

RS Small Cap Equity Fund

(Class A) (GPSCX)

First Quarter 2011

All data as of March 31, 2011

Fund Facts

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.
- Sustainable Growth.

Investment Team

RS Small Cap Equity Fund is co-managed by Steve Bishop, Melissa Chadwick-Dunn, Allison Thacker, and Scott Tracy. All co-managers are members of the RS Growth Team. The RS Growth Team consists of eight seasoned investment professionals who, on average, have over 15 years of investment experience.

Share Class: Ticker Symbol

A: GPSCX B: GUCBX C: RSCCX K: RSCXK

Y: RSCYX

Fees and Expenses

Share Class	Gross Expenses ³	Net Expenses ³
A	1.40%	1.27%
B	2.29%	2.29%
C	2.10%	2.10%
K	1.82%	1.60%
Y	1.24%	N/A

Role in Portfolio

	Value	Blend	Growth
Large	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Medium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Small	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

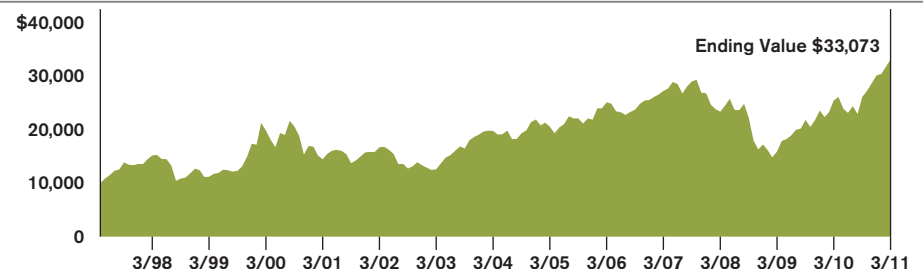
Performance	First Quarter 2011	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (5/1/97)
RS Small Cap Equity Fund, Class A							
without sales charge	9.80%	9.80%	29.96%	12.33%	5.70%	8.64%	8.98%
with sales charge (max 4.75%)	4.61%	4.61%	23.80%	10.53%	4.68%	8.11%	8.60%
Russell 2000® Growth Index¹	9.24%	9.24%	31.04%	10.16%	4.34%	6.44%	5.99%
Russell 2000® Index²	7.94%	7.94%	25.79%	8.57%	3.35%	7.87%	8.00%

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/net annual operating expense ratio as of the most current prospectus for the Class A Shares is 1.40%/1.27%. The net expense ratio reflects a written expense limitation agreement with RS Investments which will continue through 4/30/11. 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.

Growth of a \$10,000 Investment (Class A shares without sales charge)

Since Inception: 5/1/97



This illustration is based on an initial investment of \$10,000 in Class A shares made on 5/1/97. The illustration represents those of Class A shares without the imposition of any sales charges. If sales charges were included, returns would be lower. Please keep in mind that high, double-digit and/or triple-digit returns are highly unusual and cannot be sustained. Results are hypothetical.

Performance for other share classes will vary.

Calendar-Year Total Return (%)

Class A

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
-6.35	35.56	-2.35	-7.03	-15.50	43.23	14.74	-0.15	16.90	4.84
2008	2009	2010							
-35.69	36.70	27.97							

Please note: High, double-digit and/or triple-digit returns are highly unusual and cannot be sustained. Investors should be aware that these returns were primarily achieved during favorable market conditions.

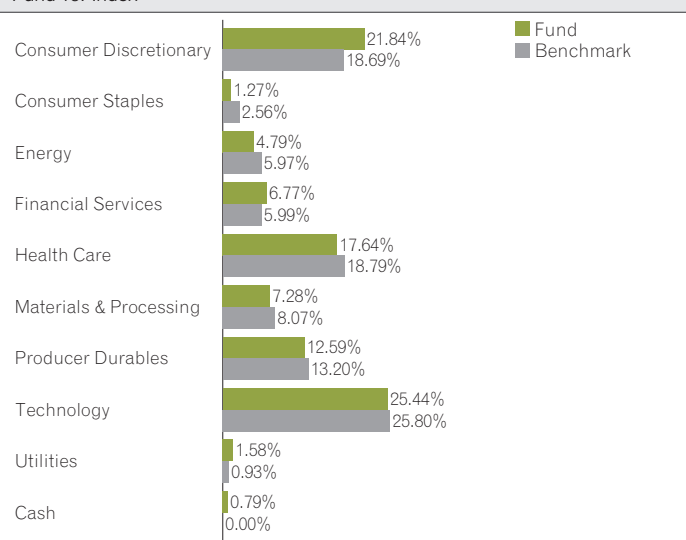
Returns represent those of Class A shares at net asset value, without the imposition of any sales charges but with dividends and capital gains reinvested from each time period. If sales charges were included, returns would be lower. Performance for other share classes will vary. This information is provided to assist you in assessing the risks of investing in the fund and to demonstrate how the fund's performance varies from year to year.

Portfolio Information

Top Ten Holdings ⁴	
HEICO Corp., Class A	1.88%
Pharmasset, Inc.	1.68%
Tractor Supply Co.	1.67%
RealD, Inc.	1.65%
The Ultimate Software Group, Inc.	1.59%
j2 Global Communications, Inc.	1.58%
Fortinet Inc.	1.54%
Hittite Microwave Corp.	1.48%
Dril-Quip, Inc.	1.47%
comScore, Inc.	1.47%
Total	16.00%

Sector Allocation⁵

Fund vs. Index[‡]



[‡]Russell 2000[®] Growth Index

Fund Data vs Benchmark		
	Fund	Russell 2000 [®] Growth Index
Weighted Average Market Capitalization	\$1,992(mil)	\$1,615(mil)
Alpha ^{†*}	2.80	—
Beta ^{†*}	0.89	1.00
R ² ^{†*}	0.96	1.00
Information Ratio ^{†*}	0.37	—
Sharpe Ratio [*]	0.48	0.36
R ² ^{†*} to S&P 500	0.86	—
Portfolio Turnover Ratio - Most Recent Annual	121	—
Number of Positions	93	—
Assets	\$122,164,673	—

[†]Risk characteristics are relative to the Russell 2000[®] Growth Index as of 3/31/11, and for the three-year period where appropriate. Please see below for more information on data measurement explanations.

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 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, 2011, 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. "Net Expenses" reflect the effect, if any, of this expense limitation on Total Annual Fund Operating Expenses.

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

5 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.

* Alpha (annualized) 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.

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