

RS Small Cap Growth Fund

(Class A) (RSEGX)

Fourth Quarter 2011

All data as of December 31, 2011

Fund Facts

Objective

- Capital appreciation.

Investment Strategy

- The Fund invests principally in smaller, rapidly growing emerging companies.
- Sustainable Growth.

Investment Team

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

Share Class: Ticker Symbol

A: RSEGX C: REGWX K: RSEKX Y: RSYEX

Fees and Expenses

Share Class	Gross Expenses ²	Net Expenses ²
A	1.47%	1.35%
C	2.63%	2.51%
K	2.01%	1.89%
Y	1.10%	0.98%

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. Investing in smaller 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. Investments in technology companies may be highly volatile.

Performance

Performance

(Average Annual Total Returns)

	Fourth Quarter 2011	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (11/30/87)
RS Small Cap Growth Fund, Class A							
without sales charge	11.72%	-2.33%	-2.33%	22.59%	2.68%	2.43%	12.67%
with sales charge (max 4.75%)	6.41%	-6.97%	-6.97%	20.62%	1.68%	1.94%	12.44%
Russell 2000[®] Growth Index¹	14.99%	-2.91%	-2.91%	19.00%	2.09%	4.48%	7.86%

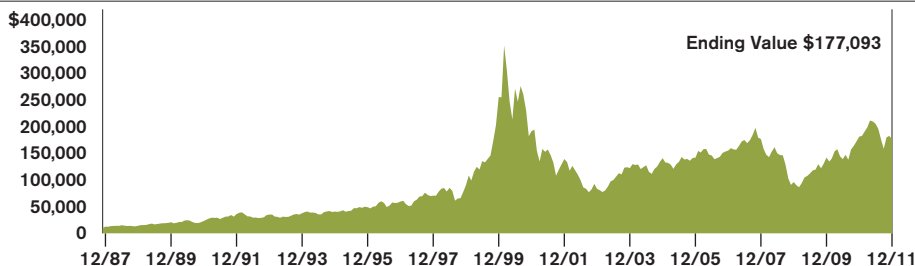
Performance returns for periods of less than one year are not annualized.

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 1.47%/1.35%. The net expense ratio reflects a contractual 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 4.75% that became effective on 10/9/2006. 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)

Since Inception: 11/30/87



This illustration is based on an initial investment of \$10,000 in Class A shares made on 11/30/87. 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

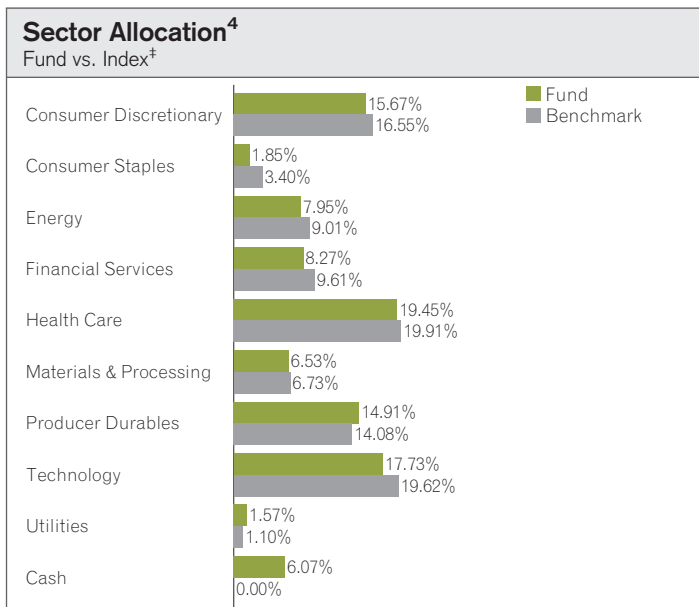
1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
14.05	44.45	9.57	58.69	-2.55	7.22	7.96	20.32	21.53	18.54
1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
28.02	182.56	-25.04	-27.31	-40.16	46.74	15.16	0.68	9.45	13.94
2008	2009	2010	2011						
-45.61	47.65	27.70	-2.33						

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 ³	
Team Health Holdings, Inc.	2.02%
Old Dominion Freight Line, Inc.	1.67%
Rock-Tenn Co., Class A	1.62%
Under Armour, Inc., Class A	1.58%
Tractor Supply Co.	1.58%
j2 Global, Inc.	1.57%
Wright Express Corp.	1.56%
HMS Holdings Corp.	1.53%
BioMarin Pharmaceutical, Inc.	1.50%
HEICO Corp., Class A	1.50%
Total	16.14%



‡Russell 2000[®] Growth Index

Fund Data vs Benchmark		
	Fund	Russell 2000 [®] Growth Index
Weighted Average Market Capitalization	\$1,943(mil)	\$1,385(mil)
Alpha ^{†*}	5.23	—
Beta ^{†*}	0.87	1.00
R ² ^{†*}	0.91	1.00
Information Ratio ^{†*}	0.50	—
Sharpe Ratio ^{†*}	1.01	0.78
R ² ^{†*} to S&P 500	0.78	—
Portfolio Turnover Ratio - Most Recent Annual	105	—
Number of Positions	86	—
Assets	\$505,546,562	—

[†]Risk characteristics are relative to the Russell 2000[®] Growth 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[®] 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 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 Operating Fund Expenses exceed 1.35%, and to reduce the management fees paid by each of the other classes of the Fund so that each of those classes bears the same level of management fee 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.

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