

First Quarter 2011 Mutual Fund Commentary RS Select Growth Fund

Market Commentary

Equity markets again delivered solid performance in the first quarter of 2011 despite the disasters in Japan, growing unrest in the Middle East, and a spike in oil prices that triggered some renewed volatility in financial markets. Stock market gains were supported by signs of improving global economic conditions, generally healthy corporate profits, and better market liquidity in the wake of the Federal Reserve's most recent round of quantitative easing. Within the small to mid or "smid" cap universe, as illustrated by the Russell 2500[®] Index¹, the first quarter appeared to reward higher quality companies as those within the highest ROE (Return on Equity) quintile performed the best.² As investors focused more on growth over valuations during the quarter, the Russell 2500[®] Growth Index³ outpaced the Russell 2500[®] Value Index⁴.

Performance Review

For the three-month period ended March 31, 2011, RS Select Growth Fund (Class A Shares) returned 10.05%, outperforming a 9.83% return by the benchmark Russell 2500 Growth[®] Index. Stock selection was especially favorable in the technology, consumer discretionary and health care sectors. On the flipside, the Fund's relative performance was dampened by stock selection in the outperforming energy sector, as what we define as our more growth-oriented investments in this area failed to keep pace with the sharp spike in oil prices and related oil production company shares.

Investment Strategy

RS Select Growth Fund relies on a team-based approach that capitalizes on the experience, insights, and broad-based industry contacts of our deep bench of managers and analysts. Our team members seek to identify a 45-60 companies that we believe possess more proven growth in the small- to mid-capitalization range. These companies typically display earnings growth, return on equity, and margins in the mid-teens range. The focus remains on high-quality companies with proven management teams, sustainable competitive advantages, and superior long-term secular growth potential.

We identify a company's measurable "anchor points" that we believe will enable us to track a company's long-term growth trajectory as it executes its business, rather than focus on short-term stock price movements. In doing so, we target companies that we believe offer a 2-to-1 ratio of

Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate, so shares, when redeemed, may be worth more or less than their original cost. The Fund's total gross annual operating expense ratio as of the most current prospectus for the Class A Shares is 1.86%. Please refer to the most current Fund prospectus for complete details on expenses including fees. The performance quoted, unless otherwise indicated, does not reflect the current maximum sales charge of 4.75% that became effective on October 9, 2006. If the maximum sales charge were included, the performance stated above would be lower. Please read the prospectus carefully for more information on sales charges as they do not apply in all cases and if applied are reduced for larger purchases. Performance results assume the reinvestment of dividends and capital gains. Current and month-end performance information, which may be lower or higher than that cited and is available by contacting RS Investments at 800-766-3863 or visiting www.RSinvestments.com.

upside potential to downside risk.

Portfolio Review

Our investment philosophy is guided by our belief that long-term share price performance is driven by sustainable and superior earnings growth. One area where we have identified some compelling long-term growth stories is in the consumer discretionary sector, particularly the specialty retailing area where we've identified a number of companies with unique market niches and disciplined growth strategies. One example is Ulta Salon, Cosmetics & Fragrance (2.24% position as of 3/31/11), a retailer that provides one-stop shopping for discount and prestige beauty and salon products and services in the United States. We have been attracted to this company's growth strategy, as it plans to expand its total square footage of retail space by 15% to 20% a year. At the same time, its existing stores are starting to carry a broader product line, including more mainstream brands such as Benefit and Philosophy that we believe will attract new customers. We believe the company's market share could expand considerably as Ulta opens more stores and offers a broader range of products.

Technology is another area where we continue to find opportunities, including our investment in Polycom (2.10%), an innovative company that is taking market share away from industry leader Cisco (0.00%) in the video conferencing hardware market. The videoconferencing market continues to grow at a rapid clip, as the user experience improves with the roll-out of HD quality video and corporations seek to improve communications while managing their travel budgets. In fact, the videoconferencing market grew by nearly 20% last year and could double in size by 2015.⁵ We believe that Polycom is well positioned to capitalize on this growth through its innovative and competitively priced products and recent strategic acquisitions. The stock has delivered solid gains over the past few quarters, and we remain excited about its long-term prospects.

Healthcare was another strong performing area during the quarter with Brookdale Senior Living (1.63%) contributing to returns. The company is the leading provider of private-pay senior housing, an industry that has favorable demographic trends, no reimbursement risk, and limited supply of units. In recent quarters, Brookdale has improved occupancy and grown revenues from ancillary services while controlling costs, which has led to stronger cash flow. The company also recently signaled that it plans to leverage its industry leadership by acquiring nearby facilities, which along with tightening supply should lead to improved pricing in our view.

The Fund's individual detractors for the period included long-time holding BE Aerospace (2.05%), an aircraft components manufacturer that sold off along with other aerospace suppliers due to concerns over rising fuel prices. Despite its recent underperformance, we remain very positive on the fundamentals supporting BE Aerospace's long-term growth potential as the company manufactures aircraft fasteners and other consumable parts that we believe will need to be replaced more frequently as airlines crowd more passengers onto their planes in order to maximize returns on their fuel costs. The company is also seeing some cyclical improvement in its higher margin passenger seat and business jet interiors business. Given all of these factors, we have held onto our investment in the stock despite its recent underperformance.

In the health care industry, we continue to focus on companies with proprietary platform technologies that provide multiple product opportunities and other characteristics that we feel make them less prone to sector-specific risk. Unfortunately, even the most promising pharmaceutical or biotech company with compelling clinical trial data may still be subject to regulatory risk which was the case with Salix Pharmaceuticals (0.00%). The company has been pursuing FDA approval for a secondary indication for its drug XIFAXAN[®], currently indicated to treat symptoms of a rare liver disease that has shown very encouraging clinical results in the treatment of irritable bowel disease (IBS), a condition that offers a much larger market opportunity. We expected the FDA to approve this second indication. However, just prior to approval the FDA reversed previous guidance to the

company and stipulated that Salix would have to run new clinical trials to assess the drug's safety in repeat applications, since IBS sufferers would likely take it with more frequency. This was a critical setback for Salix that altered our risk/reward profile for the company, and given the prohibitive cost for the company to run these trials, we chose to exit the position.

Outlook

Looking ahead, we remain cautiously optimistic on the outlook for the equity market. The global economy continues to improve at a measured pace in our view. Moreover, many corporations have emerged from the challenging economic environment of recent years with cleaner balance sheets, more disciplined cost structures, and more focused business plans that we feel have positioned them for solid earnings performance going forward. That said, we also recognize that the near-term environment is not without risks, notably higher oil prices, geopolitical unrest, and the unwinding of the Fed's quantitative easing program. In this environment, we believe that investors will focus more on quality, a trend we were already starting to see in the first quarter and which we feel works to our strengths as stock pickers. We continue to focus on companies that we believe possess sustainable long-term growth potential and quantifiable anchor points of long-term growth.

Thank you for your continued investment.

Sincerely,



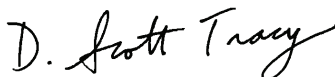
Steve Bishop
Co-Portfolio Manager



Melissa Chadwick-Dunn
Co-Portfolio Manager



Allison Thacker
Co-Portfolio Manager



D. Scott Tracy, CFA
Co-Portfolio Manager

As with all mutual funds, the value of an investment in the Fund could decline, so you could lose money. Investing in smaller companies can involve risks such as having less publicly available information, higher volatility, and less liquidity than in the case of larger companies. Overweighting investments in certain sectors or industries increases the risk of loss due to general declines in the prices of stocks in those sectors or industries. Investments in technology companies may be highly volatile. Investing in a more limited number of issuers and sectors can be subject to greater market fluctuation.

Any discussions of specific securities should not be considered a recommendation to buy or sell those securities. Fund holdings will vary.

Except as otherwise specifically stated, all information and portfolio manager commentary, including portfolio security positions, is as of March 31, 2011.

RS Funds are sold by prospectus only. You should carefully consider the investment objectives, risks, charges and expenses of the RS Funds before making an investment decision. The prospectus contains this and other important information. Please read it carefully before investing or sending money. To obtain a copy, please call 800-766-3863 or visit www.RSinvestments.com.

Sector Allocation⁶
(As of 3/31/11)

Technology	21.97%
Consumer Discretionary	21.25%
Health Care	15.45%
Producer Durables	12.17%
Financial Services	9.17%
Materials & Processing	8.69%
Energy	6.00%
Utilities	2.23%
Consumer Staples	1.94%
Cash	1.12%

Top Ten Holdings⁷
(As of 3/31/11)

HEICO Corp.	2.55%
Tractor Supply Co.	2.45%
Fossil, Inc.	2.43%
The Ultimate Software Group, Inc.	2.40%
Fortinet Inc.	2.38%
Wright Express Corp.	2.36%
Ulta Salon, Cosmetics & Fragrance, Inc.	2.24%
j2 Global Communications, Inc.	2.23%
Polycom, Inc.	2.10%
BE Aerospace, Inc.	2.05%

Performance

(Average Annual Total Returns as of 3/31/11)

	First Quarter 2011	1-Year	3-Year	5-Year	10-Year	Since Inception ⁸
RS Select Growth Fund, Class A						
without sales charge	10.05%	35.15%	10.96%	5.79%	4.72%	11.32%
with maximum sales charge	4.82%	28.72%	9.18%	4.76%	4.21%	10.95%
Russell 2500 [®] Growth Index ¹	9.83%	30.08%	9.67%	5.25%	7.54%	7.42%
Russell 2000 [®] Growth Index ⁹	9.24%	31.04%	10.16%	4.34%	6.44%	5.66%

Performance returns for periods of less than one year are not annualized.

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¹ The Russell 2500[®] Index is an unmanaged market-capitalization-weighted index that measures the performance of the 2,500 smallest companies in the Russell 3000[®] Index, which consists of the 3,000 largest U.S. companies based on total market capitalization. Index results assume the reinvestment of dividends paid on the stocks constituting the index. You may not invest in the index, and, unlike the Fund, the index does not incur fees or expenses.

² B of A Merrill Lynch April 1, 2011 Performance Monitor Report.

³ The Russell 2500[®] Growth Index measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2500 Growth Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect growth characteristics.

⁴ The Russell 2500[®] Value Index is an unmanaged market-capitalization-weighted index that measures the performance of those companies in the Russell 2500[®] Index with lower price-to-book ratios and lower forecasted growth values. (The Russell 2500[®] Index

measures the performance of the 2,500 smallest companies in the Russell 3000[®] Index, which consists of the 3,000 largest U.S. companies based on total market capitalization.) Index results assume the reinvestment of dividends paid on the stocks constituting the index. You may not invest in the index, and, unlike the Fund, the index does not incur fees or expenses.

5 "Videoconferencing, Telepresence Spending To Double By 2015," Information Week, March 28, 2011.

URL: <http://www.informationweek.com/news/showArticle.jhtml?articleID=229400432&queryText=polycom>

6 The Fund's holdings are allocated to each sector based on their Russell classification. If a holding is not classified by Russell, it is assigned a Russell designation by RS Investments. Cash includes short-term investments and net other assets and liabilities.

7 Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell individual securities.

8 Class A shares inception date August 1, 1996.

9 The Russell 2000[®] Growth Index is an unmanaged market capitalization-weighted index that measures the performance of those companies in the Russell 2000[®] Index with higher price-to-book ratios and higher forecasted growth values. (The Russell 2000[®] Index is an unmanaged market capitalization-weighted index that measures the performance of the 2,000 smallest companies in the Russell 3000[®] Index, which consists of the 3,000 largest U.S. companies based on total market capitalization.) Investment results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

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