

RUSHMORE INVESTMENT ADVISORS, INC.



Equity Market Overview – 1Q10

Economic indicators continue to point to an improving economy:

- Strong GDP growth
- A confident consumer
- Improved credit markets

The equity markets reflect sophisticated investors' confidence that the US recovery is well underway, a fact that the general public has so far not accepted. Yet, with the S&P 500 up over 72% from its March 2009 low, some are asking if the rally can be sustained. While we do not expect market returns like those in 2009, we do believe the economy will continue to improve in 2010 and beyond.

RIA Portfolio Characteristics & Performance

The market continued to reward highly cyclical, leveraged stocks with high betas during the first quarter of 2010. At the risk of sounding like a broken record, we continue to believe the market is applying an unjustifiably high premium on speculative issues on the basis of "normalized" earnings that may or may not materialize.

The table below highlights the strong fundamental characteristics of RIA portfolios:

- Stronger profit margins
- Higher return on equity
- Superior expected earnings growth

Over the last year, some have characterized this market as a "stock-pickers" market. We completely disagree. Speculation has been the driving factor behind much of the current rally, rather than fundamentals when stock selection is key. We are confident that over the next several quarters and years, the market will again reward superior stock selection based on company fundamentals.

RIA domestic portfolios continued to benefit from holdings in the discretionary space such as Nike (NKE) and Nu Skin (NUS) as the consumer regained confidence. Financials also had a positive contribution to performance as strong capital markets benefited holdings such as MSCI (MXB) and Eaton Vance (EV). Information Technology detracted from relative performance in the quarter as the portfolios were overweight the underperforming sector.

The RIA Non-US ADR Growth portfolio benefited from holdings in multiple countries and sectors. In particular, exposure to South America had the greatest impact on relative performance. Financial holding, Creditcorp (BAP), a Peruvian company and Usinas Siderurgicas de Minas (USNZY), a Materials company from Brazil, both had strong returns during the quarter.

For additional information about Rushmore Investment Advisors, Inc. please call 972-599-9550 or visit our website at www.rushadv.com.

3/31/2010	Summary of RIA Portfolio Characteristics		
	Large Cap Growth	SMID Cap Growth	Non-US ADR Growth
Wtd Avg Market Cap (\$ in Bn's)	\$56,538	\$3,325	\$35,134
P/E Multiple T4Q (Reported EPS)	24.40x	26.60x	23.11x
Forward 12-Month P/E Multiple	17.38x	20.79x	19.05x
EPS Growth LTM %	6.63%	9.93%	7.65%
EPS 5yr Growth %	14.30%	15.89%	25.91%
Return on Equity T4Q	26.86%	14.63%	19.77%
Net Profit Margin T4Q	14.57%	7.18%	13.06%

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Performance Summary

Annualized Gross and Net Returns, as of 3-31-2010

Investment Portfolio	QTD	1 Year	3 Year	5 Year	10 Year	Since Inception
US Large Cap Growth (Gross)	4.20%	41.39%	-1.14%	5.77%	0.07%	4.63%
US Large Cap Growth (Net) (Inception Date 5/31/98)	4.06%	40.54%	-1.84%	4.89%	-0.96%	3.52%
Russell 1000 Growth	4.64%	49.75%	-0.78%	3.42%	-4.21%	1.07%
US Small / Mid Cap Growth (Gross)	3.49%	38.43%	-7.88%	-0.01%	-	3.33%
US Small / Mid Cap Growth (Net) (Inception Date 12/31/00)	3.25%	37.04%	-8.74%	-1.03%	-	2.19%
Russell 2500 Growth	8.81%	63.92%	-1.67%	4.65%	-	2.64%
Non-US / ADR Growth (Gross)	2.81%	57.88%	-2.90%	6.85%	-	6.85%
Non-US / ADR Growth (Net) (Inception Date 3/31/05)	2.59%	56.61%	-3.71%	6.02%	-	6.02%
MSCI EAFE Growth	2.04%	51.18%	-5.32%	4.61%	-	4.61%

Disclosure - RIA is an SEC registered investment advisor. Composite performance results for the RIA products include actual total returns for all full discretion, non-wrap accounts in this strategy. These gross- and net-of-fee composite returns are calculated on an asset-weighted basis and include transaction costs and their investment of dividends. Past performance is no guarantee of future results. Further information on performance is available upon request.

Performance data quoted represents historically achieved results and is no guarantee of future performance. Future investments may be made under different economic conditions, in different securities and using different investment strategies. The value of an investment may fall as well as rise. Please note that different types of investments involve varying degrees of risk and there can be no assurance that any specific investment will either be suitable or profitable for a client or prospective client's investment portfolio. Investor principal is not guaranteed and investors may not receive the full amount of their investment at the time of redemption if asset values have fallen.

Performance is expressed in US dollars. Actual performance may differ from composite returns, depending on the size of the account, brokerage commissions, investment guidelines and/or restrictions, inception date and other factors. Care should be used when comparing these results to those published by other investment advisors, other investment vehicles and unmanaged indices due to possible differences in calculation methods. Consultants and investors supplied with these performance results are advised to use this data in accordance with SEC guidelines.

RIA claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list and description of RIA composites and/or a presentation that adheres to the GIPS® standards, contact the firm at 1-800-564-8266.