

McCarthy Asset Management, Inc.

Registered Investment Advisor

April 4, 2005

Dear MAM Client,

Since March is quarter-end, I am keeping this month's Commentary very short. By the end of this week you should receive your quarterly report. In the report I will discuss the performance of the stock market and MAM portfolios for the quarter, as well as my outlook for the remainder of 2005.

March Performance: For March of 2005, not adjusted for dividends, the S & P 500 declined 1.9%, the Nasdaq fell 2.6%, and the Russell 2000 fell 3.0%. MAM portfolios lost, on average, 1.5% for the month (net of fees).

First Quarter Performance: For the first quarter of 2005, not adjusted for dividends, the S & P 500 fell 2.4%, the Nasdaq dropped 8.1%, and the Russell 2000 fell 4.8%. The composite return on assets in MAM portfolios that were in existence for the whole quarter was a loss of 1.2% (net of fees).

I have already uploaded to the MAM Web site (www.mamportfolios.com), the March 2005 month-end values and year-to-date performance for clients with assets over \$150,000.

Reminders: I want to remind you that April 15th is the deadline for filing 2004 individual income tax returns and making 2004 IRA, SEP-IRA, Roth IRA and Education Savings Account contributions. It is also the deadline for first quarter 2005 Federal and State estimated payments. April 10th is the deadline for California property tax payments for the first half of 2005.

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

Steve McCarthy, CPA, CFP