

RS Partners Fund*

(Class A) (RSPFX)

Fourth Quarter 2011

All data as of December 31, 2011

Fund Facts

Objective

- Long-term growth.

Investment Strategy

- The Fund invests principally in equity securities of companies with market capitalizations of up to \$3 billion that RS Investments believes are undervalued. In 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. The Fund is a nondiversified mutual fund.
- When evaluating investments for the Fund, RS Investments employs a return-on-capital analysis, combining balance sheet and cash flow analyses.

Investment Team

RS Partners Fund is team-managed. The RS Value Team consists of 14 seasoned investment professionals who, on average, bring more than 16 years of industry experience.

Share Class: Ticker Symbol

A: RSPFX K: RSPKX Y: RSPYX

Fees and Expenses

| Share Class | Gross Expenses ² | Net Expenses ² |
|-------------|-----------------------------|---------------------------|
| A | 1.54% | 1.53% |
| K | 1.91% | 1.90% |
| Y | 1.18% | 1.17% |

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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input 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. 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. Investing in a more limited number of issuers and sectors can be subject to greater market fluctuation. 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

Performance

(Average Annual Total Returns)

| | Fourth Quarter 2011 | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception (7/12/95) |
|--|---------------------|---------|---------|--------|--------|---------|---------------------------|
| RS Partners Fund, Class A | | | | | | | |
| without sales charge | 12.38% | -7.59% | -7.59% | 19.33% | 0.06% | 10.69% | 11.03% |
| with sales charge (max 4.75%) | 7.03% | -11.98% | -11.98% | 17.41% | -0.91% | 10.15% | 10.70% |
| Russell 2000® Value Index¹ | 15.97% | -5.50% | -5.50% | 12.36% | -1.87% | 6.40% | 9.04% |

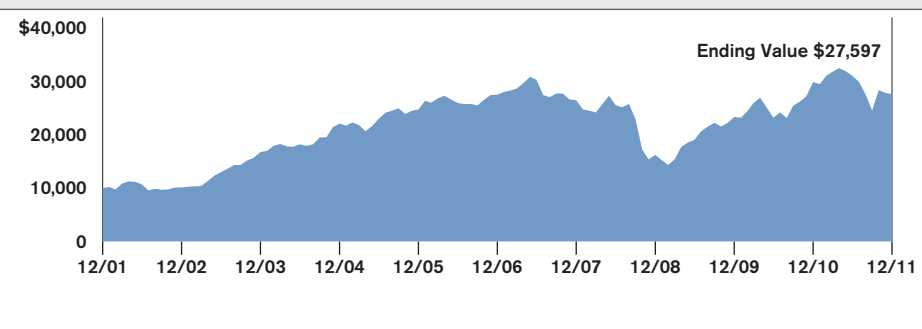
Performance returns for periods of less than one year are not annualized.

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 1.54%/1.53%. The net expense ratio reflects a contractual expense limitation which will continue through 4/30/12. The performance quoted "with maximum sales charge" reflects the current maximum sales charge of 4.75% that became effective on 10/9/06. 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.

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

| 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|-------|-------|--------|-------|-------|-------|------|-------|-------|-------|
| 43.15 | 18.08 | -27.38 | 3.73 | 31.44 | 16.72 | 1.23 | 65.63 | 31.81 | 11.94 |
| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | | | | |
| 11.19 | -3.78 | -38.62 | 43.67 | 27.96 | -7.59 | | | | |

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.

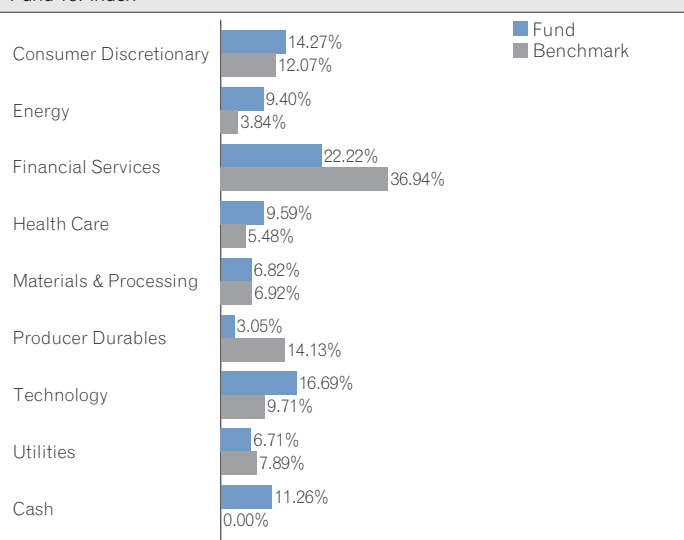
*RS Partners Fund is closed to most new investments. Please refer to the prospectus for more information.

Portfolio Information

| Top Ten Holdings ³ | |
|---------------------------------------|---------------|
| GameStop Corp., Class A | 4.70% |
| Calpine Corp. | 3.90% |
| Groupe Aeroplan, Inc. | 3.87% |
| Compass Minerals International, Inc. | 3.79% |
| AOL, Inc. | 3.70% |
| Axiom Corp. | 3.39% |
| Torchmark Corp. | 3.31% |
| Peyto Exploration & Development Corp. | 3.27% |
| StanCorp Financial Group, Inc. | 3.13% |
| Myriad Genetics, Inc. | 3.10% |
| Total | 36.16% |

Sector Allocation⁴

Fund vs. Index[‡]



‡Russell 2000[®] Value Index

Fund Data vs Benchmark

| | Fund | Russell 2000 [®] Value Index |
|---|-----------------|---------------------------------------|
| Weighted Average Market Capitalization | \$2,955(mil) | \$1,068(mil) |
| Alpha ^{†*} | 8.58 | — |
| Beta ^{†*} | 0.78 | 1.00 |
| R ² ^{†*} | 0.90 | 1.00 |
| Information Ratio ^{†*} | 0.79 | — |
| Sharpe Ratio [*] | 0.90 | 0.47 |
| R ² ^{†*} to S&P 500 | 0.84 | — |
| Portfolio Turnover Ratio - Most Recent Annual | 40 | — |
| Number of Positions | 36 | — |
| Assets | \$1,801,352,186 | — |

[†]Risk characteristics are relative to the Russell 2000[®] Value Index as of 12/31/11, and for the three-year period where appropriate. Please see below for more information on data measurement explanations.

1 The Russell 2000[®] Value Index is an unmanaged market-capitalization-weighted index that measures the performance of those companies in the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth values. (The Russell 2000 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 RS Investments has contractually agreed through April 30, 2012, to reduce its management fee with respect to Class A shares of the Fund to the extent that Class A's Total Annual Fund Operating Expenses exceed 1.53%, and to reduce the management fee paid by each of the other classes of the Fund so that each of those classes bears the same level of management fees as Class A shares during the period.

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

4 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.

* 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 Partners Fund is closed to most new investments. Please refer to the prospectus for more information.

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