,

Since March is quarter-end, I am keeping this month's Commentary very short. Next week we will be mailing out your quarterly report. In the report I plan to discuss something that I have been considering for these very turbulent times: introduction of a conservative portfolio for money that is not currently invested in the stock market. This portfolio will contain very little exposure to the stock market. It will be primarily composed of bond funds along with an allocation to the Hussman Strategic Growth Fund. The purpose of the portfolio would be to provide reasonable returns with low volatility and would serve as a good multi-year alternative to the very low yields offered by CDs and money market accounts.

March Performance: After reaching on March 9th the lowest level in over a decade, stocks staged a strong recovery. For the month, *unadjusted for dividends*, the S & P 500 rose 8.6%, the Nasdaq climbed 11.0%, the Russell 2000 rose 8.7%, and the international equity index MSCI EAFE climbed 5.9%. MAM portfolios rose on average 5.3% for the month (after fees), versus a rise of 8.8% for the Vanguard Index 500 fund (symbol VFINX) with dividends reinvested.

First Quarter Performance: For the sixth consecutive quarter (tying an undesirable record), the stock market posted negative returns. *Unadjusted for dividends*, the S & P 500 fell 11.7%, the Nasdaq slipped 3.1%, the Russell 2000 dropped 15.4%, and the international equity index MSCI EAFE fell 14.6%.

MAM Portfolio Performance: For the quarter, 98% of MAM portfolios that were in existence for the whole quarter had performance that equaled or exceeded that of the S & P 500. The composite return of assets in MAM portfolios was a loss of 6.2% (after fees), versus a loss of 11.0% for the Vanguard Index 500 fund (symbol VFINX) with dividends reinvested.

We have already uploaded to the MAM Web site (www.mamportfolios.com) the March 2009 month-end values and year-to-date performance for client portfolios.

Reminders: *I want to remind you that April 15th is the deadline for filing 2008 individual income tax returns and making 2008 IRA, SEP-IRA, Roth IRA and Education Savings Account contributions. It is also the deadline for first quarter 2009 Federal and State estimated payments. April 10th is the deadline for California property tax payments for the first half of 2009.*

Please let me know if you have any questions or comments.

Steve McCarthy, CPA, CFP