

RS Capital Appreciation Fund

(Class A) (RCAPX)

Second Quarter 2011

All data as of June 30, 2011

Fund Facts

Objective

- Long-term growth of capital.

Investment Strategy

- The Fund invests principally in equity securities of companies that RS Investments believes are advantaged with respect to their growth potential, financial strength, cash flow generation, competitive position, and return on capital.
- RS Investments seeks to purchase advantaged companies only when their current market value is lower than the investment team's estimate of the companies' long-term intrinsic value.

Investment Team

RS Capital Appreciation Fund is co-managed by Larry Coats, Christy Phillips, and David Carr who, on average, have more than 25 years of industry experience.

Share Class: Ticker Symbol

A: RCAPX C: RCACX K: RCAKX Y: RCAYX

Fees and Expenses

Share Class	Gross Expenses ²	Net Expenses ²
A	1.35%	1.25%
C	2.17%	2.07%
K	1.67%	1.57%
Y	0.99%	0.89%

Role in Portfolio

	Value	Blend	Growth
Large	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Medium	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Small	<input 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. The Fund invests primarily in equity securities and therefore exposes you to the general risks of investing in stock markets. 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. International investing involves special risks, which include changes in currency rates, foreign taxation and differences in auditing standards and securities regulations, political uncertainty and greater volatility. A non-diversified fund is able to invest in a more limited number of issuers than a diversified fund, so a decline in the market value of a particular security may affect the Fund's value more than if the Fund were a diversified fund. Overweighting investments in certain sectors or industries increases the risk of loss due to general declines in stock prices in those sectors or industries.

Performance

Performance

(Average Annual Total Returns)

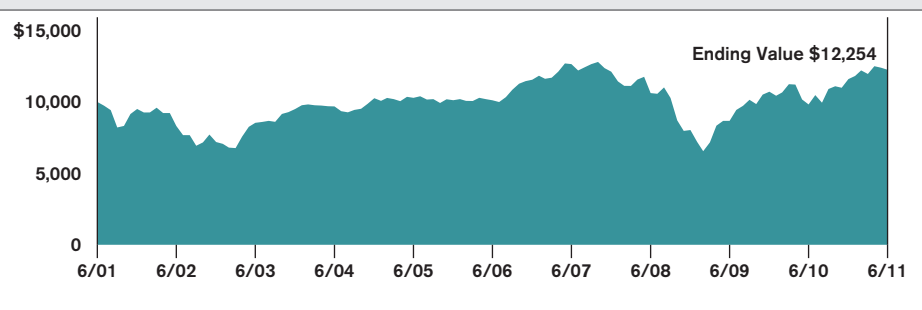
	Second Quarter 2011	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (1/18/93)
RS Capital Appreciation, Class A							
without sales charge	2.46%	5.64%	24.71%	4.89%	3.91%	2.05%	8.88%
with sales charge (max 4.75%)	-2.43%	0.64%	18.82%	3.20%	2.90%	1.56%	8.59%
S&P 500[®] Index¹	0.10%	6.02%	30.69%	3.34%	2.94%	2.72%	8.26%

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 Oak Value Fund; performance shown includes performance of the predecessor fund prior to September 7, 2010. 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 1.35%/1.25%. The net expense ratio reflects a contractual expense limitation which will continue through 4/30/12. The performance "with maximum sales charge" reflects the current maximum sales charge of 4.75%. 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. 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.

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

6/30/01 - 6/30/11



This illustration is based on an initial investment of \$10,000 in Class A shares made on 6/30/01. 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

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
-1.51	28.84	28.99	37.70	18.93	-3.12	18.17	-0.47	-24.34	32.11
2004	2005	2006	2007	2008	2009	2010			
7.97	-1.37	14.18	4.87	-33.71	33.41	8.22			

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.

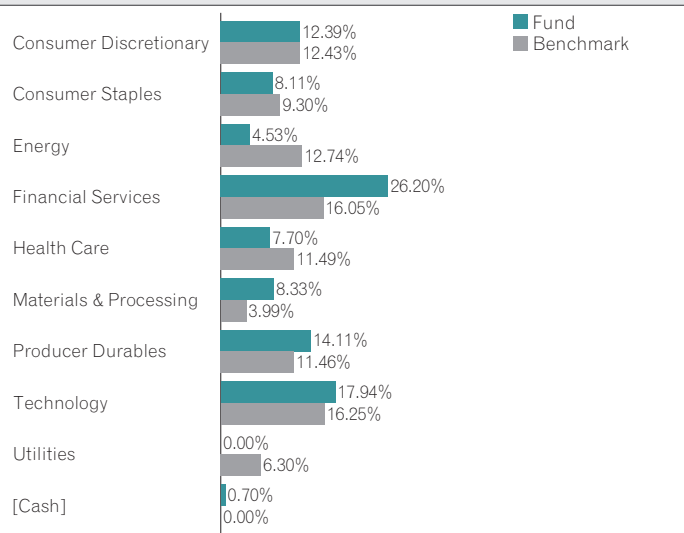
Returns represent those of Class A shares at net asset value, without the imposition of any sales charges but with dividends and capital gains reinvested from each time period. If sales charges were included, returns would be lower. Performance for other share classes will vary. This information is provided 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	
CME Group, Inc.	6.08%
MasterCard, Inc., Class A	6.07%
3M Co.	5.41%
Oracle Corp.	5.24%
Coach, Inc.	5.19%
United Technologies Corp.	4.72%
Discovery Communications-C	4.62%
QUALCOMM, Inc.	4.53%
Chesapeake Energy Corp.	4.53%
Teva Pharmaceutical Industries	4.40%
Total	50.79%

Sector Allocation⁴

Fund vs. Index[†]



†S&P 500® Index

Fund Data vs Benchmark

	Fund	S&P 500® Index
Weighted Average Market Capitalization	\$53,716(mil)	\$89,893(mil)
Alpha ^{†*}	1.60	—
Beta ^{†*}	1.02	1.00
R ² ^{†*}	0.93	1.00
Information Ratio ^{†*}	0.27	—
Sharpe Ratio ^{†*}	0.21	0.14
R ² ^{†*} to S&P 500	0.93	—
Portfolio Turnover Ratio - Most Recent Annual	45	—
Number of Positions	26	—
Assets	\$107,357,216	—

[†]Risk characteristics are relative to the S&P 500® Index as of 6/30/11, and for the three-year period where appropriate. Please see below for more information on data measurement explanations.

1 The S&P 500® Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. 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 An expense limitation with respect to the Fund's Total Annual Fund Operating Expenses is imposed pursuant to a contractual agreement in effect through April 30, 2012, to limit the Fund's Total Annual Fund Operating Expenses to 1.25% for Class A shares. "Net Expenses" reflect the effect, if any, of this expense limitation on Total Annual Fund Operating Expenses. The expense limitation for Class C, Class K and Class Y shares may be greater or less than the amount shown in the table based on the actual expenses incurred by 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 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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