

Fourth Quarter 2011 Mutual Fund Commentary RS S&P 500 Index Fund

Performance

(Average Annual Total Returns as of 12/31/2011)

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

	Fourth Quarter 2011	1-Year	3-Year	5-Year	10-Year	Since Inception (8/07/00)
without sales charge	11.77%	1.79%	13.85%	-0.59%	2.49%	0.07%
with maximum sales charge	8.41%	-1.23%	12.68%	-1.19%	2.18%	-0.19%
S&P 500 [®] Index ¹	11.82%	2.11%	14.11%	-0.25%	2.92%	0.46%

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

Fund Commentary

Performance

For the quarter ended December 31, 2011, the RS S&P 500 Index Fund's (the "Fund") return was 11.77%. The Fund's objective is to track the returns of the S&P 500[®] Index (the "Index"), a theoretical portfolio of 500 blue-chip stocks, which returned 11.82% over the same period². The Fund outperformed the Index with an 11.64% return achieved by the average fund in the Lipper³ universe with an Index objective⁴. The 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. For the full year 2011, the Fund's return was 1.79%, while the Index returned 2.11%² over the same period.

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 performance quoted, "with maximum sales charge" reflects the current maximum sales charge of 3.00%. 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%. Performance results assume the reinvestment of dividends and capital gains. Current performance may be lower or higher than performance data quoted. Performance current to the most recent month-end is available by contacting RS Investments at 800-766-3863 and is frequently updated on our Web site: www.RSinvestments.com.

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. The net expense ratio quoted above reflects a contractual expense limitation which will continue through 4/30/11. 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. 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.

Portfolio Review

The positive return of the Index over the fourth quarter was due largely to October's rally, fueled at least in part by signs that European policymakers might make progress on stemming the sovereign debt crisis. The 10.93% return for October was the best single month for the Index since 1991.⁵ A nearly flat November (-0.22%) followed by a modest gain in December (1.02%), and the Index closed the year at 1257.60, almost exactly where it started (1257.64 on 12/31/2010). For the full year, sector returns for the Index were mixed, with negative returns in Industrials (-2.92%), Materials (-11.64%) and Financials (-8.41%) offsetting gains in all other sectors.⁶


Volatility in the Index was 26.61% over the fourth quarter and 23.74% for the full year, both representing increases over 2010 and making 2011 the fourth highest since 1990. Only 2002, 2008 and 2009 had higher realized volatility.⁶

Given the investor concerns with Europe in 2011, it should be no surprise that U.S. markets fared much better than developed markets in general. The MSCI/Barra EAFE Index returned 3.4% for the quarter and -11.67% for the full year.⁶

We will continue to manage the portfolio to seek to remain substantially fully invested in stocks, and attempting to track the Index while keeping 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 December 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 Allocation (As of 12/31/2011)	% Fund	Top Ten Holdings⁷ (As of 12/31/2011)	% Fund
Consumer Discretionary	10.3%	Exxon Mobil Corp.	3.44%
Consumer Staples	11.1%	Apple, Inc.	3.19%
Energy	11.8%	International Business Machines Corp.	1.84%
Financials	12.9%	Chevron Corp.	1.79%
Health Care	11.4%	Microsoft Corp.	1.65%
Industrials	10.3%	The Proctor & Gamble Co.	1.60%
Information Technology	18.3%	Johnson & Johnson	1.55%
Materials	3.4%	AT&T, Inc.	1.52%
Telecomm. Services	3.1%	General Electric Co.	1.52%
Utilities	3.7%	The Coca-Cola Co.	1.41%
Cash	3.6%		

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

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¹ The S&P 500[®] 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 Source: Bloomberg World Indices.

³ 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.

⁴ Source: Lipper Equity Monthly Flash Report. Lipper, Inc. is an independent mutual fund monitoring and rating service. Its database of performance information is based on historical returns, which assume the reinvestment of dividends and distributions and the deduction of all fund expenses. Lipper return figures do not reflect the deduction of any sales charges that an investor may pay when purchasing or redeeming shares of the Fund.

⁵ Source: SPX Markets Rally.

⁶ Source: Bloomberg.

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