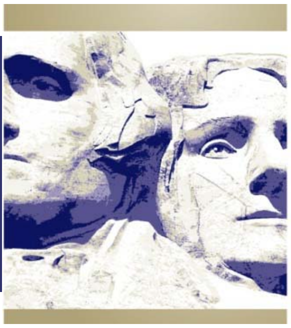
Rushmore Investment Advisors, Inc.

Mid – Quarter Update – 1Q11



Market Overview - Middle East Crisis / Equity Market Implications

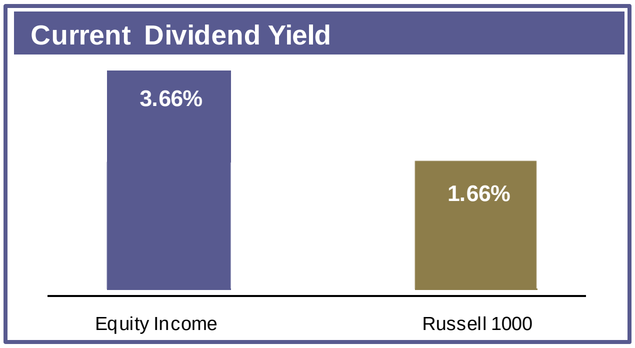
The 1st quarter has been marked by historic protests and regime changes in the Middle East. While the turmoil has driven crude oil prices higher, the unrest has yet to materially alter or derail the global recovery in our opinion. There is the potential for further unrest and for the conflict to spread to other oil producing countries causing oil prices to rise more, however the world is reasonably well supplied with oil and short-term disruptions can be absorbed. Naturally, the equity market and investors' nerves have been rattled over these concerns, yet we do not believe the global economic recovery is currently in jeopardy. Clearly, know one knows how the protests will unfold but we are optimistic that oil disruptions will be short-lived and our economy can continue to recover. The RIA investment committee is monitoring these events and has already adjusted the portfolios accordingly by increasing exposure to the Energy sector and decreasing exposure to the Consumer Discretionary sector.

Notwithstanding the Middle East crisis, equity markets have continued to be strong in the 1st quarter of 2011. Many have expressed surprise at the market's resiliency, but considering that quarterly earnings for the S&P 500 are on track to grow 29% year-over-year, jobless claims continue to decline, and the overall market valuation remains muted, the market's advance is not surprising. Despite the strong market move, stock valuations remain at near March 2009 levels. At the March 2009 low, the S&P 500 Index sold at approximately 13.5 times the one-year forward operating earnings estimate. Today this price-earnings multiple is only 13.7; very attractive in our opinion.

We believe the next several years will be characterized by a return to "normalized" growth. We look forward to this period of steady growth and believe our process of combining quantitative screening and fundamentally based research is particularly well suited to this market environment. The RIA investment committee is confident in our belief that we have once again entered a period when the RIA investment process will reap the benefits of companies exhibiting superior fundamental characteristics and are growing in excess of the market.

New Portfolio – RIA Equity Income

RIA is pleased to announce the launch of the RIA Equity Income Portfolio. Increased market volatility has caused many investors to once again consider dividend-paying stocks. Valued for their defensive characteristics during down markets, and when combined with steady income and capital appreciation, we believe a portfolio of dividend paying stocks will serve to stabilize and enhance investors' equity returns.



Portfolio Philosophy Application - We construct a portfolio of 20-40 stocks that produce current income for investors through dividends while at the same time offering opportunity for capital appreciation. Our disciplined investment approach combining quantitative modeling and fundamental analysis by our investment committee allows us to build a portfolio with dividend yield twice that of the benchmark, currently **3.66% versus 1.66%** for the Russell 1000 Index. We believe the income produced by a higher dividend yielding portfolio comprised of high-quality companies limits volatility while not compromising the prospect for capital appreciation. We maintain a long-term outlook which keeps portfolio turnover low, thereby limiting transaction costs and increasing tax efficiency.

To learn more about the RIA Equity Income Portfolio, please contact Brandt Heitzman at 972-599-9550, or brandt.heitzman@rushadv.com

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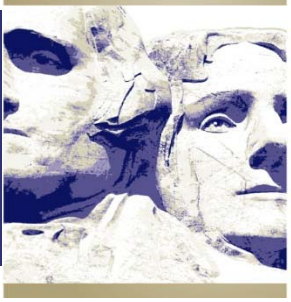

RIA Portfolio Characteristics

Rushmore focuses on constructing portfolios of high quality companies that maintain superior fundamental characteristics and are growing in excess of the market. While no one metric can adequately represent the propensity of a portfolio to outperform, a combination of metrics is a compelling indication of a high quality portfolio that is well positioned for superior returns. For example, below are a few important metrics of the RIA Large Cap Growth portfolio compared to the Russell 1000 Growth Index (as of 12/31/10):

- **EPS Growth (Last 12 Months): 54.91% versus 35.46%.** Companies growing earnings above the overall market is a sign of increasing market share and/or secular growth. It is also a good indication of future higher relative growth.

- **Long-Term Growth Estimate: 19.24% versus 9.60%.** A positive long-term growth estimate indicates that analysts are forecasting above market growth, and is a strong indication of a sustainable business model.

- **Net Profit Margin: 14.96% versus 9.42%.** This is the bottom line. Higher profitability generates higher returns for shareholders.

- **Debt -to-Equity: 62.64% versus 84.44%.** Healthy balance sheets are critically important and allow corporations to allocate resources to fund future growth or return dividends to shareholders.

- **Return on Equity: 24.66% versus 19.67%.** This indicates that capital is being used more efficiently and generating greater shareholder value.

RIA Portfolio Attribution

US Large Cap Growth – During the month of February 2011, the US Large Cap Growth Portfolio benefited, on a relative basis, from holdings in the Consumer Staples and Information Technology sectors. Technology holding Skyworks Solutions (SWKS) was strong as it continues to benefit from strong demand for smart phones and experiences market share gains. Another Technology holding Juniper Networks (JNPR) was higher after disappointing earnings from competitor Cisco suggested Juniper is taking market share. Consumer Staple holding, Herbalife (HLF) advanced after reporting better-than-expected earnings on strong volume globally. Participation in the Consumer Discretionary and Health Care sectors detracted from February 2011 relative performance. Health Care holding, Thermo Fisher (TMO) was down slightly after reporting better-than-expected EPS but with revenue just under consensus. Lower-than-expected sales were due to a less severe flu season and fewer selling days compared to last year's quarter. Consumer Discretionary holdings, Ford (F) and TRW Automotive (TRW) were both down during the month on concerns that higher input costs from commodity inflation and other expenses could potentially reduce earnings growth.

US Small/Mid Cap Growth - During the month of February 2011, the US Small/Mid Cap Growth Portfolio benefited from holdings in the Information Technology and Energy sectors. Technology holding Acme Packet (APKT) rose after reporting better-than-expected earnings and increased its sales and EPS guidance. The company cited expanding partnerships and larger contract size for the strong results. Another Technology holding, FEI Company (FEIC) also advanced after releasing better-than-expected earnings. FEIC bookings grew in all segments and investors are encouraged about the company's growth prospects within the oil & gas industry. Energy holding Northern Oil & Gas (NOG) rose on higher oil prices and significant production growth expectations. Participation in the Financial and Health Care sectors detracted from relative performance for the month. Financial holding Jefferies Group (JEF) was lower after it was reported that fixed income trading and investment banking activity was down in the 1st quarter following a strong 4th quarter. Another Financial holding, Huntington Bancshares (HBAN) was off after an analyst report suggested regional bank acquisitions would not be as strong as originally anticipated. Health Care holding HeartWare (HTWR) was pressured on news a hospital was temporarily suspending use of the company's heart pump after a single patient experienced difficulties from blood clotting.

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Non-US ADR Growth - During the month of February 2011, the RIA Non-US ADR Growth Portfolio benefited from exposure to North America and Western Europe on a regional basis, while exposure to South America and Eastern Europe detracted the most from relative performance. On a country basis, stocks in Canada and Germany benefited the portfolio on relative basis, while holdings in Argentina and Luxembourg detracted from relative performance. On a sector basis, the Energy and Information Technology sectors attributed the most to upside relative performance, while the Telecommunication Services and Financials sectors detracted the most from relative performance. Contributing positively to portfolio performance was Energy sector holding Core Laboratories N.V. (CLB) which rose after reporting solid 4th quarter earnings as well as it benefitted from the current energy sector rally due to unrest in Middle East area. Healthcare sector holding Medical Care AG & Co. (FMS) reported better than expected 4th quarter earnings and expanded their 2011 outlook. The demand for its kidney dialysis products recovered strongly in both the United States and Europe. Materials sector holding Anglo American PLC (AAUKY) reported better than expected mining output numbers and raised its 2011 outlook. Detracting from portfolio performance was Healthcare sector holding Teva Pharmaceutical Industries Ltd (TEVA) which reported weaker than expected 4th quarter results. The concerns over its top line growth and competition of Copaxone caused the underperformance. Financial sector holding HSBC Holdings PLC (HBC) also detracted as it reported 4th quarter results that were in-line with expectations but guided lower its 2011 targets due to higher expenses. Another Financial sector holding, IRSA-Inversiones y Representaciones S.A. (IRS) detracted over concerns of rising inflation in Argentina.

Investment Process and Outlook

The RIA investment process seeks companies that possess, what we believe to be, the primary drivers of stock outperformance: positive earnings surprise and accelerating earnings and sales growth metrics. The strongest quantitative factors currently identified in our investment model on a one, three and six month basis include Accelerating Quarterly Sales Growth, Accelerating Quarterly EPS Growth and Standardized Unexpected Earnings (SUE). In fact, these factors are showing considerable accelerating strength. This continues to confirm our observation that companies with these strong characteristics will be rewarded. Relative to the Russell 1000 Growth and Russell 2500 Growth Indices, our quantitative model remains overweight in Financials, Energy, Utilities and Telecommunications sectors. The model indicates an underweight exposure for the Industrial, Health Care, Information Technology and Consumer Discretionary sectors. Relative to the MSCI EAFE Growth Index, the model is identifying increasing opportunities in the Financials and Energy sectors, and reducing opportunities in the Utilities and Telecommunications sectors. Additionally, the RIA model is identifying more candidates from Europe and North America markets.

Thank you for your continued trust in Rushmore Investment Advisors. Should you have any questions, please do not hesitate to contact us. You may also obtain current account information via our website. If you do not know your account logon information, please contact Brandt Heitzman at 972-599-9550, or brandt.heitzman@rushadv.com.