

McCarthy Asset Management, Inc.

Registered Investment Advisor

October 2, 2006

Dear MAM Client,

Since September is quarter-end, I am keeping this month's Commentary very short. We plan to send out the quarterly reports by the end of this week. In it I will discuss the performance of the stock market and MAM portfolios for the quarter and year-to-date, as well as comments regarding the economy, my outlook for the stock market, and a possible shift in market leadership (back) to large cap stocks. Also included is an explanation of why I would like clients to sign up for eStatements.

September Performance: Historically, September is the weakest month of the year for stocks. This September the stock market rose for just the 14th time in the past 36 years. Unadjusted for dividends, the S & P 500 rose 2.5%, the Nasdaq climbed 3.4%, and the Russell 2000 rose 0.7%. MAM portfolios rose, on average, 1.4% for the month (net of fees), versus a rise of 2.6% for the Vanguard Index 500 fund (symbol VFINX) with dividends reinvested.

Year-to-Date Performance: Stocks have performed relatively well for the first nine months of 2006. Unadjusted for dividends, the S & P 500 climbed 7.1%, the Nasdaq rose 2.4%, and the Russell 2000 climbed 7.9%. The composite return on assets in MAM portfolios that were in existence for the whole nine months was gain of 7.1% (after fees), versus a gain of 8.4% for the Vanguard Index 500 fund with dividends reinvested.

We have already uploaded to the MAM Web site (www.mamportfolios.com), the September 2006 month-end values and year-to-date performance for client accounts.

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

Steve McCarthy, CPA, CFP