Royce Small-Cap Total Return Portfolios

ROYCE Investment Partners

Separately Managed Accounts | Fact Sheet as of December 31, 2025

Investment overview

Royce Small-Cap Total Return Portfolios is a small-cap strategy that primarily invests in U.S. companies that pay regular dividends and/or return capital to shareholders. It favors companies that typically fall into one of three investment themes: Compounder, Quality Value, or Special Situations. The portfolio will not invest in any non-U.S. traded securities but has the option to invest in U.S.-traded American depositary receipts (ADRs).

Investment objective

Seeks:

Long-term capital appreciation and current income.

Investment philosophy

Royce Small-Cap Total Return Portfolios:

- Seeks to buy high-quality small-cap businesses that are out of favor for what the portfolio managers think are transitory or cyclical reasons.
- Focuses on companies with a history of returning capital to investors.
- Employs a bottom-up, risk-aware approach.
- Uses data, analytics, and technology.

Key differentiators

- Managed with a consistent investment discipline since 1993.
- Focuses on leading quality companies that pay regular dividends and/or return capital to shareholders.
- Managed by Royce Investment Partners, a small-cap specialist.

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

Miles Lewis, CFA
Lead Portfolio Manager
Industry since 2004

Joseph Hintz, CFA
Portfolio Manager
Industry since 2016

Jag Sriram, CFA
Assistant Portfolio Manager
Industry since 2004

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:

- "Compounder" companies possess what it believes are outstanding business models, strong financial characteristics, and above-average growth potential.
- "Quality Value" companies have attractive profit margins, strong free cash flows, high returns on invested capital, and low leverage and they also trade at what Royce believes are attractive valuations.
- "Special Situations" are companies that may have complex business models and/or require a catalyst for growth, such as spinoffs, turnarounds, and/or unrecognized asset values.

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 produce three documents:

- Financial model
- Investment memorandum
- Quality value scorecard

STEP 3

Team evaluation and risk analysis

- Each team member brings to the process their own bias, experience, and investment lens.
- By identifying missed or under-appreciated risks, the potential impact of behavioral biases is reduced, and the team gains a deeper understanding of the investment opportunity.

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 December 31, 2025

Top Ten Holdings (%)

	Portfolio
Assured Guaranty Ltd	3.26
International General Insurance Holdings Ltd	3.07
Hackett Group Inc/The	2.93
Academy Sports & Outdoors Inc	2.91
Advance Auto Parts Inc	2.85
FTAI Aviation Ltd	2.80
Ingevity Corp	2.78
Barrett Business Services Inc	2.70
MSC Industrial Direct Co Inc	2.69
Kulicke & Soffa Industries Inc	2.65
Total	**28.63**

Sector Weightings (%)

	Portfolio	BM
Financials	34.50	26.36
Industrials	23.41	12.60
Consumer Discretionary	10.32	9.90
Information Technology	9.19	7.67
Materials	8.30	5.39
Consumer Staples	4.47	1.61
Health Care	2.23	11.02
Energy	1.24	6.96
Communication Services	0.80	3.22
Real Estate	0.00	9.52
Utilities	0.00	5.74
Cash & Cash Equivalents	5.53	0.00

Characteristics

	Portfolio	BM
Number of Issuers	61	1,426
Estimated 3-5 Year EPS Growth	9.70%	10.75%
Price to Earnings (12-Month Forward)	13.80x	13.76x
Price to Book	5.50x	1.64x
Dividend Yield*	1.86%	2.04%
Median Market Cap (Millions USD)	$2,634	$2,728
Weighted Average Market Capitalization (Millions USD)	$3,542	$3,334

Market Capitalization (%)

	Portfolio	BM
<3 Billion	57.90	54.66
3-10 Billion	37.66	42.54
10-25 Billion	4.44	2.80

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 December 31, 2025 – PRELIMINARY

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year	20 Year	25 Yrs
Small-Cap Total Return–Pure Gross of Fees—(USD)	1.50	0.83	1.93	1.93	13.02	9.79	11.14	10.52	9.75	8.77	9.92
Small-Cap Total Return–Net of Fees—(USD)	1.24	0.06	-1.09	-1.09	9.66	6.53	7.85	7.24	6.50	5.55	6.67
Russell 2000 Value Index—(USD)	0.18	3.26	12.59	12.59	11.73	8.88	10.09	9.27	8.73	7.40	8.61

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Small-Cap Total Return–Pure Gross of Fees—(USD)	1.93	10.81	27.80	-13.21	27.31	5.13	24.94	-11.41	15.01	27.36
Small-Cap Total Return–Net of Fees—(USD)	-1.09	7.50	24.02	-15.78	23.55	2.02	21.24	-14.04	11.61	23.59
Russell 2000 Value Index—(USD)	12.59	8.05	14.65	-14.48	28.27	4.63	22.39	-12.86	7.84	31.74

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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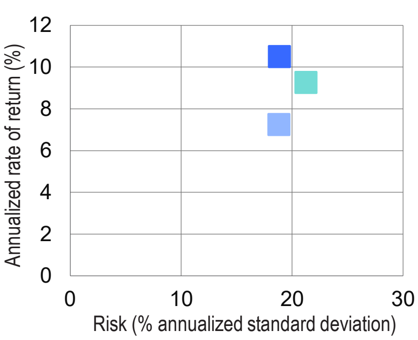
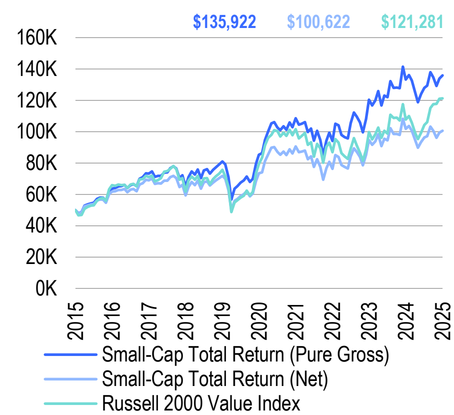
Performance Statistics [1] Preliminary (based on 10-year period ending December 31, 2025)

Risk/Return profile (%)

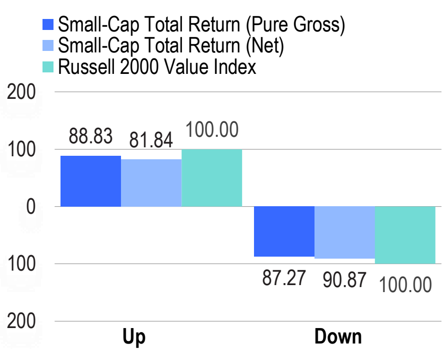


Small-Cap Total Return (Pure Gross)	
Annualized Return (%)	10.52
Annualized Standard Deviation (%)	18.85
Small-Cap Total Return (Net)	
Annualized Return (%)	7.24
Annualized Standard Deviation (%)	18.81
Russell 2000 Value Index	
Annualized Return (%)	9.27
Annualized Standard Deviation (%)	21.27

Growth of $50,000*



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Pure gross)	Portfolio (Net)	BM
Sharpe Ratio	0.51	0.35	0.42
Beta	0.86	0.85	N/A
Alpha (%)	1.95	-1.07	N/A
R-Squared	0.93	0.93	N/A

	(+) Months	(-) Months
Pure Gross:	76	44
Net:	76	44

[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.

The **Russell 2000 Value Index** measures the performance of the small-cap value segment of the U.S. equity universe. Source: FTSE.

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. **Liquidity risk** exists when securities or other investments become more difficult to sell, or are unable to be sold, at the price at which they have been valued. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets.** The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated.

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