FRANKLIN TEMPLETON | ROYCE Investment Partners

Royce Smaller Companies Growth Portfolios

Separately Managed Accounts Factsheet | as of September 30, 2026

Investment overview

Royce Smaller Companies Growth Portfolios is a small- and medium-cap strategy that primarily invests in companies that look poised for multi-year periods of robust growth driven by sustainable competitive advantages and/or benefiting from sector growth themes that create favorable conditions for the business. The portfolio will not invest in any non-us traded securities but has the option to invest in U. S.-traded American Depository Receipts (ADRs).

Investment objective

Seeks:

Long-term growth of capital.

Investment philosophy

- Seeks small- and mid- cap companies demonstrating an ability to grow revenues and earnings at rates exceeding market averages for extended periods of time.
- Buy, hold, and sell decisions are based on incremental data points collected on a daily basis.
- Seeks improving, under-appreciated fundamentals where consensus expectations do not fully reflect company fundamentals.
- Invests in multi-year compounders with sustainable competitive advantages.
- Remains valuation aware, in absolute and relative terms and as it relates to growth prospects.

Key differentiators

- Managed by Royce Investment Partners, a small-cap specialist since 1972.
- Focuses on companies within the following lifecycle phases:

1. Emerging
2. Inflection
3. GARP
4. Exceptional Compounders

- Intensive evidence- and data-oriented investment approach is utilized to minimize behavioral biases.

Management team

A pioneer in small-cap investing, Royce has unparalleled knowledge and experience in the asset class. Our talented group of managers offers distinct investment approaches that meet a variety of investors' goals.

Investment management team

James A Skinner
Portfolio Manager
Industry since 1985

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Investment process

STEP 1

Idea generation

True bottom-up investment process using comprehensive fundamental analysis, with three investment themes:

- Companies demonstrating an ability to grow revenues and earnings at rates in excess of market averages for extended periods of time.
- Improving, under-appreciated fundamentals where consensus expectations do not fully reflect company fundamentals.
- Multi-year compounders with sustainable competitive advantages.

STEP 2

Fundamental research

Team member speaks with the company, reviews financial statements, SEC filings, earnings call transcripts, and company presentations examines industry journals; and conducts research on customers, competitors and culture to score potential investments on three fundamental areas:

- Growth and profitability
- Business Quality
- Valuations

STEP 3

Ongoing monitoring

- The managers will reduce positions if the managers identify better risk/reward potential or if they determine business momentum is decelerating
- The managers will exit a position if they lose confidence in the business model or if the company is acquired.

The investment process may change over time. The characteristics set forth above are intended as a general illustration of some of the criteria the strategy team considers in selecting securities for client portfolios. There is no guarantee that investment objectives will be achieved.

Portfolio Information‡

As of September 30, 2026

Top Ten Holdings (%)

	Portfolio
CareDx Inc	3.43
Impinj Inc	3.31
Flotek Industries Inc	3.21
Magnite Inc	3.14
Strata Critical Medical Inc	2.65
Paysign Inc	2.39
Definium Therapeutics Inc	2.36
Hinge Health Inc	2.31
Xeris Biopharma Holdings Inc	2.25
SI-BONE Inc	2.18
Total	**27.24**

Sector Weightings (%)

	Portfolio	BM
Health Care	33.59	29.25
Information Technology	16.52	20.02
Industrials	13.97	15.78
Financials	7.30	9.76
Energy	6.99	5.59
Communication Services	5.30	2.42
Materials	4.55	4.32
Consumer Discretionary	3.17	8.69
Consumer Staples	2.99	1.67
Utilities	0.60	0.26
Real Estate	0.00	2.24
Unassigned	0.04	0.00
Cash & Cash Equivalents	4.98	0.00

Characteristics

	Portfolio	BM
Number of Issuers	78	1,120
Estimated 3-5 Year EPS Growth	20.98%	15.26%
Price to Earnings (12-Month Forward)	25.28x	19.41x
Price to Book	9.97x	5.20x
Dividend Yield*	0.22%	0.51%
Median Market Cap (Millions USD)	$2,799	$4,034
Weighted Average Market Capitalization (Millions USD)	$3,573	$4,345

Market Capitalization (%)

	Portfolio	BM
<3 Billion	54.84	35.30
3-10 Billion	40.83	60.30
10-25 Billion	4.30	4.40

Dividend Yield is calculated without the deduction of fees and expenses.

‡ Source: FactSet. Portfolio characteristics listed are based on representative accounts and assumes no withdrawals, contributions or client-imposed restrictions. Portfolio characteristics of individual client accounts may differ from those of the representative accounts as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors.

Performance

Annualized Rates of Return – Pure Gross and Net of Fees (%) as of September 30, 2026 – PRELIMINARY

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year	20 Year	25 Yrs
Smaller Companies Growth–Pure Gross of Fees—(USD)	-1.98	-2.20	23.02	31.35	28.35	7.76	15.43	13.92	13.85	10.14	13.43
Smaller Companies Growth–Net of Fees—(USD)	-2.23	-2.94	20.28	27.45	24.60	4.59	12.07	10.61	10.55	6.93	10.14
Russell 2000 Growth Index —(USD)	-5.31	-9.39	10.71	12.05	17.55	4.72	9.94	9.90	11.94	9.09	9.30

Calendar-Year Total Returns – Pure Gross and Net of Fees (%) ending December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Smaller Companies Growth–Pure Gross of Fees—(USD)	21.60	23.67	18.73	-31.35	9.40	51.50	25.50	-8.88	19.55	11.01
Smaller Companies Growth–Net of Fees—(USD)	18.00	20.12	15.30	-33.43	6.22	47.21	21.90	-11.56	16.11	7.79
Russell 2000 Growth Index —(USD)	13.01	15.15	18.66	-26.36	2.83	34.63	28.48	-9.31	22.17	11.32

The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Past performance is not a guarantee of future results. An investment in this strategy can lose value. Please visit www.franklintempleton.com for the latest performance figures. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

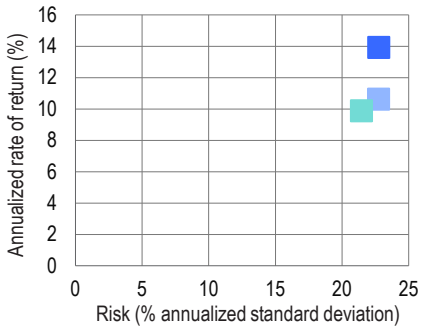
[1] **Fees:** Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

For fee schedules, contact your financial professional, or if you enter into an agreement directly with Franklin Templeton Private Portfolio Group, LLC ("FTPPG"), refer to FTPPG's Form ADV Part 2A disclosure document. Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and model requirements in different investment programs.

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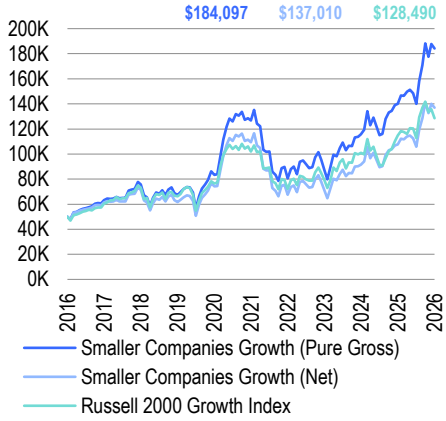
Performance Statistics [1] Preliminary (based on 10-year period ending September 30, 2026)

Risk/Return profile (%)

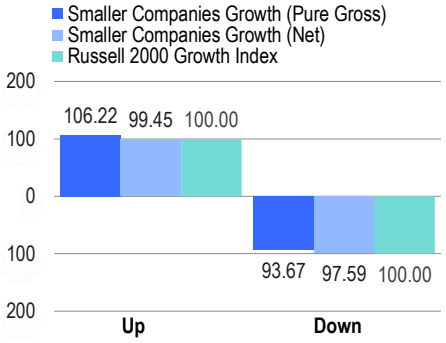


Smaller Companies Growth (Pure Gross)	
Annualized Return (%)	13.92
Annualized Standard Deviation (%)	22.75
Smaller Companies Growth (Net)	
Annualized Return (%)	10.61
Annualized Standard Deviation (%)	22.75
Russell 2000 Growth Index	
Annualized Return (%)	9.90
Annualized Standard Deviation (%)	21.47

Growth of $50,000*



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	0.58	0.45	0.43
Beta	1.01	1.01	N/A
Alpha (%)	3.85	0.81	N/A
R-Squared	0.91	0.91	N/A

	(+) Months	(-) Months
Pure Gross:	72	48
Net:	72	48

[1] Source: Franklin Templeton.

*For illustrative purposes only. Assumes no withdrawals or contributions. These statistics are based on pure gross and net-of-fees quarterly composite returns, were calculated assuming reinvestment of dividends and income, and take into account both realized and unrealized capital gains and losses.

Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

Terms and definitions:

Dividend yield is determined by dividing a stock's annual dividends per share by the current market price per share. Dividend yield is a financial ratio that shows how much a company pays out in dividends. **Dividend yield is calculated without the deduction of fees and expenses.**

P/E (Year 1) is the previous day's closing price of the stock divided by the consensus earnings per share (EPS) of fiscal year 1 (FY1) provided by I/B/E/S. Forecasts are inherently limited and should not be relied upon as indicators of future performance.

The **price-to-book ratio (P/B)** is a stock's price divided by the stock's per share book value. Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of a common stock.

Weighted median market capitalization represents the value at which half the portfolio's market capitalization weight falls above, and half falls below.

Weighted average market capitalization represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares.

Market capitalization measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

Standard deviation measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

The **up-capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up-capture ratio of more than 100 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **down-capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down-capture ratio of less than 100 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

Alpha is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. Alpha is a measure of the difference between actual returns and expected performance measuring sensitivity to index movements.

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

Sharpe ratio is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better a portfolio's historical risk-adjusted performance.

R-squared measures the strength of the linear relationship between a portfolio and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

What are the risks?

All investments involve risks, including possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. The investment style may become out of favor, which may have a negative impact on performance.

Important Information

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

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