

McCarthy Asset Management, Inc.

Registered Investment Advisor

October 4, 2005

Dear MAM Client,

Since September is quarter-end, I am keeping this month's Commentary very short. By early next week, I plan to send out your quarterly report. In the report I will discuss the performance of the stock market for the quarter and year, as well as my outlook for the foreseeable future. Furthermore, I am very excited to announce the hiring of Marilyn Blancarte as the Executive Assistant for McCarthy Asset Management, Inc.

September Performance: Unadjusted for dividends, for the month of September, the S & P 500 rose 0.7%, the Nasdaq was flat, and the Russell 2000 climbed 0.1%. MAM portfolios rose, on average, 1.3% for the month (after fees).

Year-To Date Performance: For the first nine months of 2005, the S & P 500, as represented by the Vanguard Index 500 (symbol VFINX) with reinvested dividends rose 2.7%. MAM portfolios continue to perform relatively well. For the first nine months of 2005, 95% of MAM portfolios beat the performance of the Vanguard Index 500, with a composite return for MAM portfolios of 5.8% (after fees).

We have already uploaded to the MAM Web site (www.mamportfolios.com), the September 30, 2005 values and year-to-date performance for clients with assets over \$150,000.

Please email or call if you have any questions or want to discuss your portfolio(s). Please note that I prefer that you use my new mail address, steve@mamportfolios.com.

Steve McCarthy, CPA, CFP