



Royce Small/Mid-Cap Premier Fund



**Steven McBoyle,
CPA, CA**

**Small/Mid-Cap
Core
Approach¹**

\$5.64^B
Avg Market Cap²

**Below Average
Volatility³**

98%
Active Share⁴

**Fund
Longevity**

22+
Years of History

Why invest in Royce Small/Mid-Cap Premier Fund?

- Small/mid-cap core fund (generally market caps up to \$15 billion) that invests primarily in what Royce believes are industry leaders with discernible competitive advantages, high returns on invested capital, and a sustainable, moat-like franchise
- Focuses on leading quality companies, those with sustainable, moat-like franchises, discernible competitive advantages, a history of prudent capital allocation, and opportunities to profitably reinvest excess cash flow
- Averaged a 10.4% return over all 148 10-year monthly rolling return periods ended 3/31/18 from inception (12/27/95)

Performance and Expenses by Share Class

Average Annual Total Return through 3/31/18 (%)

	1Q2018*	1-YR	3-YR	5-YR	10-YR	15-YR	20-YR	SINCE INCEPT. (12/27/95)	ANNUAL OPERATING EXPENSES (%)	
									GROSS	NET
Investment	-2.49	13.41	8.98	8.48	9.08	11.43	10.78	12.58	0.96	0.96
Service	-2.56	13.14	8.73	8.21	8.81	11.24	10.64	12.45	1.30	1.30
Russell 2000	-0.08	11.79	8.39	11.47	9.84	11.50	7.37	8.81	N/A	N/A
Russell 2500	-0.24	12.31	8.15	11.55	10.28	12.05	8.57	10.11	N/A	N/A

*Not Annualized

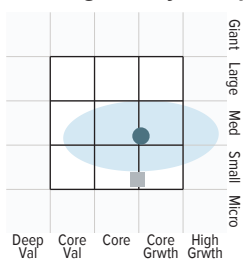
Important Performance and Expense Information

All 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. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate, so that shares may be worth more or less than their original cost when redeemed. Shares redeemed within 30 days of purchase may be subject to a 1% redemption fee, payable to the Fund, which is not reflected in the performance shown above; if it were, performance would be lower. Current month-end performance may be higher or lower than performance quoted and may be obtained at www.roycefunds.com. Operating expenses reflect the Fund's total annual operating expenses for the Investment (RHFHX) or Service (RGFAX) Class as of the Fund's prospectus dated 5/1/17 and include management fees and other expenses for the Investment Class and management fees, 12b-1 distribution and service fees, and other expenses for the Service Class.

All performance and risk information presented in this material prior to the commencement date of Investment Class shares on 3/15/07 reflects Service Class results. Shares of the Fund's Service Class bear an annual distribution expense that is not borne by the Investment Class. All performance charts reflect the Service Class.

Morningstar Style Map™

As of 12/31/17

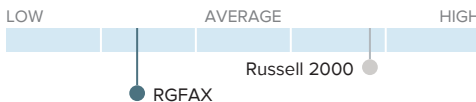


- Weighted average of holdings
- The center 75% of holdings
- Weighted average of holdings for Russell 2000

The Morningstar Style Map is the Morningstar Style Box™ with the center 75% of fund holdings plotted as the Morningstar Ownership Zone™. The Morningstar Style Box is designed to reveal a fund's investment strategy. The Morningstar Ownership Zone provides detail about a portfolio's investment style by showing the range of stock sizes and styles. The Ownership Zone is derived by plotting each stock in the portfolio within the proprietary Morningstar Style Box. Over time, the shape and location of a fund's ownership zone may vary.

Below Average Volatility³ As of 3/31/18

5-Year Relative Standard Deviation vs. all Small/Mid-Cap Funds tracked by Morningstar



Relative Returns: Monthly Rolling Average Annual Return Periods

20 Years Through 3/31/18

On a monthly rolling basis, the Fund outperformed the Russell 2000 in 74% of all 10-year periods; 72% of all 5-year periods; and 58% of all 1-year periods.

	PERIODS BEATING THE INDEX	RGFAX AVG*	INDEX AVG*
10-year	90/121	74%	8.8
5-year	130/181	72%	10.1
1-year	132/229	58%	13.2

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

Absolute Returns:

10-Year Monthly Rolling Return Periods

Number of 10-Year Average Annual Return Periods From 12/27/95 to 3/31/18

RGFAX averaged a 10.4% return over all 148 10-year monthly rolling return periods.

RETURN RANGE (%)	PERIODS	% IN RANGE
> 10	57	39
> 5 and ≤ 10	89	60
> 0 and ≤ 5	2	1
≤ 0	0	0

Portfolio Diagnostics

2017 Annual Turnover Rate	54%
Weighted Average P/E Ratio ^{5,6}	19.2x
Weighted Average P/B Ratio ⁵	2.7x
Net Assets	\$197M
Number of Holdings	67
Non-U.S. Investments (% of Net Assets)	3.4%

“My approach is to remain disciplined, develop well-reasoned, well-researched opinions; analyze business ecosystems and all the forces that are at play; and perhaps most importantly, remember that quality in the end wins out.”—Steven McBoyle

1. Royce classifies the Fund as 'Core' because it anticipates the portfolio will have a weighted average price-to-book ratio or weighted average normalized price to earnings ratio that is similar to, or somewhat higher than, the Russell 2000 Index. 2. **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. 3. **Below Average Volatility.** The Fund was in the second-lowest volatility quintile compared with all funds in Morningstar's Small Growth, Small Blend, Small Value, Mid-Cap Growth, Mid-Cap Blend, and Mid-Cap Value Categories with at least five years of history, a total of 931 funds as of 3/31/18. The universe consists of each fund's oldest share class only. Volatility quintiles are based on the average five-year standard deviation for each of the last four calendar quarters. Higher volatility is usually associated with higher risk. 4. **Active Share** is the sum of the absolute values of the different weightings of each holding in the Fund versus each holding in the benchmark, divided by two. 5. **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. 6. The Fund's P/E Ratio calculation uses trailing 12-month earnings and excludes companies with zero or negative earnings (3% of portfolio holdings as of 3/31/18).

Top 10 Positions

% of Net Assets (Subject to Change)

Copart	4.1
LKQ Corporation	3.3
Alleghany Corporation	2.9
Westlake Chemical	2.8
Minerals Technologies	2.6
UGI Corporation	2.6
Jones Lang LaSalle	2.5
Valmont Industries	2.4
ManpowerGroup	2.3
Kirby Corporation	2.3

Portfolio Sector Breakdown

% of Net Assets (Subject to Change)

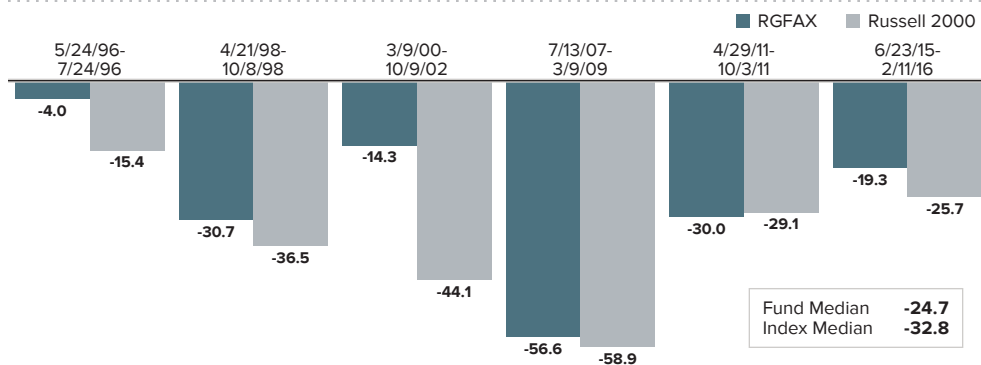
	RGFAX	RUSSELL 2000
Industrials	29.1	15.3
Consumer Discretionary	20.1	12.1
Materials	11.5	4.3
Financials	7.6	18.0
Information Technology	6.7	17.5
Real Estate	4.1	6.3
Health Care	3.8	16.6
Consumer Staples	3.6	2.3
Utilities	2.6	3.3
Energy	—	3.7
Telecommunication Services	—	0.6
Cash and Cash Equivalents	11.0	—

Calendar Year Total Returns (%)

YEAR	RGFAX	RUSSELL 2000
2017	21.2	14.6
2016	17.8	21.3
2015	-6.5	-4.4
2014	-1.1	4.9
2013	26.0	38.8
2012	14.3	16.3
2011	-9.3	-4.2
2010	27.5	26.9
2009	51.8	27.2
2008	-36.2	-33.8
2007	1.2	-1.6
2006	22.6	18.4
2005	8.7	4.6
2004	20.4	18.3
2003	38.1	47.3

Down Market Performance Comparison (%)

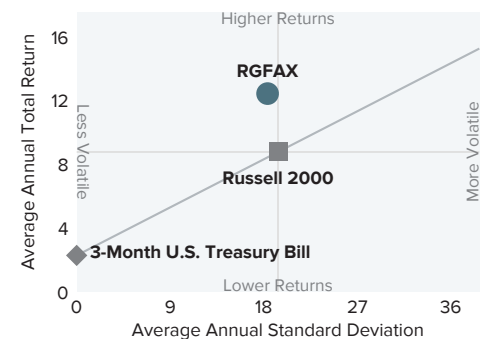
The Fund outperformed the Russell 2000 during five out of six downturns of 15% or more from the index's prior historical high since the Fund's inception.



Long-Term Risk/Return Profile

Fund's First Full Month (12/31/95) to 3/31/18 (%)

The Fund had a higher return than the Russell 2000 with lower volatility.



Market Cycle¹ Performance (%)

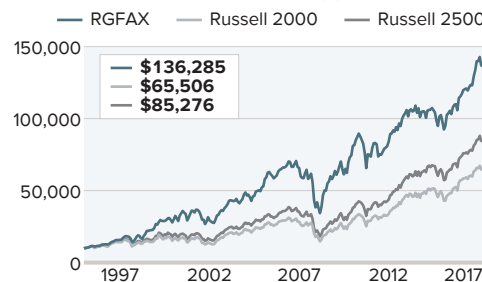
The Fund outperformed the Russell 2000 from the 6/23/15 index peak through current (3/31/18) and in two of the three most recent full market cycle periods.

	RGFAX	RUSSELL 2000
6/23/15-3/31/18 (Peak-to-Current)	25.3	22.8
4/29/11-6/23/15 (Peak-to-Peak)	21.4	58.5
7/13/07-4/29/11 (Peak-to-Peak)	25.3	6.6
3/9/00-7/13/07 (Peak-to-Peak)	150.4	54.8

¹Royce defines market cycles as peak-to-peak periods in which a peak is the market high prior to a decline of at least 15%.

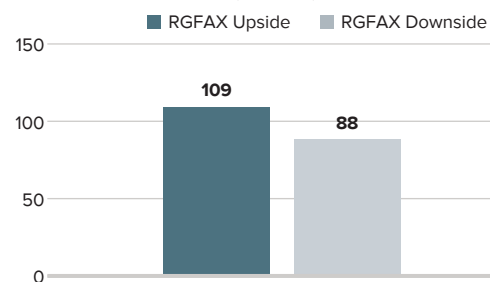
Value of \$10,000

Invested on 12/27/95 as of 3/31/18 (\$)



Upside/Downside Capture Ratio

Fund's First Full Quarter (12/31/95) to 3/31/18



This material is not authorized for distribution unless preceded or accompanied by a current prospectus. Please read the prospectus carefully before investing or sending money. The Fund generally invests a significant portion of its assets in small-cap and mid-cap stocks, which may involve considerably more risk than investing in larger-cap stocks. (Please see "Primary Risks for Fund Investors" in the prospectus.) The Fund also generally invests a significant portion of its assets in a limited number of stocks, which may involve considerably more risk than a more broadly diversified portfolio because a decline in the value of any one of these stocks would cause the Fund's overall value to decline to a greater degree. (Please see "Primary Risks for Fund Investors" in the prospectus.) The Fund may invest up to 25% of its net assets in foreign securities (measured at the time of investment), which may involve political, economic, currency, and other risks not encountered in U.S. investments. (Please see "Investing in Foreign Securities" in the prospectus.)

Upside Capture Ratio measures a manager's performance in up markets relative to the Fund's benchmark (Russell 2000). It is calculated by measuring the Fund'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 Fund's benchmark (Russell 2000). It is calculated by measuring the Fund's performance in quarters when the benchmark goes down and dividing it by the benchmark's return in those quarters. The **Price-Earnings**, or P/E, Ratio is calculated by dividing a company's share price by its trailing 12-month earnings-per-share (EPS). The **Price-to-Book**, or P/B, Ratio is calculated by dividing a company's share price by its book value per share. **Standard deviation** is a statistical measure within which a fund's total returns have varied over time. The greater the standard deviation, the greater a fund's volatility. Please read the prospectus for a more complete discussion of risk. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® 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 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 Russell 2500 is an unmanaged, capitalization-weighted index of the 2,500 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. Sector weightings are determined using the Global Industry Classification Standard ("GICS"). GICS was developed by, and is the exclusive property of, Standard & Poor's Financial Services LLC ("S&P") and MSCI Inc. ("MSCI"). GICS is the trademark of S&P and MSCI. "Global Industry Classification Standard (GICS)" and "GICS Direct" are service marks of S&P and MSCI. 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. Distributor: Royce Fund Services, LLC

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