



Royce Total Return Fund



Chuck Royce
Jay Kaplan, CFA

Small-Cap Value Approach¹

\$1.83^B
Avg Market Cap²

Low Volatility³

91%
Active Share⁴

Lead Manager Tenure

25+
Years on Fund⁵

Why invest in Royce Total Return Fund?

- Small-cap value fund (generally market caps up to \$3 billion) that invests primarily in dividend-paying companies with high returns on invested capital and strong fundamentals
- Focuses on quality businesses with the ability to generate excess cash flow and attractive prospects that are selling at prices Royce believes do not fully reflect these attributes
- Has a long-term history of low volatility and better risk-adjusted returns than its benchmark, the Russell 2000 Index

Performance and Expenses by Share Class

Average Annual Total Return through 12/31/18 (%)

	4Q2018*	1-YR	3-YR	5-YR	10-YR	15-YR	20-YR	25-YR	SINCE INCEPT. (12/15/93)	ANNUAL OPERATING EXPENSES (%)	
										GROSS	NET
Institutional	-15.34	-12.39	7.94	3.45	10.74	7.27	8.49	10.09	10.07	1.08	1.08
Investment	-15.34	-12.46	7.78	3.32	10.61	7.14	8.39	10.01	9.99	1.21	1.21
Service	-15.43	-12.71	7.48	3.03	10.32	6.91	8.19	9.85	9.83	1.50	1.50
Russell 2000	-20.20	-11.01	7.36	4.41	11.97	7.50	7.40	8.28	8.42	N/A	N/A

*Not Annualized

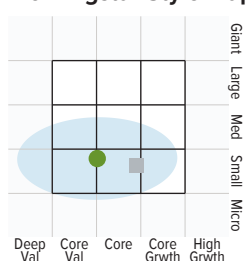
Important Performance and Expense Information

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. (Institutional Class shares are not subject to the redemption fee.) 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 (RYTRX), Service (RYTFX), or Institutional (RTRIX) Class as of the Fund's most current prospectus and include management fees, other expenses, and acquired fund fees and expenses for the Investment or Institutional Class and management fees, 12b-1 distribution and service fees, other expenses, and acquired fund fees and expenses for the Service Class. Acquired fund fees and expenses reflect the estimated amount of the fees and expenses incurred indirectly by the Fund through its investment in mutual funds, hedge funds, private equity funds, and other investment companies.

All performance and risk information presented in this material prior to the commencement date of Service Class shares on 1/3/02 and Institutional Class shares on 3/4/03 reflects Investment Class results. Service Class shares bear an annual distribution expense that is not borne by Investment or Institutional Class shares. If Service Class's annual distribution expense had been reflected, total returns prior to 1/3/02 would have been lower. The Investment and Institutional Classes would have substantially similar returns because all classes invest in the same portfolio of securities, differing only to the extent that the classes have different expenses. All performance charts reflect the Investment Class.

Morningstar Style Map™

As of 9/30/18

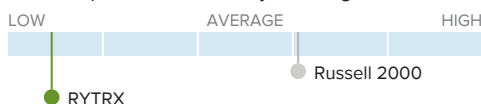


- Weighted average of holdings
- The center 75% of holdings
- Weighted average of holdings for Russell 2000

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.

Low Volatility³ As of 12/31/18

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



Portfolio Diagnostics

2018 Annual Turnover Rate	22%
Weighted Average P/E Ratio ^{6,7}	14.1x
Weighted Average P/B Ratio ⁶	1.8x
Net Assets	\$1,544M
Number of Holdings	251
Non-U.S. Investments (% of Net Assets)	14.4%

Relative Risk Adjusted Returns: Monthly Rolling Sharpe Ratios

20 Years Through 12/31/18

On a monthly rolling risk-adjusted basis, the Fund outperformed the Russell 2000 in 93% of all 10-year periods and 85% of all 5-year periods.

	PERIODS BEATING THE INDEX	RYTRX AVG*	INDEX AVG*
10-year	112/121	93%	0.46
5-year	153/181	85%	0.66

*Average of monthly rolling sharpe ratios over the specified periods.

Absolute Returns: 10-Year Monthly Rolling Return Periods

Number of 10-Year Average Annual Return Periods From 12/15/93 to 12/31/18

RYTRX averaged a 9.6% return over all 181 10-year monthly rolling return periods.

RETURN RANGE (%)	PERIODS	% IN RANGE
> 10	58	32
> 5 and ≤ 10	120	66
> 0 and ≤ 5	3	2
≤ 0	0	0

“The process consists of three key elements: We devote as much attention to risk as we do to potential returns—capital preservation means as much as capital appreciation; we have an absolute return orientation that fosters realistic expectations for the stocks we buy; and we have a long-term investment horizon for the dividend-paying companies that we own and the portfolio itself.”—Chuck Royce

1. Royce classifies the Fund as 'Value' because it anticipates the portfolio will have a weighted average price-to-book ratio or weighted average normalized price to earnings ratio lower 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. **Low Volatility.** The Fund was in the lowest volatility quintile compared with all funds in Morningstar's Small Growth, Small Blend, and Small Value Categories with at least five years of history, a total of 536 funds as of 12/31/18. 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. Mr. Royce has been the Fund's lead or co-manager since inception. 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 Fund's P/E Ratio calculation uses trailing 12-month earnings and excludes companies with zero or negative earnings (5% of portfolio holdings as of 12/31/18).

Top 10 Positions

% of Net Assets (Subject to Change)

Top 200 holdings represented 97% of the Fund's equity investments as of 12/31/18.

Erie Indemnity Cl. A	1.9
Quaker Chemical	1.9
E-L Financial	1.5
First Citizens BancShares Cl. A	1.5
Ares Management L.P.	1.3
BOK Financial	1.3
Alleghany Corporation	1.3
Ritchie Bros. Auctioneers	1.2
Meredith Corporation	1.2
Tootsie Roll Industries	1.2

Portfolio Sector Breakdown

% of Net Assets (Subject to Change)

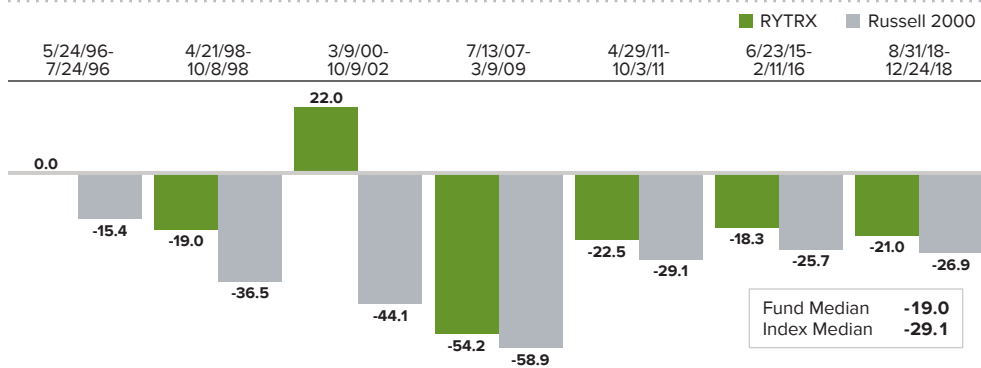
	RYTRX	RUSSELL 2000
Financials	33.8	18.2
Industrials	25.9	14.8
Materials	10.0	3.7
Consumer Discretionary	6.7	12.2
Information Technology	5.9	14.7
Consumer Staples	4.6	2.9
Energy	3.3	3.5
Utilities	3.1	3.8
Communication Services	2.6	3.3
Real Estate	1.7	7.2
Health Care	1.4	15.5
Bonds & Preferreds	0.3	—
Cash and Cash Equivalents	0.7	—

Calendar Year Total Returns (%)

YEAR	RYTRX	RUSSELL 2000
2018	-12.5	-11.0
2017	13.7	14.6
2016	25.9	21.3
2015	-7.2	-4.4
2014	1.3	4.9
2013	32.8	38.8
2012	14.4	16.3
2011	-1.7	-4.2
2010	23.5	26.9
2009	26.2	27.2
2008	-31.2	-33.8
2007	2.4	-1.6
2006	14.5	18.4
2005	8.2	4.6
2004	17.5	18.3

Down Market Performance Comparison (%)

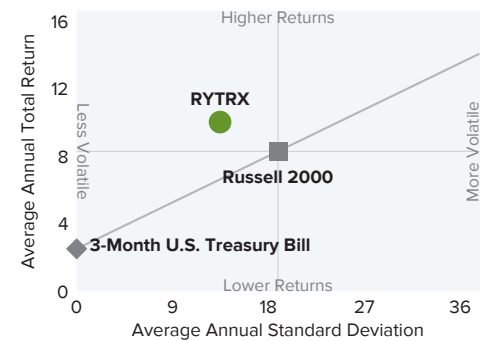
The Fund outperformed the Russell 2000 during all seven downturns of 15% or more from the index's prior historical high since the Fund's inception.



Long-Term Risk/Return Profile

Fund's First Full Month (12/31/93) to 12/31/18 (%)

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



Market Cycle¹ Performance (%)

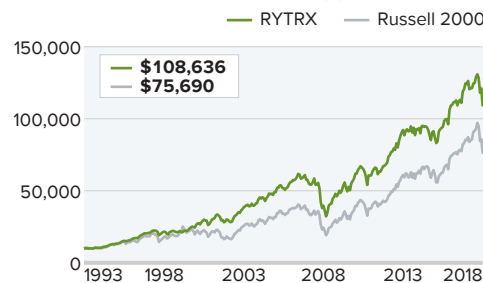
The Fund outperformed the Russell 2000 from the 8/31/18 index peak through current (12/31/18).

	RYTRX	RUSSELL 2000
8/31/18-12/31/18 (Peak-to-Current)	-17.0	-22.1
6/23/15-8/31/18 (Peak-to-Peak)	34.7	40.4
4/29/11-6/23/15 (Peak-to-Peak)	44.8	58.5
7/13/07-4/29/11 (Peak-to-Peak)	6.8	6.6

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%.

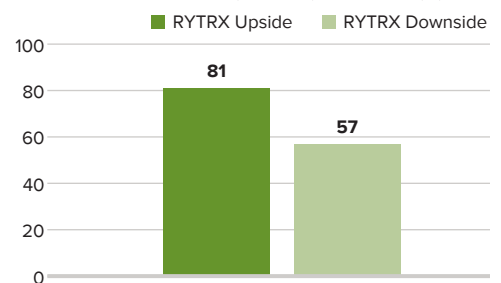
Value of \$10,000

Invested on 12/15/93 as of 12/31/18 (\$)



Upside/Downside Capture Ratio

Fund's First Full Quarter (12/31/93) to 12/31/18 (%)



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 invests primarily in small-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's broadly diversified portfolio does not ensure a profit or guarantee against loss. 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 Foreign Securities" in the prospectus.)

The Morningstar Style Map uses proprietary scores of a stock's value and growth characteristics to determine its placement in one of the five categories listed on the horizontal axis. These characteristics are then compared to those of other stocks within the same market capitalization band. Each is scored from zero to 100 for both value and growth attributes. The value score is subtracted from the growth score to determine the overall style score. For the vertical, market cap axis, Morningstar subdivides into size groups. Giant-cap stocks are defined as those that account for the top 40% of the capitalization of each style zone; large-cap stocks represent the next 30%; mid-cap stocks the next 20%; small-cap stocks the next 7%; micro-cap stocks the smallest 3%. The Sharpe Ratio is calculated for a specified period by dividing a fund's annualized excess returns by its annualized standard deviation. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance. 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 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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