

Royce Small-Cap Collective Trust Fund

R Class



Jay Kaplan, CFA

Portfolio Manager and Principal

- 24 Years of Experience
- 12 Years at Royce

Investment Objective

Long-term growth of capital

About the Fund

Royce Small-Cap Collective Trust Fund (the "Fund") is a collective investment fund (CIF) created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company, a BPAS company. Royce & Associates, LLC ("Royce") serves as the Fund's Investment Adviser and invests its assets using a small-cap equity strategy.

Principal Investment Strategy

Royce, the Fund's Investment Adviser, will invest the Fund's assets primarily in equity securities of small-cap companies, those with market capitalizations up to \$2.5 billion. 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 performance and portfolio information provided in this material is for Royce Capital Fund - Small-Cap Portfolio ("RCS"), a variable annuity mutual fund advised by Royce. RCS uses a value approach substantially similar to the Fund's strategy by investing primarily in small-cap stocks. The Fund's Portfolio Manager, Jay Kaplan, has managed RCS since 2003. This information must be read in conjunction with the Important Disclosures and Notes to RCS Information on page 3.

Related Performance of RCS¹ Through 3/31/13

| Average Annual Total Return | RCS | Russell 2000 |
|---------------------------------|-------|--------------|
| First Quarter 2013 ² | 7.62% | 12.39% |
| One-Year | 8.08 | 16.30 |
| Three-Year | 10.01 | 13.45 |
| Five-Year | 6.86 | 8.24 |
| 10-Year | 12.43 | 11.52 |
| 15-Year | 10.36 | 6.04 |
| Since Inception (12/27/96) | 11.45 | 7.58 |

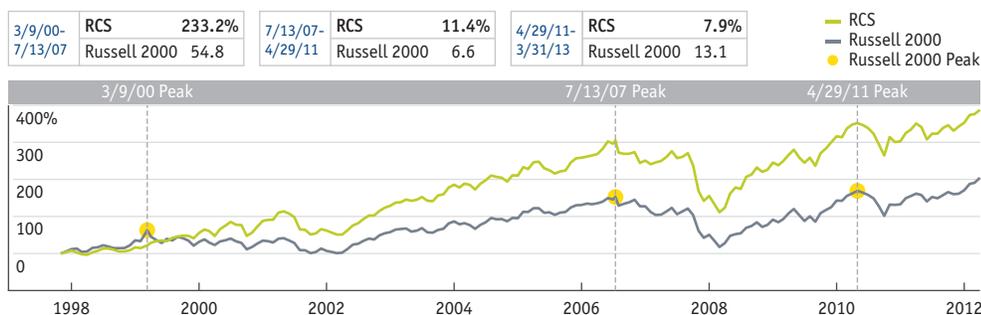
Annual Expense Ratio

| | |
|--------------------|-------|
| Operating Expenses | 1.05% |
|--------------------|-------|

¹See Important Information about RCS Performance on page 3.

²Not Annualized

RCS Small-Cap Market Cycle Related Performance



RCS outperformed the Russell 2000 from the 3/9/00 index peak through 3/31/13.

Important Performance Information

Royce Small-Cap Collective Trust Fund is new and does not have performance data to report. All performance information reflects past performance of RCS, 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 RCS. This 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. RCS is a mutual fund while the Fund is a private collective trust fund that is not registered as an investment company under the 1940 Act. The related performance of RCS shown is for that Fund's Investment Class, is presented on a total return basis, is unaudited, net of applicable management fees and other expenses, presumes reinvestment of earnings, and excludes investor-specific sales and other charges. Operating expenses reflect RCS's total annual operating expenses for the Investment Class as of RCS's most current prospectus and include management fees and other expenses. Before investing in any investment portfolio, the client and financial professional should carefully consider the client's investment objectives, time horizon, risk tolerance, and concerns about fees.

RCS Fund Information and Portfolio Diagnostics

| | |
|--|-----------------|
| Fund Net Assets | \$841 million |
| Number of Holdings | 75 |
| 2012 Annual Turnover Rate | 62% |
| Average Market Capitalization ¹ | \$1,273 million |
| Weighted Average P/E Ratio ^{2,3} | 13.3x |
| Weighted Average P/B Ratio ^{2,3} | 1.8x |
| U.S. Investments (% of Net Assets) | 87.2% |
| Non-U.S. Investments (% of Net Assets) | 8.5% |

Royce Small-Cap Collective Trust Fund Information

| | |
|---------------------|--------------|
| CUSIPS | |
| R-INST Class | 41023V678 |
| R Class | 41023V686 |
| Investment Category | US Small-Cap |

RCS Top 10 Positions

| % of Net Assets (Subject to Change) | |
|-------------------------------------|------|
| Nu Skin Enterprises Cl. A | 3.0% |
| Unit Corporation | 3.0 |
| NETGEAR | 3.0 |
| Buckle (The) | 2.9 |
| Federated Investors Cl. B | 2.9 |
| G-III Apparel Group | 2.5 |
| Jos. A. Bank Clothiers | 2.5 |
| Chemed Corporation | 2.4 |
| Innospec | 2.3 |
| Guess? | 2.2 |

RCS Portfolio Sector Breakdown

| % of Net Assets (Subject to Change) | RCS | Russell 2000 |
|-------------------------------------|-------|--------------|
| Consumer Discretionary | 29.3% | 13.8% |
| Information Technology | 19.9 | 16.4 |
| Financials | 13.3 | 23.3 |
| Health Care | 8.6 | 12.2 |
| Industrials | 7.8 | 15.4 |
| Energy | 6.6 | 6.1 |
| Consumer Staples | 5.4 | 3.5 |
| Materials | 4.9 | 5.3 |
| Utilities | — | 3.3 |
| Telecommunication Services | — | 0.6 |
| Cash and Cash Equivalents | 4.3 | — |

¹ **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.

² **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 of its underlying stocks.

³ The Fund's Price-Earnings, or P/E, ratio calculation excludes companies with zero or negative earnings (3% of portfolio holdings as of 3/31/13). It 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.

RCS Relative Return Focus: Five-Year Monthly Rolling Return Periods*

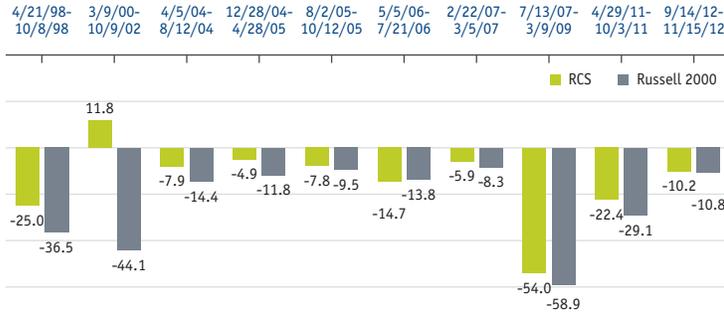
RCS Spread vs. Russell 2000 Over the Last 10 Years

| | Periods | Outperformance Periods | % Outperform | RCS Average ¹ | Russell 2000 Average ¹ |
|------------|---------|------------------------|--------------|--------------------------|-----------------------------------|
| One-Year | 169 | 104 | 62% | 12.70% | 8.59% |
| Three-Year | 145 | 125 | 86 | 11.39 | 6.35 |
| Five-Year | 121 | 119 | 98 | 10.43 | 5.78 |
| 10-Year | 61 | 61 | 100 | 10.31 | 5.75 |

¹Average of monthly rolling average annual total returns over the specified periods.

On a monthly rolling basis, RCS outperformed the Russell 2000 in 62% of all One-Year periods; 86% of all Three-Year periods; 98% of all Five-Year periods; and 100% of all 10-Year periods.

RCS Down Market Performance Comparison* (In Percentages)



RCS outperformed the Russell 2000 during nine out of 10 downturns of 7.5% or more from the index's prior historical high over the last 15 years.

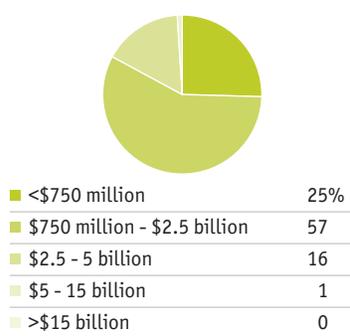
RCS Upside/Downside Capture Ratios
Periods Ended 3/31/13

| | Upside Capture Ratio | Downside Capture Ratio |
|-----------|----------------------|------------------------|
| Five-Year | 88% | 91% |
| 10-Year | 94 | 82 |

Upside Capture Ratio measures a manager's performance in up markets relative to RCS' benchmark (Russell 2000). It is calculated by measuring RCS' 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 RCS' benchmark (Russell 2000). It is calculated by measuring RCS' performance in quarters when the benchmark goes down and dividing it by the benchmark's return in those quarters.

RCS Market Cap Exposure
Percent of Portfolio



RCS Absolute Return Focus: Five-Year Monthly Rolling Return Periods*

Number of Five-Year Average Annual Return Periods Over the Last 10 Years



100% of the time, 10-year average annual total returns were greater than 5%; 64% of the time, 10-year average annual total returns were greater than 10%. RCS averaged 11.2% over all 76 10-year monthly rolling return periods.

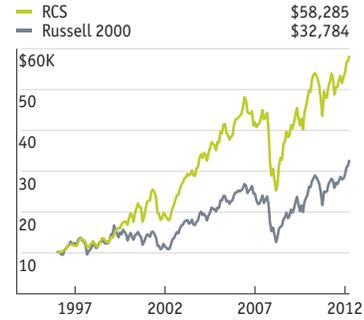
RCS Risk/Return Comparison*

Five-Year Period Ended 3/31/13

| | Average Annual Total Return | Standard Deviation | Return Efficiency ¹ |
|--------------|-----------------------------|--------------------|--------------------------------|
| RCS | 6.86% | 21.48 | 0.32 |
| Russell 2000 | 8.24 | 24.42 | 0.34 |

¹Return Efficiency is the average annual total return divided by the annualized standard deviation over a designated time period.

RCS Value of \$10,000 Invested on 12/27/96* As of 3/31/13



General Information

| | |
|----------------------------|---------------------------|
| Advisor | Royce & Associates, LLC |
| Location | New York, NY |
| Inception Date | 6/1/13 |
| Fund Assets | |
| Firm Assets | \$35 billion |
| Trustee | Hand Benefits & Trust Co. |
| Custodian/Admin | BNY Mellon |
| Fund Management Fee | 0.80% |
| Fund Trustee Fee | 0.06% |

| | |
|---|--|
| Custody & Other Fees | 0.04% |
| Total Expense Ratio¹ | 1.00% |
| (capped at 1.00% and includes a 0.10% service fee payable to retirement plan providers) | |
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¹Total Expense Ratio: The effect of this Total Expense Ratio per \$1,000 investment is \$10 per year. The expense cap is subject to change at the sole discretion of the Trustee and Advisor

*See Important Information about RCS Performance on page 3.

Primary Risks - Royce Small-Cap 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 Price-Earnings, or P/E, Ratio is calculated by dividing a company's share price by its trailing 12-month earnings-per-share (EPS). 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. 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.

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 that 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

NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED

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 Small-Cap Collective Trust Fund (the "Fund") or an interest in any other fund managed or advised by Royce & Associates, LLC ("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 is new and does not have performance data to report. All performance information, related statistics, and portfolio information shown represents Royce Capital Fund – Small Cap Portfolio ("RCS"), a variable annuity mutual fund advised by Royce that pursues a substantially similar strategy to that which the Fund will pursue. RCS information is provided solely for illustrative and discussion purposes. The terms (including management fee and expenses) and portfolio of the Fund will vary from RCS. Nothing herein should be construed as an offer to sell or solicitation of an offer to buy shares in RCS. See Notes to RCS 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 RCS information

Performance information, portfolio information, and statistical comparisons shown herein reflect the performance history and portfolio of RCS. Such RCS 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. RCS 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 performance for RCS shown is for its Investment Class, is presented on a total return basis, and is unaudited, net of applicable management fees and other expenses, presumes reinvestment of earnings, and excludes investor-specific sales and other charges. Operating expenses reflect RCS' total annual operating expenses for the Investment Class as of the RCS' 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 the strategy of RCS: (i) the Fund can invest up to 15% of its net assets in foreign securities while RCS 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; RCS is not subject to this investment guideline.

Fees and expenses of RCS differ from fees and expenses of the Fund. RCS's Investment Class is subject to a 1% annual management fee, and annual Fund operating expenses of 1.05%, while the Fund is subject to a 0.8% annual management fee and a total expense ratio cap of 1.00%. 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. RCS' Prospectus is publicly available. The RCS 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 RCS. Past performance is not indicative of future results.

RCS performance results may be considered hypothetical even though based on the actual trading of RCS utilizing a small-cap equity portfolio approach because the performance of RCS does not reflect the actual management of the Fund. An investment in RCS and an investment in the Fund will not be identical and the portfolios of RCS and the Fund will differ. Royce will make all trading and investment decisions for the Fund and its investments will vary over time. Related performance such as the RCS 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 RCS 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 RCS. 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 RCS 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 RCS, RCS's performance results will no longer be as representative and their illustration value will decrease substantially.

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