

McCarthy Asset Management, Inc.

Registered Investment Advisor

April 2, 2008

Dear MAM Client,

Since March is quarter-end, I am keeping this month's Commentary very short. This week we will be mailing out your quarterly report. In the report I will discuss the performance of the stock market and MAM portfolios for the quarter, explain the credit crisis and discuss the dramatic actions the Federal Reserve has taken to alleviate the crisis, and provide some comments about the U.S. economy, the stock market and real estate.

March Performance: The stocks had mixed performance in March. Unadjusted for dividends, the S & P 500 fell 0.6%, the Nasdaq rose 0.4%, and the Russell 2000 rose 0.3%. MAM portfolios fell on average 1.9% for the month (after fees), versus a drop of 0.4% for the Vanguard Index 500 fund (symbol VFINX) with dividends reinvested.

First Quarter Performance: The stock market had a difficult first quarter. *Unadjusted for dividends*, the S & P 500 fell 9.9%, the Nasdaq dropped 14.1%, and the Russell 2000 fell 10.2%.

For the quarter, 99.5% 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 7.1% (after fees), versus a loss of 9.5% 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 2008 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 2007 individual income tax returns and making 2007 IRA, SEP-IRA, Roth IRA and Education Savings Account contributions. It is also the deadline for first quarter 2008 Federal and State estimated payments. April 10th is the deadline for California property tax payments for the first half of 2008.*

Vacation Plans: I will be away on vacation from April 12th to April 17th as my family is taking its first trip to Las Vegas. I don't expect to do any gambling while there. This year's stock market has provided more than enough excitement for that! I expect to have limited access to email while I am gone. My family is also planning a trip to Italy this June. We will get first-hand experience of the painful impact of the falling U.S. dollar! As currently planned, I will be gone the last two weeks of June. This will be my longest time away from the office since the start of MAM nine years ago.

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

Steve McCarthy, CPA, CFP