

# RS High Yield Fund

(Class A) (formerly RS High Yield Bond Fund)(GUHYX)

Fourth Quarter 2011

All data as of December 31, 2011

## Fund Facts

### Objective

- Current income. Capital appreciation is a secondary objective.

### Investment Strategy

- At least 80% of the value of the Fund's net assets is normally invested in high-yield corporate bonds, convertible bonds and other debt securities that, at the time of purchase, are rated below investment grade by nationally recognized statistical ratings organizations or are unrated.
- The investment team considers several factors in purchasing and selling securities relative to the price of the security, such as issuer's earnings patterns, financial history, management and general prospects of the issuer.

### Investment Team

RS High Yield Fund is sub-advised by Guardian Investor Services LLC and is co-managed by Kevin Booth, Marc Gross, and Howard Most. All three co-managers are members of the RS Fixed Income Team. The RS Fixed Income Team consists of 35 seasoned investment professionals who, on average, have over 20 years of investment experience.

### Share Class: Ticker Symbol

A: GUHYX B: RHYBX C: RHYCX K: RHYKX  
Y: RSYXX

### Fees and Expenses

Share Class	Gross Expenses <sup>2</sup>	Net Expenses <sup>2</sup>
A	1.14%	0.85%
B	1.97%	1.60%
C	1.92%	1.60%
K	1.58%	1.25%
Y	0.88%	0.66%

### Portfolio Statistics (Class A)

Average Maturity (Years)	5.17
Average Duration <sup>3</sup>	3.97
30-Day SEC Yield (with subsidy) <sup>4</sup>	7.08%
30-Day SEC Yield (without subsidy) <sup>4</sup>	6.89%

Yields will vary.

### Risk Factors

As with all mutual funds, the value of an investment in the Fund could decline, so you could lose money. Bond funds are subject to interest rate risk, credit risk and prepayment risk. When interest rates rise, bond prices generally fall, and when interest rates fall, bond prices generally rise. Currently, interest rates are at relatively low levels. Please keep in mind that in this kind of environment, the risk that bond prices may fall when interest rates rise is potentially greater. High yield bond investing includes special risks. Investments in lower rated and unrated debt securities are subject to a greater loss of principal and interest than investments in higher rated securities. The values of mortgage-backed securities depend on the credit quality and adequacy of the underlying assets or collateral and may be highly volatile. 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.

## Performance

### Performance

(Average Annual Total Returns)

	Fourth Quarter 2011	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (9/1/98)
<b>RS High Yield Fund, Class A</b>							
without sales charge	6.50%	4.56%	4.56%	18.16%	5.89%	7.11%	5.67%
with sales charge (max 3.75%)	2.53%	0.64%	0.64%	16.67%	5.09%	6.70%	5.37%
<b>Barclays Capital U.S. Corporate High Yield Bond Index<sup>1</sup></b>	6.46%	4.98%	4.98%	24.12%	7.54%	8.85%	6.92%
<b>Lipper High Current Yield Objective Average<sup>1</sup></b>	5.58%	2.81%	2.81%	19.77%	5.10%	6.99%	N/A

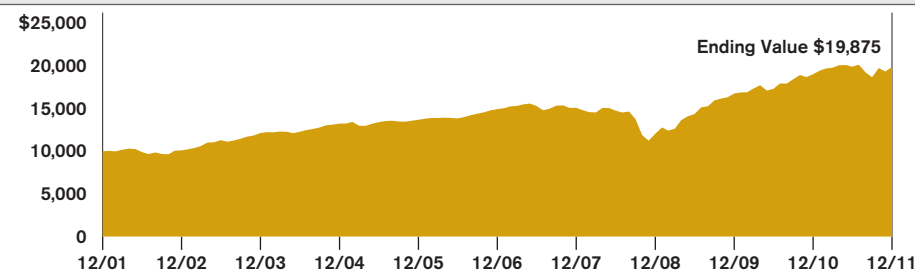
Performance returns for periods of less than one year are not annualized.

Performance quoted represents past performance and does not guarantee future results. The Fund is the successor to The Guardian High Yield Bond Fund; performance shown includes performance of the predecessor fund for periods prior to 10/9/06. 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 1.14%/0.85%. The net expense ratio reflects a written expense limitation agreement with RS Investments which will continue through 4/30/12. The performance quoted "with maximum sales charge" reflects the current maximum sales charge of 3.75%. 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](http://www.RSinvestments.com).

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. 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. Total return figures reflect an expense limitation in effect during the periods shown. Without such limitation, the performance shown would have been lower. Performance results assume the reinvestment of dividends and capital gains. The return figures shown do not reflect the deduction of taxes that a shareholder may pay on Fund distributions or the redemption of Fund shares.

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

12/31/01 - 12/31/11



This illustration is based on an initial investment of \$10,000 in Class A shares made on 12/31/01. 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 shares

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
-0.79	-6.53	2.87	0.96	20.11	9.15	3.34	9.14	1.04	-20.09
<b>2009</b>	<b>2010</b>	<b>2011</b>							
38.92	13.54	4.56							

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 <sup>5</sup>			
	Coupon Rate	Maturity Date	Percentage of Total Net Assets
Reynolds Group Issuer, Inc.	9.875%	8/15/19	1.15%
Clear Channel Communication, Inc.	3.946%	1/28/16	1.15%
E*Trade Financial Corp.	12.500%	11/30/17	1.11%
Michael Foods, Inc.	9.750%	7/15/18	1.04%
Sabra Health Care L.P.	8.125%	11/1/18	1.02%
The Neiman Marcus Group, Inc.	10.375%	10/15/15	1.01%
Dolphin Subsidiary II, Inc.	7.250%	10/15/21	0.98%
Block Communications, Inc.	8.250%	12/15/15	0.97%
ARAMARK Holdings Corp.	8.625%	5/1/16	0.95%
Apria Healthcare Group, Inc.	12.375%	11/1/14	0.88%
<b>Total</b>			<b>10.26%</b>

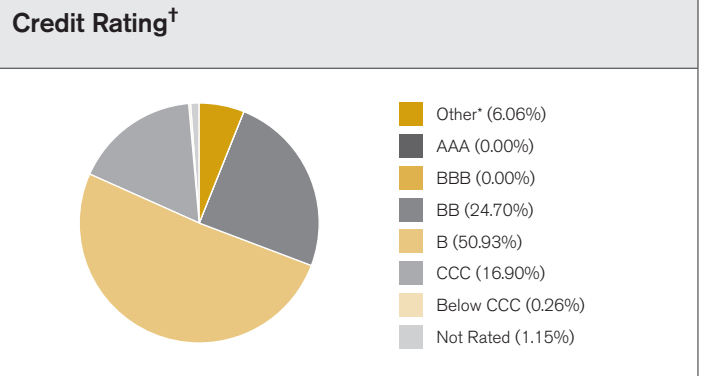
Fund Data	
Number of Positions	192
Assets	\$126,555,696

**1** The Barclays Capital U.S. Corporate High Yield Bond Index is generally considered to be representative of the investable universe of the US-dominated high-yield debt market. The Barclays Capital U.S. Corporate High Yield Bond Index is not available for direct investment and there are no expenses associated with it, while there are expenses associated with the Fund. The Lipper High Current Yield Objective Average is the average of the funds in the group in existence in the Lipper database for the periods and does not reflect any deduction for sales charges.

**2** 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, 2012. "Net Expenses" reflect the effect of this expense limitation on Total Annual Fund Operating Expenses.

**3** Duration is a measure of bond price's sensitivity to a given change in interest rates. Generally, the longer a bond's duration, the greater the price sensitivity to a change in interest rates.

**4** SEC Yield: With and Without Subsidy figures are provided overleaf. SEC Yield is a standard yield calculation developed by the Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. It is based on the most recent 30-Day period covered by the fund's filings with the SEC. The yield figure reflects the dividends and interest earned



\*Includes other assets and liabilities

<sup>†</sup> The credit rating chart displays the % of fund assets allocated to each rating. Rating agencies' independent ratings of individual securities are aggregated by Barclays and market weights are reported using Standard & Poor's letter rating conventions. Rating methodology uses the middle rating of Moody's, Standard & Poor's and Fitch. When a rating from only two of the rating agencies is available the lower rating is used.

during the period, after the deduction of the fund's expenses. This is also referred to as the "standardized yield."

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

**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](http://www.RSinvestments.com).**

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