



## Second Quarter 2011 Mutual Fund Commentary RS S&P 500 Index Fund

### Performance

(Average Annual Total Returns as of 6/30/2011)

RS S&P 500 Index Fund (Class A – GUSPX)

	Second Quarter 2011	1-Year	3-Year	5-Year	Since Inception (8/07/00)
without sales charge	0.00%	30.30%	3.11%	2.56%	0.44%
with maximum sales charge	-3.01%	26.35%	2.08%	1.94%	0.16%
S&P 500 <sup>®</sup> Index <sup>1</sup>	0.10%	30.69%	3.34%	2.94%	0.83%

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

### Fund Commentary

#### Performance

For the quarter ended June 30, 2011, the RS S&P 500 Index Fund's return was 0.00%. The Fund's objective is to track the returns of the S&P 500<sup>®</sup> Index<sup>1</sup>, a theoretical portfolio of 500 blue-chip stocks, which returned 0.10% over the same period. The Fund outperformed the -0.04% return achieved by the average fund in the Lipper<sup>2</sup> universe with an S&P 500 Index objective. The S&P 500 Index is theoretical in the sense that it is computed as though the securities that make up the index were purchased and subsequently rebalanced without any trading costs or fund expenses.

**Performance quoted represents past performance and does not guarantee future results. The Fund is the successor to The Guardian S&P 500 Index Fund; performance shown includes performance of the predecessor fund for periods prior to October 9, 2006. 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/net annual operating expense ratio as of the most current prospectus for the Class A Shares is 0.92% / 0.38%. The net expense ratio reflects a contractual expense limitation which will continue through 4/30/12. The views expressed in the portfolio manager commentaries are those of the Fund's portfolio manager(s) and are subject to change without notice. Please refer to the most current Fund prospectus for complete details on expenses including fees. The performance quoted, "with maximum sales charge" reflects the current maximum sales charge of 3.00%. 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. Certain share classes are subject to lower maximum sales charges whether paid at the time of purchase or deferred. A "deferred sales charge" also known as "back end load" or "CDSC" is incurred when liquidating an A share purchase over \$1 million, for example, before a specified holding period. Any sales charges are in addition to the Fund's fees and expenses as detailed in the Fund's most current prospectus. Fees and expenses are factored into the net asset value of your shares and any performance numbers we release. 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, is available by contacting RS Investments at 800-766-3863 and is frequently updated on our Web site: [www.RSinvestments.com](http://www.RSinvestments.com).**

## Portfolio Review

The market managed to end the second quarter with a positive return, despite being down 3.89% going into the last week of June. The Chicago Board Options Exchange Market Volatility Index ("VIX"), a measure of the implied volatility of S&P Index options and often used as gauge of investor sentiment, reached its second quarter high of 22.73 on June 16<sup>th</sup>, before turning sharply lower as investor risk appetite seemed to return. For the quarter, Health Care and Utilities were the best performing sectors, returning 7.29% and 5.01% respectively. Energy and Financials were the worst performers, returning -5.07% and -6.27%, respectively<sup>5</sup>.


Volatility of the S&P 500 Index averaged 12.82% during the quarter<sup>5</sup>.

Modest market gains were experienced in developed markets in general, with the MSCI/Barra EAFE Index<sup>4</sup> returning 1.80% over the second quarter.

We will continue to manage the portfolio so as to be substantially fully invested in stocks, attempting to track the S&P 500® Index and keep trading costs to a minimum.

We thank you for your continued support.

Sincerely,



Jonathan C. Jankus  
Co-Portfolio Manager



Stewart M. Johnson  
Co-Portfolio Manager

*Guardian Investor Services LLC, the Fund's sub-adviser*

The foregoing is the opinion of the Fund's management team as of the date of this report and is subject to change without notice.

There is no assurance that the Fund will track the performance of the S&P 500® Index perfectly. As with all mutual funds, the value of an investment in the Fund could decline, so you could lose money. The Fund invests primarily in equity securities and therefore exposes you to the general risks of investing in stock markets. Derivative transactions can create leverage and may be highly volatile. It is possible that a derivative transaction will result in a loss greater than the principal amount invested and the Fund may not be able to close out a derivative transaction at a favorable time or price.

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 June 30, 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](http://www.RSinvestments.com).***

**Sector Allocation  
(As of 6/30/2011)**

	<b>% Fund</b>
Consumer Discretionary	11.9%
Consumer Staples	8.9%
Energy	12.1%
Financials	15.2%
Health Care	10.9%
Materials & Processing	3.8%
Producer Durables	10.9%
Technology	15.5%
Utilities	6.0%
Other Securities	0.0%
Cash	4.8%

**Top Ten Holdings<sup>3</sup>  
(As of 6/30/2011)**

	<b>% Fund</b>
Exxon Mobil Corp.	3.18%
Apple, Inc.	2.44%
International Business Machines Corp.	1.65%
Chevron Corp.	1.63%
General Electric Co.	1.58%
Microsoft Corp.	1.52%
AT&T, Inc.	1.47%
Johnson & Johnson	1.43%
Procter & Gamble Co.	1.41%
Pfizer Inc.	1.30%

Distributed by: Guardian Investor Services LLC (GIS), 7 Hanover Square, New York, NY 10004.

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**1** The S&P 500<sup>®</sup> Index is an unmanaged market-capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. 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 and expenses.

**2** The Lipper S&P 500 Index Fund Objective Average is the average of all the funds in the group in existence in the Lipper database for the periods, and does not reflect any deductions for sales charges.

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

**4** Source: MSCI/Barra EAFE Index.

**5** Source: Bloomberg World Indices