

McCarthy Asset Management, Inc.

Registered Investment Advisor

April 4, 2011

Dear MAM Client,

Since March is quarter-end, I am keeping this month's Commentary short. This week we will be mailing your quarterly report. In the report I will discuss:

- Positive Employment Reports = Self-Sustaining Economic Growth
- Stock Market Correction- Over Already?
- Real Estate Prices Falling Again- Good Time to Buy?
- A Busy Quarter at McCarthy Asset Management, Inc.

First Quarter Performance: The stock market had its best first quarter since 1998. *Unadjusted for dividends*, the S & P 500 rose 5.4%, the Nasdaq climbed 4.8%, the Russell 2000 jumped 7.6%, and the international equity index MSCI EAFE rose 3.1%. Bonds, as represented by the Barclay's U.S. Aggregate Index, rose 0.4% for the quarter.

MAM Portfolio Performance: Excluding the "very conservative" portfolios, the composite return of assets in MAM portfolios was a gain of 3.8% (after MAM fees), versus a gain of 5.9% 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%.

Tax Reminders: *April 18th is the deadline for filing 2010 individual income tax returns and making 2010 IRA, SEP-IRA, Roth IRA and Education Savings Account contributions. It is also the deadline for first quarter 2011 Federal and State estimated payments. April 10th is the deadline for California property tax payments for the first half of 2011.*

We have already uploaded to the MAM Web site (www.mamportfolios.com) the March 2011 month-end values and year-to-date performance for client portfolios.

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

Steve McCarthy, CPA, CFP