

RS Value Fund

(Class A) (RSVAX)

Second Quarter 2010

All data as of June 30, 2010

Objective

- Long-term capital appreciation.

Investment Strategy

- The Fund invests principally in equity securities that RS Investments believes are undervalued, of companies with market capitalizations between \$1.0 billion and 120% of the market capitalization of the largest company included in the Russell Midcap[®] Index on the last day of the most recent quarter (currently, approximately \$21.5 billion, based on the size of the largest company on March 31, 2010).
- When evaluating investments for the Fund, RS Investments employs a return-on-capital analysis, combining balance sheet and cash flow analysis. The Fund typically invests most of its assets in securities of U.S. companies but may also invest any portion of its assets in foreign securities.

Co-Portfolio Managers

MacKenzie Davis, CFA - 17 years of investment management experience; has managed the Fund since January 2005.

David Kelley - 17 years of investment management experience; has managed the Fund since January 2004.

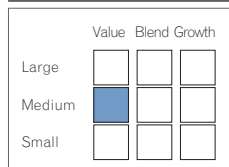
Joe Mainelli - 16 years of investment management experience; has managed the Fund since May 2009.

Andy Pilara - 44 years of investment management experience; has managed the Fund since November 1999.

Ken Settles, CFA - 14 years of investment management experience; has managed the Fund since May 2009.

Joe Wolf - 16 years of investment management experience; has managed the Fund since January 2004.

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. Investing in small- and mid-size 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. Foreign securities are subject to political, regulatory, economic, and exchange-rate risks not present in domestic investments. The value of a debt security is affected by changes in interest rates and is subject to any credit risk of the issuer or guarantor of the security.

Performance

(Average Annual Total Returns)

	Second Quarter 2010	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (06/30/93)
RS Value Fund, Class A							
without sales charge	-10.22%	0.00%	23.07%	-9.49%	0.64%	8.38%	5.87%
with sales charge	-14.49%	-4.75%	17.21%	-10.94%	-0.34%	7.86%	5.57%
Russell Midcap[®] Value Index¹	-9.57%	-0.88%	28.91%	-9.44%	0.71%	7.55%	9.65%

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 1.48%. 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 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 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.

Sector Allocation²

Fund vs. Index[†]Differential

Sector (Fund Weighting)	Differential
Consumer Discretionary (15.26%)	4.65%
Consumer Staples (1.45%)	-5.87%
Energy (7.77%)	-2.11%
Financial Services (35.02%)	4.22%
Health Care (2.06%)	-3.31%
Materials & Processing (11.35%)	5.42%
Producer Durables (7.33%)	-3.05%
Technology (12.53%)	7.88%
Utilities (2.46%)	-12.59%
Cash (4.76%)	(N/A)

[†]Russell Midcap[®] Value Index

Top Ten Holdings³

Praxair, Inc.	4.38%
Agilent Technologies, Inc.	3.84%
Hasbro, Inc.	3.73%
KeyCorp	3.44%
Martin Marietta Materials, Inc.	3.43%
Southwestern Energy Co.	3.29%
BorgWarner, Inc.	3.25%
Comverse Technology, Inc.	3.24%
Atmel Corp.	2.99%
Genworth Financial, Inc., Class A	2.95%
Total	34.54%

Fund Data vs Benchmark

	Fund	Russell Midcap [®] Value Index
Weighted Average Market Capitalization	\$9,062(mil)	\$5,987(mil)
Alpha ^{†*}	-0.98	—
Beta ^{†*}	0.90	1.00
R ² ^{†*}	0.89	1.00
Information Ratio ^{†*}	-0.01	—
Sharpe Ratio [*]	-0.44	-0.42
Portfolio Turnover Ratio - Most Recent Annual	63	—
Number of Positions	38	—
Assets	\$1,693,929,500	—

[†]Risk characteristics are relative to the Russell Midcap[®] Value Index as of 6/30/10, 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	Acquired Fund Fees and Expenses ⁷	Total Annual Fund Operating Expenses ⁸	Fee Waiver/Expense Limitation ⁸	Net Expenses ⁸
Class A	4.75% ⁴	None ⁵	0.85%	0.25%	0.35%	0.03%	1.48%	-0.17%	1.31%
Class C	None	1.00% ⁶	0.85%	1.00%	0.29%	0.03%	2.17%	-0.11%	2.06%
Class K	None	None	0.85%	0.65%	0.32%	0.03%	1.85%	-0.14%	1.71%
Class Y	None	None	0.85%	N/A	0.16%	0.03%	1.04% ⁹	N/A	N/A

Share Class Information

Share Class	CUSIP	Ticker	Inception Date
Class A	74972H309	RSVAX	06/30/93
Class C	74972H523	RVACX	05/01/07
Class K	74972H713	RSVKX	12/04/06
Class Y	74972H614	RSVYX	05/01/07

1 The Russell Midcap[®] Value Index is an unmanaged market-capitalization weighted index that measures the performance of those companies in the Russell Midcap Index with lower price-to-book ratios and lower forecasted growth values. (The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which consists of the 1,000 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 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.

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

4 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.

5 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.

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

7 Restated to reflect anticipated expenses of acquired funds during the current year.

8 An expense limitation with respect to the Fund's Total Annual Operating Expenses (excluding expenses indirectly incurred by the Fund through investments in certain pooled investment vehicles, interest, taxes and extraordinary expenses) is imposed pursuant to a written agreement with RS Investments which is in effect through April 30, 2011. The effect of this limitation is reflected under the caption "Fee Waiver/expense Limitation." "Net Expenses" reflect the effect of this expense limitation on Total Annual Fund Operating Expenses. This expense limitation will continue through April 30, 2011, at which time RS Investments will determine whether to renew or revise it.

9 An expense limitation with respect to the Fund's Total Annual Fund Operating expenses (excluding expenses indirectly incurred by the Fund through investments in pooled investment

vehicles, interest, taxes and extraordinary expenses) is imposed pursuant to a written agreement with RS Investments to limit the Fund's Total Annual Operating Expenses to 1.03% for Class Y shares. This limitation will continue through April 30, 2011, at which time RS Investments will determine whether or not to renew or revise it.

* 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.

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

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