

# Royce Premier Collective Trust Fund



Chuck Royce  
Lauren Romeo, CFA  
Steven McBoyle, CPA, CA

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

**\$3,141M**  
Avg Market Cap<sup>2</sup>

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

**97%**

**Longevity**

**2+**  
Years of History

## RCP Fund Information & Portfolio Diagnostics

Weighted Average P/E Ratio <sup>5,6</sup>	23.2x
Weighted Average P/B Ratio <sup>5</sup>	2.7x
Number of Holdings	58
Non-U.S. Investments (% of Net Assets)	10.8%

## General Information

Advisor:	Royce & Associates, LP
Location:	New York, NY
Inception Date:	8/22/14
Cusip	410236871
Fund Assets:	\$86 million
Firm Assets:	\$17 billion
Trustee:	Hand Benefits & Trust Co.
Custodian/Admin:	BNY Mellon
Management Fee:	0.80%
Trustee Fee:	0.06%
Custody & Other Fees:	0.04%
Total Expense Ratio: <sup>7</sup>	0.87% (capped at 0.87%)
Contact:	David Gruber
Phone:	(800) 348-1414
Email:	dgruber@roycefunds.com
Fax:	(212) 832-8921
Address:	745 Fifth Avenue, New York, NY 10151

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. **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 (5% of portfolio holdings as of 9/30/16). 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 Premier Collective Trust Fund?

- Investment goal of long-term growth of capital
- Royce Premier Collective Trust Fund (the "Fund" or "RCP") 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-Advisor and invests its assets using a small-cap equity strategy.
- Royce, the Fund's Investment Sub-Advisor, will invest the Fund's assets primarily in equity securities of small-cap companies. Using its value approach, Royce generally looks for companies that it believes have excellent business strengths and/or prospects for growth, high internal rates of return, and low leverage that are trading significantly below its estimate of their current worth.

## Comparable Fund Strategy

- The related performance provided on this factsheet is that of Royce Premier Fund ("RPR"), a mutual fund advised by Royce. RPR's investment objective is long-term growth of capital with a focused portfolio (generally less than 100 positions) and disciplined value approach substantially similar to the Fund's strategy. It invests primarily in small-cap stocks. The Fund's Lead Portfolio Manager, Chuck Royce, has managed RPR since 1991. Portfolio Manager Lauren Romeo has assisted since 2006. Portfolio Manager Steven McBoyle has been with Royce since 2007 and has assisted since 2014. The information must be read in conjunction with the Important Disclosures and Notes to RPR Information on page 3.

## Performance of RCP (%)

Average Annual Total Return Through 9/30/16

	3Q2016 <sup>1</sup>	YTD <sup>1</sup>	1-YR	SINCE INCEPT. (8/22/14)
RCP	6.69	13.52	14.78	-1.31
Russell 2000	9.05	11.46	15.47	5.17

<sup>1</sup> Not Annualized

## Related Performance and Expenses of RPR<sup>1</sup>

Average Annual Total Return (%) Through 9/30/16

	3Q2016 <sup>2</sup>	YTD <sup>2</sup>	1-YR	3-YR	5-YR	10-YR	20-YR	SINCE INCEPT. (12/31/91)
RPR	6.76	13.78	15.10	3.17	10.24	7.66	10.74	11.32
Russell 2000	9.05	11.46	15.47	6.71	15.82	7.07	8.06	9.41

Annual Operating Expenses: 1.02%

<sup>1</sup> See Important Information about RPR Performance on page 3 <sup>2</sup> Not Annualized

## Important Performance Information

Royce Premier Collective Trust Fund was established on 8/22/14 and does not have long-term performance data to report prior to that date. All RPR related performance information reflects past performance of RPR, 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 RPR. Such RPR 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. RPR 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 RPR 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 RPR's total annual operating expenses for the Institutional Class as of the RPR'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 performance and risk information presented in this material prior to the commencement date of Institutional Class shares on 9/17/02 reflects 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.

## RCP Top 10 Positions

% of Net Assets (Subject to Change)

Cognex Corporation	3.3
Copart	3.1
MKS Instruments	3.0
Kirby Corporation	2.7
Lincoln Electric Holdings	2.7
Woodward	2.6
Ritchie Bros. Auctioneers	2.6
Valmont Industries	2.6
PTC	2.4
Landstar System	2.4

## RCP Portfolio Sector Breakdown

% of Net Assets (Subject to Change)

	RCP	RUSSELL 2000
Industrials	32.7	14.1
Information Technology	21.6	18.1
Financials	13.0	17.4
Consumer Discretionary	10.6	12.6
Materials	7.0	4.7
Health Care	4.0	14.2
Energy	2.5	3.2
Consumer Staples	1.9	3.0
Real Estate	1.7	8.2
Utilities	—	3.8
Telecommunication Services	—	0.7
Cash and Cash Equivalents	5.0	—

**RPR Calendar Year Total Returns (%)**

YEAR	RPR	RUSSELL 2000
2015	-9.9	-4.4
2014	-0.7	4.9
2013	27.8	38.8
2012	11.6	16.3
2011	-0.7	-4.2
2010	26.6	26.9
2009	33.3	27.2
2008	-28.2	-33.8
2007	12.9	-1.6
2006	8.9	18.4
2005	17.2	4.6
2004	23.0	18.3
2003	38.8	47.3
2002	-7.8	-20.5
2001	9.6	2.5

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

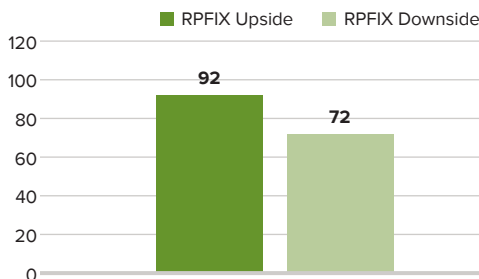
RPR outperformed the Russell 2000 in two of the three most recent full market cycle periods.

	RPIX	RUSSELL 2000
6/23/15-9/30/16 (Peak-to-Current)	-1.9	-1.5
4/29/11-6/23/15 (Peak-to-Peak)	30.3	58.5
7/13/07-4/29/11 (Peak-to-Peak)	30.4	6.6
3/9/00-7/13/07 (Peak-to-Peak)	199.3	54.8

<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%.

**RPR Upside/Downside Capture Ratio**

Fund's First Full Quarter (12/31/91) to 9/30/16

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

20 Years Through 9/30/16

On a monthly rolling basis, RPR outperformed the Russell 2000 in 99% of all 10-year periods; in 77% of all 5-year periods; and in 61% of all 1-year periods.

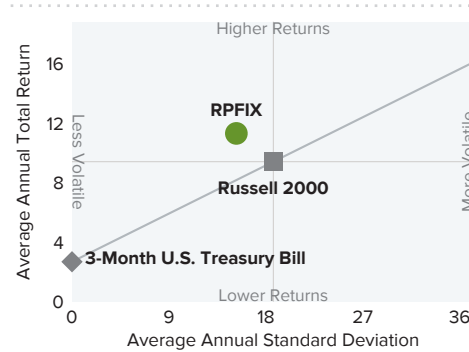
	PERIODS BEATING THE INDEX		RPIX AVG*	INDEX AVG*
10-year	120/121	99%	11.1	6.9
5-year	140/181	77%	11.2	7.4
1-year	140/229	61%	11.5	9.4

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

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

Fund's First Full Month (12/31/91) to 9/30/16 (%)

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

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

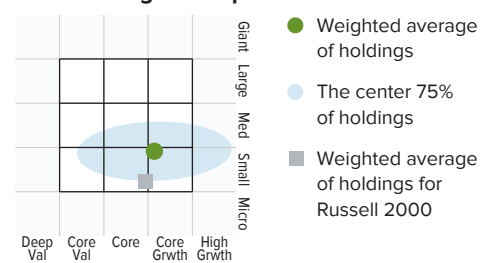
Number of 10-Year Average Annual Return Periods From 12/31/91 to 9/30/16

RPR averaged a 11.8% return over all 178 10-year monthly rolling return periods.

RETURN RANGE (%)	PERIODS	% IN RANGE
> 10	146	82
> 5 and ≤ 10	32	18
> 0 and ≤ 5	0	0
≤ 0	0	0

**RPR Morningstar Map™**

As of 6/30/16

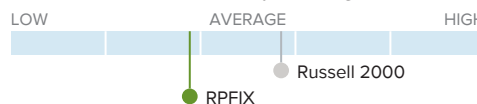


The Morningstar Style Map is the Morningstar Style Box™ with the center 75% of fund holdings plotted as the Morningstar Ownership Zone™. The Morningstar Style Box is designed to reveal a fund's investment strategy. The Morningstar Ownership Zone provides detail about a portfolio's investment style by 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.

**RPR—Below Average Volatility<sup>1</sup>**

As of 9/30/16

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



<sup>1</sup>Below Average Volatility. The Fund was in the second-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 476 funds as of 9/30/16. 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.

**Primary Risks** - Royce Premier 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 Fund holds a limited number of portfolio securities (less than 100) and therefore may involve more risk to investors than a more broadly diversified portfolio of small-cap securities because it may be more susceptible to any single corporate, economic, political, regulatory or market event.

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-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. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group. 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. Distributor: Royce Fund Services, Inc.

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://bpas.com/products/inst\\_trust\\_serv\\_factsheets.htm](http://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 Premier Collective Trust Fund (the "Fund" or "RCP") 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 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 Fund was established on 8/22/14 and does not have long-term performance data to report prior to that date. Related performance information and related statistics and portfolio information shown represents Royce Premier Fund ("RPR") Institutional Class, a mutual fund advised by Royce that pursues a substantially similar strategy to that which the Fund will pursue. RPR information is provided solely for illustrative and discussion purposes. The terms (including management fee and expenses) and portfolio of the Fund will vary from RPR. Nothing herein should be construed as an offer to sell or solicitation of an offer to buy shares of RPR. See Notes to RPR 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.

### Notes to RPR information

- Performance information, portfolio information and statistical comparisons shown herein reflect the performance history and portfolio of RPR. Such RPR 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. RPR is a mutual fund and the Fund is a private collective trust fund that will not be registered as an investment company under the 1940 Act. The related performance for RPR 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. Operating expenses reflect RPR's total annual operating expenses for the Institutional Class as of the RPR's most current prospectus and include management fees and other expenses.
- Prospective investors in the Fund should note several differences between the Fund's strategy and that of RPR: (i) the Fund can invest up to 15% of its net assets in foreign securities while RPR can invest up to 25% of its net assets in foreign securities; and (ii) the Fund, absent unusual cash flows, will limit its cash or cash equivalents to 15% of its market value; RPR is not subject to this investment guideline.
- Fees and expenses of RPR differ from fees and expenses of the Fund. RPR's Institutional Class is subject to a 0.97% annual management fee, and annual Fund operating expenses of 1.02%, 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. RPR's Prospectus is publicly available. The RPR 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 RPR. Past performance is not indicative of future results.
- RPR performance results may be considered hypothetical even though based on the actual trading of RPR utilizing a small-cap equity portfolio approach because the performance of RPR does not reflect the actual management of the Fund. An investment in RPR and an investment in the Fund will not be identical and the portfolios of RPR 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 RPR 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 RPR 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 RPR. 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 RPR 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 RPR, RPR's performance results will no longer be as representative and their illustration value will decrease substantially.
- This information is confidential, is intended only for intended recipients and their authorized agents or representatives and may not be distributed to any other person without Royce's prior written consent.

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