

RS Small Cap Equity Fund

(Class A) (GPSCX)

First Quarter 2010

All data as of March 31, 2010

Objective

- Long-term capital appreciation.

Investment Strategy

- The Fund normally invests at least 80% of its net assets in equity securities of small capitalization companies, which may include common stocks, preferred stocks, or other securities convertible into common stock.
- The Fund may invest up to 20% of its net assets in companies that have market capitalizations within the range of the Russell 2000® Index but are above \$3 billion in market capitalization.

Co-Portfolio Managers

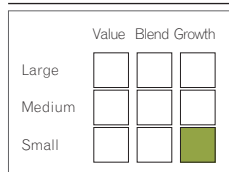
Steve Bishop - 18 years of investment management experience; has managed the Fund since April 2009.

Melissa Chadwick-Dunn - 16 years of investment management experience; has managed the Fund since April 2009.

Allison Thacker - 12 years of investment management experience; has managed the Fund since April 2009.

Scott Tracy, CFA - 13 years of investment management experience; has managed the Fund since April 2009.

Role in Portfolio



Style box breakdowns reflect fund management's long-term targeted investment strategy classifications.

Source: Guardian Investor Services LLC

Risk Factors

As with all mutual funds, the value of an investment in the Fund could decline, so you could lose money. Small-cap investing entails special risks. Small-cap stocks have tended to be more volatile and to drop more in down markets than large-cap stocks. This may happen because small companies may be limited in terms of product lines, financial resources and management.

Performance

(Average Annual Total Returns)

	First Quarter 2010	1 Year	3 Year	5 Year	10 Year	Since Inception (05/01/97)
RS Small Cap Equity Fund, Class A						
without sales charge	8.12%	60.12%	-2.19%	4.40%	2.53%	7.50%
with sales charge	2.99%	52.49%	-3.76%	3.39%	2.03%	7.10%
Russell 2000® Growth Index¹	7.61%	60.32%	-2.42%	3.82%	-1.53%	4.26%
Russell 2000® Index²	8.85%	62.76%	-3.99%	3.36%	3.68%	6.73%

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

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. Please keep in mind that any high double-digit returns are highly unusual and cannot be sustained. The Fund's total gross annual operating expense ratio as of the most current prospectus for the Class A Shares is 1.30%. The performance quoted "with maximum sales charge" reflects the current maximum sales charge of 4.75% that became effective on October 9, 2006. 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 class A (over \$1 million), B, C, or K shares 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 and is available by contacting RS Investments at 800-766-3863 and is frequently updated on our Web site: www.RSinvestments.com.

Sector Allocation³

Fund vs. Index³Differential

Sector (Fund Weighting)	Differential
Consumer Discretionary (18.13%)	-0.93%
Consumer Staples (2.65%)	-0.63%
Energy (5.94%)	1.86%
Financial Services (8.12%)	0.69%
Health Care (27.58%)	2.95%
Materials & Processing (2.45%)	-1.86%
Producer Durables (13.87%)	1.61%
Technology (18.29%)	-5.14%
Utilities (1.24%)	-0.27%
Cash (1.72%)	(N/A)

³Russell 2000® Growth Index

Top Ten Holdings⁴

Medidata Solutions, Inc.	1.82%
Concho Resources, Inc.	1.80%
Zumiez, Inc.	1.80%
P.F. Chang's China Bistro, Inc.	1.73%
Align Technology, Inc.	1.73%
Human Genome Sciences, Inc.	1.66%
GSI Commerce, Inc.	1.65%
Advanced Energy Industries, Inc.	1.64%
HEICO Corporation	1.56%
Dril-Quip, Inc.	1.56%
Total	16.95%

Fund Data vs Benchmark

	Fund	Russell 2000® Growth Index
Weighted Average Market Capitalization	\$1,557(mil)	\$1,201(mil)
Alpha ^{†*}	-0.16	—
Beta ^{†*}	0.91	1.00
R ² ^{†*}	0.95	1.00
Information Ratio ^{†*}	0.04	—
Sharpe Ratio [*]	-0.17	-0.17
R2 ^{†*} to S&P 500	0.85	—
Portfolio Turnover Ratio - Most Recent Annual	177	—
Number of Positions	92	—
Assets	\$100,094,588	—

[†]Risk characteristics are relative to the Russell 2000® Growth Index as of 3/31/10, and for the three-year period where appropriate. Please see reverse side for more information on data measurement explanations.

Fees and Expenses

As of the most current prospectus

Share Class	Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)	Maximum Deferred Sales Charge (Load) (as a percentage of the lower of sales proceeds or the original price)	Management Fees	Distribution (12b-1) Fees	Other Expenses ⁹	Total Annual Fund Operating Expenses ¹⁰	Fee Waiver/Expense Limitation ¹⁰	Net Expenses ¹⁰
Class A	4.75% ⁵	None ⁶	0.75%	0.25%	0.30%	1.30%	-0.02%	1.28%
Class B	None	3.00% ⁷	0.75%	1.00%	0.56%	2.31%	0.00%	2.31%
Class C	None	1.00% ⁸	0.75%	1.00%	0.33%	2.08%	0.00%	2.08%
Class K	None	None	0.75%	0.65%	0.30%	1.70%	-0.09%	1.61%
Class Y	None	None	0.75%	N/A	0.28%	1.03%	N/A	N/A

Share Class Information

Share Class	CUSIP	Ticker	Inception Date
Class A	700159858	GPSCX	05/01/97
Class B	700159841	GUCBX	05/01/97
Class C	700159635	RSCCX	08/07/00
Class K	700159510	RSCKX	05/15/01
Class Y	74972H580	RSCYX	05/01/07

1 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 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.) 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 Russell 2000[®] Index 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. Index results assume the reinvestment of dividends paid on the stocks constituting the index. Unlike the Fund, the index does not incur fees or expenses.

3 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 other short term investments, net assets and liabilities.

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

5 You may be entitled to a sales load discount based on the amount you invest or you may be eligible for a sales load waiver. You will pay no initial sales load on purchases of \$1 million or more of Class A shares.

6 Contingent deferred sales load of 1.00% applies to purchases of \$1 million or more of Class A shares if these shares are sold within 18 months of purchase. Certain redemptions and distributions are not subject to this load. See the Statement of Additional Information for details.

7 Maximum contingent deferred sales load declines to 2.00% if shares are sold in year 3 or 4 after purchase; 1.00% in year 5 or 6; and 0.00% in year 7 and beyond.

8 Contingent deferred sales load applies for shares sold within one year of purchase.

9 "Other Expenses" include expenses indirectly incurred by the Fund through investments in certain pooled investment vehicles of 0.01% or less of the Fund's average daily net assets for the fiscal year ended December 31, 2008.

10 An expense limitation with respect to the Fund's Total Annual Fund Operating Expenses is imposed pursuant to a written agreement in effect through April 30, 2010, to limit the

Fund's Total Annual Fund Operating Expenses to 1.27% for Class A shares, 2.41% for Class B shares, 2.22% for Class C shares, and 1.60% for Class K shares. The effect, if any, of this limitation is reflected under the caption "Fee Waiver/Expense Limitation." "Net Expenses" reflect the effect, if any, of this expense limitation on Total Annual Fund Operating Expenses.

* Alpha is a statistical measurement used to quantify the value added or subtracted by a portfolio manager. Specifically, alpha measures the portfolio's actual return against the portfolio's expected return given the risk of the portfolio as defined by its beta.

* Beta is a statistical measurement of a portfolio's relative sensitivity to the benchmark, which acts as a proxy for market risk. The beta between a portfolio and its benchmark is the amount of units the portfolio will move when the benchmark moves one unit.

* R² is a statistical measurement that shows the percentage of a portfolio's movements that can be explained by the movement in the benchmark. The numerical value of a portfolio's R² is always between 0 and 1. An R² of 1 (or 100%) means that there is perfect correlation in the movement between the portfolio and the benchmark.

* Information Ratio is a measure of the value added per unit of active risk by a manager over the benchmark. The Information Ratio is calculated by dividing the annualized excess return over a benchmark by the annualized standard deviation of excess return.

* Sharpe Ratio is a statistical measurement of the risk-adjusted performance of the portfolio. The ratio is calculated by dividing a portfolio's excess return over the risk-free rate (generally a 3-month T-bill) by the standard deviation of its excess returns. This approximates a portfolio's reward per unit of risk.

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. A prospectus can be obtained by calling 800-766-3863 or by visiting www.RSinvestments.com.

RS Small Cap Equity Fund is closed to new investors. Please contact RS Investments for more information.

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

Not a Deposit	Not FDIC or NCUA Insured	May Lose Value	No Bank or Credit Union Guarantee
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