

McCarthy Asset Management, Inc.

Registered Investment Advisor

October 2, 2009

Dear MAM Client,

Since September is quarter-end, I am keeping this month's Commentary very short. Next week we will be sending out your quarterly report(s). In the quarterly letter I will discuss the performance of the stock market and MAM portfolios for the quarter and year-to-date, summarize the financial events that occurred in the last twelve months and provide my economic outlook. I also will touch on a few miscellaneous topics including another great opportunity to refinance due to the recent dip in mortgage rates, efforts by the State of California to collect use tax from businesses and the announcement that we are redesigning our MAM Web site.

September Performance: For the seventh consecutive month stocks rose. Unadjusted for dividends, the S & P 500 rose 3.5%, the Nasdaq climbed 5.6%, the Russell 2000 rose 5.6%, and the international equity index MSCI EAFE climbed 3.6%. Excluding the "very conservative" portfolios, the composite return of assets in MAM portfolios was a gain of 3.5% (net of fees), versus a gain of 3.7% for the Vanguard Index 500 fund (symbol VFINX) with dividends reinvested.

Third Quarter Performance: For the second consecutive quarter, the stock market (as represented by the S & P 500) experienced a 15% quarterly gain. Unadjusted for dividends, the S & P 500 rose 15.0%, the Nasdaq climbed 15.6%, the Russell 2000 jumped 18.9%, and the international equity index MSCI EAFE rose 18.8%. Excluding the "very conservative portfolios", the composite return of assets in MAM portfolios was a gain of 11.8% (after fees), versus a gain of 15.6% for the Vanguard Index 500 fund (symbol VFINX) with dividends reinvested.

Year-to-Date Performance: For the first nine months of 2009, unadjusted for dividends, the S & P 500 rose 17.0%, the Nasdaq jumped 34.6%, the Russell 2000 climbed 21.0%, and the international equity index MSCI EAFE rose 25.5%. Excluding the "very conservative portfolios", the composite return of assets in MAM portfolios was a gain of 18.7% (after fees), versus a gain of 19.3% for the Vanguard Index 500 fund (symbol VFINX) with dividends reinvested.

We have already uploaded to the MAM Web site (www.mamportfolios.com) the September 2009 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