

McCarthy Asset Management, Inc.

Registered Investment Advisor

April 3, 2010

Dear MAM Client,

Happy Easter to you and your family! Since March is quarter-end, I am keeping this month's Commentary short. Early next week we will be mailing out your quarterly report. In the quarterly letter I will comment on the first positive jobs report since the recession began, provide a preview of the portfolio repositioning to be done later this month, and discuss the new Health Care Act.

First Quarter Performance: The stock market had its best first quarter in twelve years. *Unadjusted for dividends*, the S & P 500 rose 4.9%, the Nasdaq climbed 5.7%, the Russell 2000 jumped 8.5%, while the international equity index MSCI EAFE rose only 0.2%. Bonds rose modestly for the quarter.

MAM Portfolio Performance: Excluding the "very conservative portfolios", 1% of MAM portfolios that were invested 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 gain of 3.3% (after MAM fees), versus a gain of 5.4% for the Vanguard Index 500 fund (symbol VFINX) with dividends reinvested. The quarter's composite return for assets in the "very conservative portfolios" was a gain of 2.2%.

We have already uploaded to the MAM Web site (www.mamportfolios.com) the March 2010 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 2009 individual income tax returns and making 2009 IRA, SEP-IRA, Roth IRA and Education Savings Account contributions. It is also the deadline for first quarter 2010 Federal and State estimated payments. April 10th is the deadline for California property tax payments for the first half of 2010.*

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

Steve McCarthy, CPA, CFP