

# Royce Small-Cap Opportunistic Value Strategy



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Small-Cap  
Value  
Approach<sup>1</sup>

Russell 2000  
Value  
Benchmark

Total Strategy  
AUM<sup>2</sup>

\$2,100<sup>M</sup>

Longevity

25+  
Years of History

Average  
Market Cap<sup>3,4</sup>

\$1,307<sup>M</sup>

Active Share<sup>5</sup>

87%

Available  
Vehicles

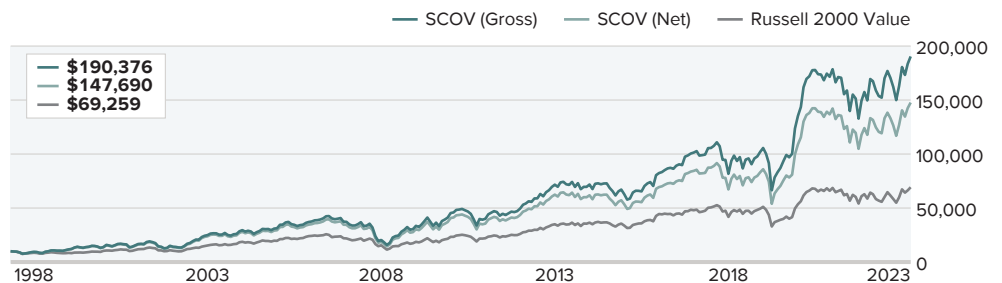
CIT  
Separate Account  
Sub-Advisory  
UCIT  
Mutual Fund

## Why invest in the Royce Small-Cap Opportunistic Value Strategy?

- An opportunistic strategy that invests in a highly diversified portfolio of small-cap companies with low P/B and P/S ratios that are categorized into one of four themes: Turnarounds, Unrecognized Asset Values, Undervalued Growth, and Interrupted Earnings.
- Identifies potential catalysts for future earnings growth including new management, more favorable business cycle, product innovation, and/or margin improvement.
- Exploits most investors' extrapolation biases (that is, the idea that things going badly will continue to do so).

## Value of \$10,000

Invested on 4/30/98 as of 3/31/24 (\$)



## Performance

Average Annual Total Return through 3/31/24 (%)

	1Q24*	YTD*	1-YR	3-YR	5-YR	10-YR	15-YR	20-YR	25-YR	SINCE INCEPT. (4/30/98)
SCOV (Gross)	5.43	5.43	19.80	3.93	15.27	9.86	17.10	10.34	13.35	12.04
SCOV (Net)	5.12	5.12	18.42	2.74	13.98	8.63	15.82	9.21	12.24	10.95
Russell 2000 Value	2.90	2.90	18.75	2.22	8.17	6.87	12.10	7.47	9.15	7.75
Russell 2000	5.18	5.18	19.71	-0.10	8.10	7.58	12.89	8.05	8.37	7.30

\*Not Annualized

## Important Performance Information

Performance for the Royce Small-Cap Opportunistic Value Strategy is represented by the Royce Small-Cap Opportunistic Value Composite performance (see GIPS Composite Report). The net-of-fees performance for the Royce Small-Cap Opportunistic Value Strategy would be lower than the gross performance of the account. All net-of-fees performance information reflects past performance, is presented on a total return basis, reflects the reinvestment of distributions, and does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Net-of-fees performance for the Royce Small-Cap Opportunistic Value Strategy is represented by the Royce Small-Cap Opportunistic Value Composite net-of-fees performance (see GIPS Composite Report). Past performance does not guarantee future results.

## Portfolio Diagnostics

Number of Holdings	227
Non-U.S. Investments (% of Net Assets)	7.5%

## Portfolio Company Characteristics

Weighted Average P/B Ratio <sup>6,7</sup>	1.8x
Weighted Average P/S Ratio <sup>6,8</sup>	1.0x

## Top 10 Positions

% of Net Assets (Subject to Change)

QuinStreet	0.8
Artivion	0.8
Arlo Technologies	0.8
Digi International	0.8
CECO Environmental	0.8
EverQuote Cl. A	0.8
Ultra Clean Holdings	0.8
Carpenter Technology	0.8
VSE Corporation	0.8
Wabash National	0.8

## Portfolio Sector Breakdown

% of Net Assets (Subject to Change)

	SCOV	RUSSELL 2000 VALUE
Industrials	28.0	14.9
Information Technology	19.5	5.9
Consumer Discretionary	14.5	11.1
Materials	7.3	5.0
Energy	7.0	10.0
Health Care	6.6	9.4
Financials	6.3	25.8
Communication Services	5.5	2.3
Consumer Staples	1.2	2.2
Real Estate	0.1	9.7
Utilities	—	3.7
Cash and Cash Equivalents	4.0	—

All Portfolio Characteristics calculations exclude Cash (4.0% of SCOV as of 3/31/24), all non-equity securities, and investment companies. **1.** Royce classifies a client account as 'Value' because it anticipates it will have a weighted average price-to-book ratio or weighted average normalized price-to-earnings ratio lower than its general asset class. **2.** Strategy assets for Small-Cap Opportunistic Value include Royce Institutional, LLC - Opportunity Portfolio, Royce Small-Cap Opportunity Fund, FTGF Royce US Small Cap Opportunity Fund, and Royce Small-Cap Opportunity Collective Trust Fund. **3. Geometric Average.** This weighted calculation uses each portfolio holding's market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio's center, which Royce believes offers a more accurate measure of average market cap than a simple mean or median. **4. Market Capitalization** is calculated by multiplying a company's share price by its shares outstanding. **5. Active Share** is the sum of the absolute values of the different weightings of each holding in the portfolio versus each holding in the benchmark, divided by two. **6. Harmonic Average.** This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio's share in the earnings or book value, as the case may be, of its underlying stocks. **7. The Price-to-Book Ratio** is calculated by dividing a company's share price by its book value per share (7% of Portfolio holdings were excluded as of 3/31/24). **8. Price to Sales** is calculated by dividing the company's market cap by the revenue in the most recent year (11% of Portfolio holdings were excluded as of 3/31/24).

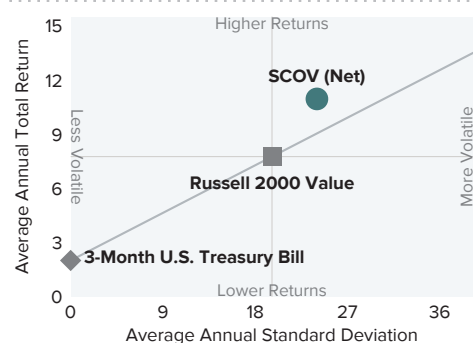
### Investment Themes as a Percentage of Assets as of 3/31/24

- **Unrecognized Asset Values – 26%** Companies selling below probable liquidating value, franchise value, tangible book value, or physical asset value relative to plant or liquid assets.
- **Turnarounds – 21%** Companies recovering from depressed operating margins due to management changes or industry- and/or sector-specific factors.
- **Undervalued Growth – 40%** Companies that we believe can provide potential growth rates of at least 12%, have strong balance sheets and whose stock prices are selling at valuations that are low relative to comparable securities.
- **Interrupted Earnings – 13%** Companies that we believe have the potential for either a 20 annual growth rate or preeminent market position, accompanied by a price-earnings multiple substantially less than the expected growth rate.

### Long-Term Risk/Return Profile

Strategy's First Full Month (4/30/98) to 3/31/24 (%)

The Strategy had a higher return than the Russell 2000 Value with higher volatility.

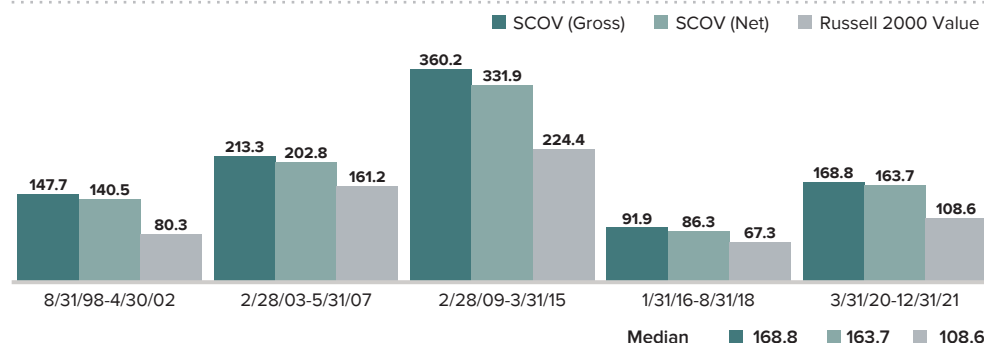


### Calendar Year Total Returns (%)

YEAR	SCOV (GROSS)	SCOV (NET)	RUSSELL 2000 VALUE
2023	20.7	19.3	14.6
2022	-16.2	-17.2	-14.5
2021	32.0	30.6	28.3
2020	28.0	26.7	4.6
2019	29.3	27.9	22.4
2018	-19.4	-20.4	-12.9
2017	23.0	21.6	7.8
2016	31.1	29.7	31.7
2015	-12.5	-13.4	-7.5
2014	0.2	-0.9	4.2
2013	44.7	43.2	34.5
2012	23.8	22.5	18.1
2011	-11.9	-12.8	-5.5
2010	35.4	34.0	24.5
2009	64.1	62.5	20.6

### Up Market<sup>1</sup> Performance Comparison (%)

The Strategy outperformed the Russell 2000 Value during all five trough-to-peak periods since the Strategy's inception (4/30/98).



<sup>1</sup> Royce generally defines a trough as the lowest point of a decline of at least 15% from a market peak.

### Relative Returns (Net): Monthly Rolling Average Annual Return Periods

25 Years Through 3/31/24

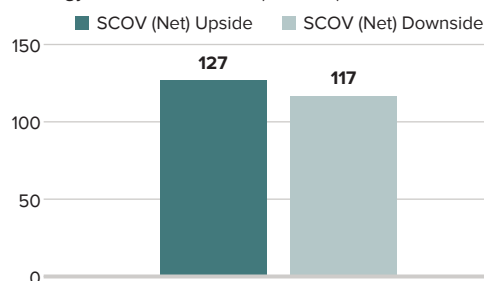
On a monthly rolling basis, The Strategy outperformed the Russell 2000 Value in 99% of all 10-year periods; 76% of all 5-year periods; and 54% of all 1-year periods.

	PERIODS BEATING THE INDEX	SCOV AVG*	INDEX AVG*
10-year	180/181	99%	9.9
5-year	182/241	76%	10.8
1-year	157/289	54%	14.6

\*Average of monthly rolling average annual total returns over the specified periods.

### Upside/Downside Capture Ratio

Strategy's First Full Quarter (6/30/98) to 3/31/24



### Tracking Error

Three-Year	6.0%
Five-Year	6.8%
Ten-Year	6.2%

“Our goal is to find companies where we’ve identified a catalyst for growth that are also very inexpensive based on their price to sales and price to book.”

—Jim Stoeffel

**For Institutional and Financial Professional Use Only. Not for Distribution with the General Public.** Portfolio characteristics are based on a representative portfolio managed by Royce Investment Partners since 3/1/93, using the Small-Cap Opportunistic Value Strategy. The account selected to represent the strategy is the oldest account that is currently in the Royce Small-Cap Opportunistic Value Composite. Individual client accounts may differ from the representative accounts. Portfolio holdings and characteristics are subject to change at any time. Portfolio holdings may not be representative of the portfolio manager's current or future investments and are subject to change at any time. The information provided is for informational purposes only and should not be construed as a recommendation to purchase or sell a particular security or be used as the sole basis for an investor to make an investment decision. For illustrative purposes only.

**Upside Capture Ratio** measures a manager's performance in up markets relative to the client account's benchmark (Russell 2000 Value). It is calculated by measuring the client account's performance in quarters when the benchmark goes up and dividing it by the benchmark's return in those quarters. **Downside Capture Ratio** measures a manager's performance in down markets relative to the client account's benchmark (Russell 2000 Value). It is calculated by measuring the client account's performance in quarters when the benchmark goes down and dividing it by the benchmark's return in those quarters. **Tracking Error** measures the volatility of a portfolio's excess returns relative to a benchmark in which volatility is shown by the standard deviation of the excess returns. A high tracking error percentage means there has been a greater divergence in monthly performance between the portfolio and the benchmark. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell<sup>®</sup> is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and / or Russell ratings or underlying data and no party may rely on any Russell Indexes and / or Russell ratings and / or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication. The Russell 2000 Value Index consist of the respective value stocks within the Russell 2000 as determined by Russell Investments. The Russell 2000 is an unmanaged, capitalization-weighted index of domestic small-cap stocks. It measures the performance of the 2,000 smallest publicly traded U.S. companies in the Russell 3000 index. The performance of an index does not represent exactly any particular investment, as you cannot invest directly in an index. Any information, statements, and opinions set forth herein are general in nature, are not directed to or based on the financial situation or needs of any particular investor, and do not constitute, and should not be construed as, investment advice, a forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

## ROYCE INVESTMENT PARTNERS

### ROYCE SMALL-CAP OPPORTUNISTIC VALUE COMPOSITE

#### GIPS COMPOSITE REPORT

YEAR END	TOTAL FIRM ASSETS (USD) (BILLIONS)	COMPOSITE ASSETS (USD) (MILLIONS)	NUMBER OF ACCOUNTS	COMPOSITE RETURNS GROSS	COMPOSITE RETURNS NET	BENCHMARK RETURNS	COMPOSITE DISPERSION	COMPOSITE 3-YR STD DEV	BENCHMARK 3-YR STD DEV
2022	11.28	1,937.44	≤5	-16.20%	-17.17%	-14.48%	N/A <sup>1</sup>	31.42%	27.27%
2021	16.05	2,862.58	≤5	32.04%	30.56%	28.27%	N/A <sup>1</sup>	29.55%	25.00%
2020	14.55	2,768.39	≤5	28.03%	26.66%	4.63%	N/A <sup>1</sup>	31.21%	26.12%
2019	13.72	2,014.83	≤5	29.33%	27.90%	22.39%	N/A <sup>1</sup>	18.93%	15.68%
2018	12.77	2,162.38	≤5	-19.43%	-20.36%	-12.86%	N/A <sup>1</sup>	17.82%	15.76%
2017	17.40	3,215.62	≤5	23.03%	21.62%	7.84%	N/A <sup>1</sup>	16.36%	13.97%
2016	17.65	2,704.93	≤5	31.12%	29.67%	31.74%	N/A <sup>1</sup>	17.73%	15.50%
2015	18.51	2,396.05	≤5	-12.47%	-13.44%	-7.47%	N/A <sup>1</sup>	15.31%	13.46%
2014	31.87	3,712.00	≤5	0.19%	-0.94%	4.22%	N/A <sup>1</sup>	14.38%	12.79%
2013	39.70	4,076.38	≤5	44.70%	43.16%	34.52%	N/A <sup>1</sup>	19.72%	15.82%
2012	35.29	2,519.10	≤5	23.81%	22.54%	18.05%	N/A <sup>1</sup>	24.81%	19.89%
2011	35.29	2,217.96	≤5	-11.89%	-12.78%	-5.50%	N/A <sup>1</sup>	32.51%	26.05%
2010	39.46	3,050.25	≤5	35.35%	34.01%	24.50%	N/A <sup>1</sup>	36.15%	28.37%
2009	30.60	2,218.41	≤5	64.09%	62.51%	20.58%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>
2008	20.28	1,425.25	≤5	-45.14%	-45.66%	-28.92%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>

NA<sup>1</sup> - Composite dispersion is not presented for periods with five or fewer portfolios in the composite for the entire year.

NA<sup>2</sup> - The three-year annualized standard deviation is not presented for periods before 36 consecutive months of data is available.

**Royce Small-Cap Opportunistic Value Composite:** The Royce Small-Cap Opportunistic Value Composite contains portfolios that invest primarily in micro-cap and small-cap stocks. Micro- and small-cap companies are those that have a market capitalization not greater than that of the largest company in the Russell 2000® Index at the time of its most recent reconstitution. Prior to November 2020 the composite was described as primarily investing in micro-cap and small-cap stocks with market caps up to \$3.0 billion. The portfolios are highly diversified, investing in a large number (typically more than 200) of small-cap stocks and invest primarily in U.S. equities but may invest up to 10% in non-U.S. equities. Portfolios follow a theme-driven, deep value approach emphasizing turnarounds and special situations and select stocks with low P/S and P/B ratios. Prior to March 2021, this composite was known as the Royce Small-Cap Deep Value Composite. The Royce Small-Cap Opportunistic Value composite is compared against the Russell 2000 Value Index. The Royce Small-Cap Opportunistic Value composite was created in October 2018 and inception on April 30, 1998.

For the purpose of complying with the GIPS standards, the Firm is defined as Royce & Associates, LP, which primarily conducts its business under the name Royce Investment Partners. Royce is registered with the U.S. Securities and Exchange Commission (the "SEC") as an investment adviser (SEC File No. 801-8268). Royce has been investing in smaller-company securities with a value approach for more than 40 years. Royce & Associates, LP began primarily conducting its business under the name Royce Investment Partners effective December 16, 2019. The firm's full list of composite descriptions, limited distribution pooled fund descriptions, and broad distribution pooled funds are available upon request.

Royce claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Royce has been independently verified for the periods January 1, 2008 through December 31, 2022.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and

distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Royce Small-Cap Opportunistic Value has had a performance examination for the periods January 1, 2008 through December 31, 2022. The verification and performance examination reports are available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. Returns include the reinvestment of all income.

The currency used to express performance is USD. For segregated accounts within the composite, gross-of-fee returns are reduced by trading costs and net-of-fee returns are reduced by trading costs and each portfolio's actual investment management fee. For pooled funds within the composite, gross-of-fee returns are reduced by trading costs for all funds and also other pooled fund expenses for some funds in the composite. Net-of-fee returns are reduced by trading costs and all actual investment management fees for all funds and also other pooled fund expenses for some funds in the composite. Composite dispersion is measured by the asset-weighted standard deviation of annual gross returns of those portfolios included in the composite for the full year. The 3-year annualized standard deviation measures the variability of the composite gross returns and benchmark returns over the preceding 36-month period. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule for separate account investors is tiered at: first \$100mil 0.80%, next \$150mil 0.75%, and above \$250mil 0.70%. Actual investment advisory fees incurred by clients are negotiable and may vary.

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**Benchmark: Russell 2000 Value Index** - The Russell 2000 Value Index is an index measuring the performance of value stocks within the Russell 2000 Index, as determined by Russell Investments.