

# Royce Opportunity Collective Trust Fund



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

**\$779<sup>M</sup>**  
RCO Avg Market Cap<sup>2</sup>

**RCO  
Active Share<sup>3</sup>**

**90%**

**ROF  
Volatility<sup>4</sup>**

**High**

## RCO Information & Portfolio Diagnostics

Investment Category	Small Cap Value
Weighted Average P/B Ratio <sup>5</sup>	1.4x
Weighted Average P/S Ratio <sup>6</sup>	0.8x
Number of Holdings	254
Non-U.S. Investments (% of Net Assets)	3.0%

## General Information

Advisor:	Royce Investment Partners
Location:	New York, NY
R-INST Class Inception Date:	3/16/18
Cusip	41026E319
Fund Assets:	\$213.3 million
Firm Assets:	\$11.1 billion
Trustee:	Hand Benefits & Trust Co.
Custodian/Admin:	BNY Mellon
Management Fee:	0.80%
Trustee Fee:	0.06%
Custody & Other Fees:	0.07%
Total Expense Ratio: <sup>7</sup>	0.87% (capped at 0.87%)
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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. **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. **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. 4. **High Volatility.** The Fund was in the highest 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 498 funds as of 6/30/20. 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. 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. Price to Sales is calculated by dividing the company's market cap by the revenue in the most recent year. 7. **Total Expense Ratio.** The effect of this Total Expense Ratio per \$1,000 investment is \$8.70 per year. The expense cap is subject to change at the sole discretion of the Trustee and Advisor.

## Why invest in Royce Opportunity Collective Trust Fund?

- Investment goal of long-term growth of capital
- Royce Opportunity Collective Trust Fund (the "Fund", "RCO") is a collective investment fund (CIF) created by Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company, a BPAS company. Royce & Associates, LP ("Royce") serves as the Fund's Investment Sub-Adviser and invests its assets using a small-cap equity strategy.
- Royce, the Fund's Investment Sub-Adviser, invests the Fund's assets primarily in equity securities of small-cap companies. Royce generally uses an opportunistic approach to invest in companies with low P/B and P/S ratios; companies are categorized into one of four themes: Turnarounds, Unrecognized Asset Values, Undervalued Growth, and Interrupted Earnings

## Comparable Fund Strategy

- The performance for ROF provided on this factsheet is that of Royce Opportunity Fund ("ROF"), a mutual fund advised by Royce. ROF's investment objective is long-term growth of capital that invests primarily in equity securities of small- and micro-cap companies (small-cap stocks' market caps are less than the largest stock in the Russell 2000<sup>®</sup> Index) in an attempt to take advantage of what it believes are opportunistic situations for undervalued securities. It invests primarily in small-cap stocks. Bill Hench has been a portfolio manager of the Fund since 2013, having served as Assistant Portfolio Manager between 2004 and 2013. Rob Kosowsky and Suzanne Franks serve as Assistant Portfolio Managers. The information must be read in conjunction with the Important Disclosures and Notes to ROF Information on page 3.

## Performance and Expenses

Average Annual Total Return (%) Through 6/30/20

	2Q2020 <sup>2</sup>	YTD <sup>2</sup>	1-YR	3-YR	5-YR	10-YR	20-YR	SINCE INCEPT.	INCEPT. DATE	ANNUAL OPER EXPENSES (%)
RCO	30.52	-17.59	-8.55	N/A	N/A	N/A	N/A	-7.62	3/16/18	0.87
ROF <sup>1</sup>	30.60	-17.97	-8.99	-1.64	2.83	9.10	8.53	10.58	11/19/96	1.12
Russell 2000	25.42	-12.98	-6.63	2.01	4.29	10.50	6.69	-2.72 <sup>3</sup>	N/A	N/A
Russell 2000 Value	18.91	-23.50	-17.48	-4.35	1.26	7.82	7.65	-8.73 <sup>3</sup>	N/A	N/A

<sup>1</sup> See Important Information about ROF Performance on page 3    <sup>2</sup> Not Annualized    <sup>3</sup> Index performance since RCO inception on 3/16/18.

## Important Performance Information

**Royce Opportunity Collective Trust Fund is new and does not have performance data to report. All ROF related performance information reflects past performance of ROF, is presented on a total return basis, and reflects the reinvestment of distributions. The performance quoted here does not guarantee future results. Performance information, portfolio information and statistical comparisons shown herein reflect the performance history and portfolio of ROF. Such ROF information should not be relied upon and does not represent, and is not indicative of, the Fund's actual or future performance or portfolio or the results that may be achieved by an investor in the Fund. ROF is a mutual fund and the Fund is a private collective trust fund which will not be registered as an investment company under the 1940 Act. The related performance of ROF shown is of the Institutional Class, is presented on a total return basis, and is unaudited, net of applicable management fees and other expenses, presumes reinvestment of distributions, and excludes investor-specific sales and other charges. Operating expenses reflect ROF's total annual operating expenses for the Institutional Class as of the ROF's most current prospectus and include management fees and other expenses. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance, and fees.**

All ROF performance and risk information presented in this material prior to the commencement date of ROF Institutional Class shares on 12/12/01 reflects ROF Investment Class results. Each class 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.

## RCO Top 10 Positions

% of Net Assets (Subject to Change)

Ameresco Cl. A	1.2
Alpha & Omega Semiconductor	1.0
Forterra	1.0
Limelight Networks	1.0
Air Lease Cl. A	1.0
Owens & Minor	1.0
II-VI	0.9
Emergent BioSolutions	0.9
R1 RCM	0.9
MACOM Technology Solutions Holdings	0.9

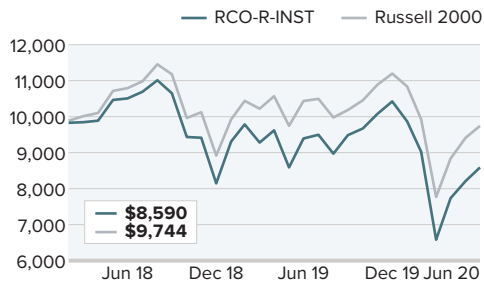
## RCO Portfolio Sector Breakdown

% of Net Assets (Subject to Change)

	RCO	RUSSELL 2000
Information Technology	22.2	13.9
Industrials	22.0	14.5
Health Care	13.6	20.6
Consumer Discretionary	13.3	11.8
Materials	8.7	4.0
Financials	8.4	16.3
Energy	3.5	2.3
Consumer Staples	1.7	3.3
Real Estate	1.6	7.1
Communication Services	1.3	2.5
Utilities	0.1	3.6
Cash and Cash Equivalents	3.5	—

**RCO Value of \$10,000**

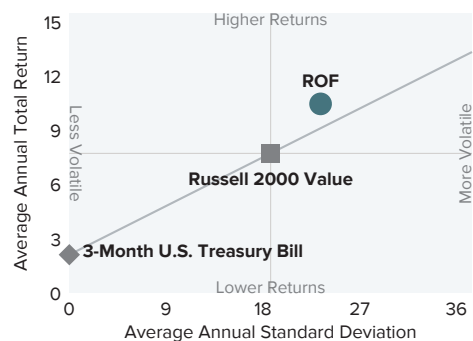
Invested on 3/16/18 as of 6/30/20 (\$)



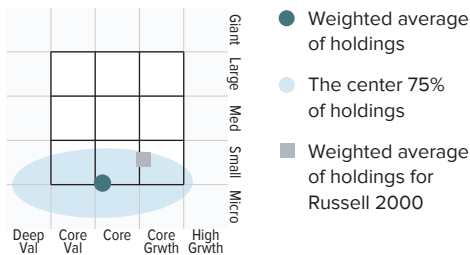
**ROF Long-Term Risk/Return Profile**

Fund's First Full Month (11/30/96) to 6/30/20 (%)

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



**RCO Morningstar Map™** As of 3/31/20



The Morningstar Style Map is the Morningstar Style Box™ with the center 75% of fund holdings plotted as the Morningstar Ownership Zone™. 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.

**Calendar Year Total Returns (%)**

YEAR	ROFIX	RUSSELL 2000 VALUE
2019	28.4	22.4
2018	-19.8	-12.9
2017	22.0	7.8
2016	29.9	31.7
2015	-13.5	-7.5
2014	-0.4	4.2
2013	43.7	34.5
2012	22.7	18.1
2011	-12.9	-5.5
2010	34.1	24.5
2009	62.2	20.6
2008	-45.7	-28.9
2007	-1.9	-9.8
2006	18.9	23.5
2005	4.9	4.7

**ROF Absolute Returns: 10-Year Monthly Rolling Return Periods**

Number of 10-Year Average Annual Return Periods From 11/19/96 to 6/30/20

ROF averaged a 10.3% return over all 164 10-year monthly rolling return periods.

RETURN RANGE (%)	PERIODS	% IN RANGE
> 10	77	47
> 5 and ≤ 10	82	50
> 0 and ≤ 5	5	3
≤ 0	0	0

**ROF Relative Returns: Monthly Rolling Average Annual Return Periods**

20 Years Through 6/30/20

On a monthly rolling basis, ROF outperformed the Russell 2000 Value in 100% of all 10-year periods; 72% of all 5-year periods; and 50% of all 1-year periods.

	PERIODS BEATING THE INDEX	ROF AVG*	INDEX AVG*
10-year	121/121	100%	9.6
5-year	130/181	72%	9.8
1-year	115/229	50%	12.0

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

**ROF Market Cycle<sup>1</sup> Performance (%)**

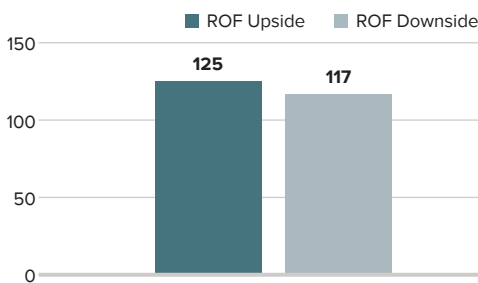
ROF outperformed the Russell 2000 Value from the 8/22/18 index peak through current (6/30/20) and in each of the three most recent full market cycle periods.

	ROF	RUSSELL 2000 VALUE
8/22/18-6/30/20 (Peak-to-Current)	-22.2	-25.8
6/23/15-8/22/18 (Peak-to-Peak)	42.3	39.0
6/4/07-6/23/15 (Peak-to-Peak)	63.6	45.9
5/3/02-6/4/07 (Peak-to-Peak)	110.7	91.2

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

**ROF Upside/Downside Capture Ratio**

Fund's First Full Quarter (12/31/96) to 6/30/20



**Primary Risks** - Royce Opportunity Collective Trust Fund is subject to market risk - the possibility that common stock prices will decline over short or extended periods of time. As a result, the value of your investment in the Fund will fluctuate with the market, and you could lose money over short or long periods of time. The prices of small-cap securities are generally more volatile and their markets are less liquid relative to larger-cap securities. Therefore, the Fund may involve more risk of loss and its returns may differ significantly from funds investing in larger cap companies or other asset classes.

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%. **Upside Capture Ratio** measures a manager's performance in up markets relative to the Fund's benchmark. 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. 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-to-Book, or P/B, Ratio** is calculated by dividing a company's share price by its book value per share. 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 2000 Value Index consist of the respective value stocks within the Russell 2000 as determined by Russell Investments. The performance of an index does not represent exactly any particular investment, as you cannot invest directly in an index. Distributor: Royce Fund Services, LP

The Fund is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS company, or Royce & Associates, and are not insured by the FDIC or any other agency. The Fund is a security which has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Act of 1940. To obtain the most recent quarterly fact sheet please visit [http://www.bpas.com/products/inst\\_trust\\_serv\\_factsheets.htm](http://www.bpas.com/products/inst_trust_serv_factsheets.htm)

### Important Disclosures

- This information is for illustration and discussion purposes only. It is not intended to be, nor should it be construed or used as investment, tax, ERISA, or financial advice, or an offer to sell, or a solicitation of any offer to buy, shares of Royce Opportunity Collective Trust Fund (the "Fund") or an interest in any other fund managed or advised by Royce & Associates, LP ("Royce") or sponsored by Hand Benefits & Trust Company ("HBT"). Royce is the Investment Sub-Adviser to the Fund. Any offer or solicitation of an investment may be made only by delivery of the Fund's offering documents (collectively, the "Offering Documents") to qualified investors, i.e., ERISA qualified retirement plans for which HBT serves as either Trustee or Agent for a duly appointed Trustee. Prospective investors should review carefully and rely solely on the Offering Documents in making any investment decision and determine, along with its financial, ERISA and/or tax advisors, whether an investment in the Fund is suitable; an investment in the Fund is not suitable for all prospective investors. The collective investment fund is available for investment by eligible qualified retirement plan trusts only and has been created specifically for 401(k) and other employer-sponsored retirement plan investors.
- The Fund is new and does not have long-term performance data to report. Performance information and related statistics and portfolio information labeled "ROF" represents Royce Opportunity Fund ("ROF") Institutional Class, a mutual fund advised by Royce that pursues a substantially similar strategy to that the Fund. ROF information is provided solely for illustrative and discussion purposes. The terms (including management fee and expenses) and portfolio of the Fund vary from ROF. Nothing herein should be construed as an offer to sell or solicitation of an offer to buy shares of ROF. See Notes to ROF Information below.
- No representation is made that the Fund will or is likely to achieve its objectives, that Royce's investment process or risk management will be successful, or that an investor in the Fund will or is likely to achieve results comparable to those shown or will make any profit or will not suffer losses or loss of principal. An investment in the Fund involves risks, as disclosed in the Offering Documents. As market conditions fluctuate, the investment return and principal value of any investment will change. Past performance is not indicative of future results.
- This material is as of the date indicated, is not complete, and is subject to change. Certain information, including information related to indexes, has been provided by and/or is based on third party sources and, although believed to be reliable, has not been independently verified and Royce is not responsible for errors from these sources. 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.

### Notes to ROF information

- ROF Performance information, portfolio information and statistical comparisons shown herein reflect the performance history and portfolio of ROF. Such ROF information should not be relied upon and does not represent, and is not indicative of, the Fund's actual or future performance or portfolio or the results that may be achieved by an investor in the Fund. ROF is a mutual fund and the Fund is a private collective trust fund that is not registered as an investment company under the 1940 Act. The related performance for ROF shown is for its Institutional Class, is presented on a total return basis, and is unaudited, net of applicable management fees and other expenses, presumes reinvestment of distributions, and excludes investor-specific sales and other charges. ROF Operating expenses reflect ROF's total annual operating expenses for the Institutional Class as of the ROF's prospectus dated 5/1/19 and include management fees, other expenses, and acquired fund fees and expenses.
- Prospective investors in the Fund should note a difference between the Fund's strategy and that of ROF: (i) the Fund, absent unusual cash flows, will limit its cash or cash equivalents to 15% of its market value; ROF is not subject to this investment guideline.
- Fees and expenses of ROF differ from fees and expenses of the Fund. ROF's Institutional Class is subject to a 1.00% annual management fee, and annual Fund operating expenses of 1.12%, while the Fund is subject to a 0.80% annual management fee and a total expense ratio cap of 0.87%. Please refer to the Fund's Offering Documents for important information and risk disclosures, including information regarding the Fund's fees, charges and expenses, which will offset the Fund's gains. ROF's Prospectus is publicly available. The ROF performance results shown have not been pro forma adjusted to reflect the fees and expenses charged by the Fund. A decision to invest in the Fund should not be based on the returns or portfolio information of ROF. Past performance is not indicative of future results.
- ROF performance results may be considered hypothetical even though based on the actual trading of ROF utilizing a small-cap equity portfolio approach because the performance of ROF does not reflect the actual management of the Fund. An investment in ROF and an investment in the Fund will not be identical and the portfolios of ROF and the Fund differ. Royce makes all trading and investment decisions for the Fund and its investments will vary over time. Related performance such as the ROF results have inherent limitations, some of which are described herein. One limitation is that they do not reflect the Fund's actual management and therefore do not reflect the impact that economic and market factors, including concentration, lack of liquidity or market disruptions, may have on investment decisions for the Fund. In fact, there may be sharp differences between the ROF results and the actual results that the Fund may achieve. There also may be a material difference between the Fund's assets at any time and those managed in ROF. This difference may have an impact on the management of the Fund. No representation is made that the Fund's performance, assets or portfolio would have been the same as ROF had the Fund been in existence during such time. To the extent there are any material differences between Royce's management of the Fund and the management of ROF, ROF's performance results will no longer be as representative and their illustration value will decrease substantially.
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