

Royce Special Equity Fund



Charlie Dreifus, CFA®
Steven McBoyle

Small-Cap Value Approach¹

\$1.59B
Avg Market Cap²

Low Volatility³

98%
Active Share⁴

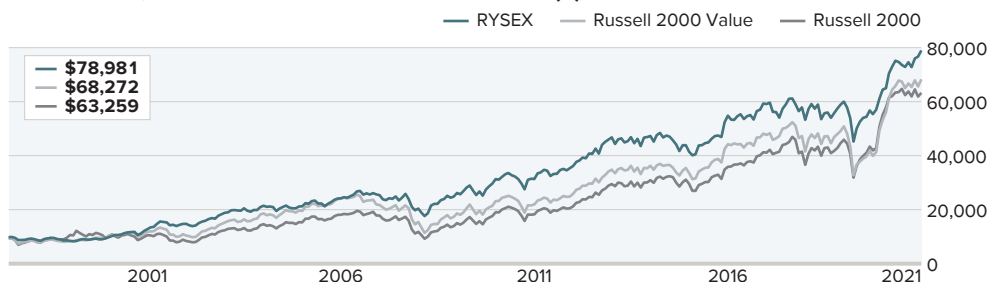
Portfolio Manager Tenure

23+
Years on Fund⁵

Why invest in Royce Special Equity Fund?

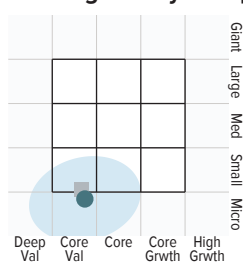
- Small-cap value fund that looks for conservatively managed companies with transparent accounting that have a viable niche or franchise whose stock can be bought below its economic value. Small-cap stocks' market caps are less than the largest stock in the Russell 2000® Index.
- Seeks companies with superior balance sheets, sustainable returns on invested capital, and strong levels of free cash flow from operations, among other attributes
- Average annual total return of 9.1% since inception (5/1/98) through 12/31/21

Value of \$10,000 Invested on 5/1/98 as of 12/31/21 (\$)



Morningstar Style Map™

As of 9/30/21

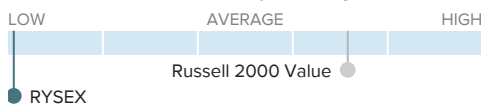


- Weighted average of holdings
- The center 75% of holdings
- Weighted average of holdings for Russell 2000 Value

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 12/31/21

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



Portfolio Diagnostics

2021 Annual Turnover Rate	42%
Weighted Average P/E Ratio ^{6,7}	11.0x
Weighted Average P/B Ratio ⁶	2.2x
Net Assets	\$1,077M
Number of Holdings	36
Non-U.S. Investments (% of Net Assets)	3.9%

Performance and Expenses by Share Class

Average Annual Total Return through 12/31/21 (%)

	4Q2021*	YTD*	1-YR	3-YR	5-YR	10-YR	15-YR	20-YR	SINCE INCEPT. (5/1/98)	ANNUAL OPERATING EXPENSES (%)	
										GROSS	NET
Institutional	8.57	22.70	22.70	14.10	7.66	9.77	8.29	9.60	9.19	1.15	1.15
Investment	8.50	22.50	22.50	14.02	7.58	9.68	8.20	9.52	9.12	1.23	1.23
Service	8.42	22.19	22.19	13.79	7.35	9.43	7.96	9.30	8.94	1.60	1.49
Russell 2000 Value	4.36	28.27	28.27	17.99	9.07	12.03	7.19	9.18	8.45	N/A	N/A
Russell 2000	2.14	14.82	14.82	20.02	12.02	13.23	8.69	9.36	8.11	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. (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.royceinvest.com. Operating expenses for the Investment (RYSEX) or Institutional (RSEIX) Class reflect the Fund's total annual operating expenses and include management fees and other expenses. Gross operating expenses for the Service Class (RSEFX) reflect the Fund's gross total annual operating expenses and include management fees, 12b-1 distribution and service fees, and other expenses. Net operating expenses reflect contractual fee waivers and/or expense reimbursements. All expense information is reported as of the Fund's most current prospectus. Royce & Associates has contractually agreed to waive fees and/or reimburse operating expenses to the extent necessary to maintain the Service Class's net annual operating expenses (excluding brokerage commissions, taxes, interest, litigation expenses, acquired fund fees and expenses, and other expenses not borne in the ordinary course of business) at or below 1.49% through April 30, 2022.

All performance and risk information presented in this material prior to the commencement date of Institutional Class shares on 7/25/03 and Service Class shares on 10/2/03 reflect 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 10/2/03 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.

"A deep understanding of accounting principles gives me a chance to get at the veracity of a company's finances by scrutinizing the financial reports... I spend a lot of time going over the numbers. Frankly, I benefit, because I don't believe everyone does this kind of work."—Charlie Dreifus

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. **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 494 funds as of 12/31/21. 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 Portfolio versus each holding in the benchmark, divided by two. 5. Mr. Dreifus has been the Fund's 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 Portfolio's P/E Ratio calculation uses trailing 12-month earnings and excludes companies with zero or negative earnings (0% of portfolio holdings as of 12/31/21).

Top 10 Positions

% of Net Assets (Subject to Change)

Ingles Markets Cl. A	5.8
Standard Motor Products	5.7
Huntsman Corporation	5.7
Kulicke & Soffa Industries	3.9
Johnson Outdoors Cl. A	3.9
Marcus & Millichap	3.9
John B. Sanfilippo & Son	3.6
H&R Block	3.4
Vishay Intertechnology	3.2
Mueller Industries	2.9

Portfolio Sector Breakdown

% of Net Assets (Subject to Change)

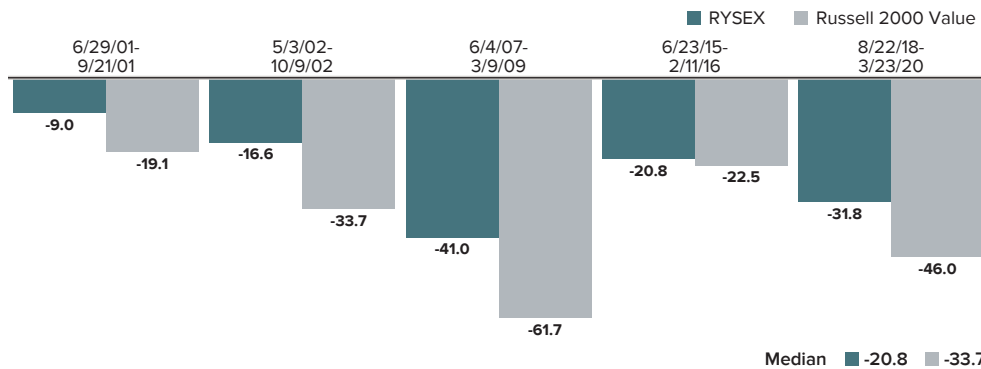
	RYSEX	RUSSELL 2000
Consumer Discretionary	23.3	8.0
Industrials	22.1	15.2
Information Technology	10.7	5.7
Consumer Staples	9.5	3.0
Materials	8.2	4.6
Financials	4.3	26.5
Real Estate	3.9	11.6
Communication Services	2.6	3.6
Health Care	—	10.4
Energy	—	6.5
Utilities	—	5.0
Cash and Cash Equivalents	15.4	—

Calendar Year Total Returns (%)

YEAR	RSE	RUSSELL 2000 VALUE
2021	22.5	28.3
2020	7.4	4.6
2019	12.6	22.4
2018	-9.9	-12.9
2017	7.9	7.8
2016	32.2	31.7
2015	-12.4	-7.5
2014	1.1	4.2
2013	29.4	34.5
2012	15.4	18.1
2011	0.1	-5.5
2010	19.6	24.5
2009	28.4	20.6
2008	-19.6	-28.9
2007	4.7	-9.8

Down Market Performance Comparison (%)

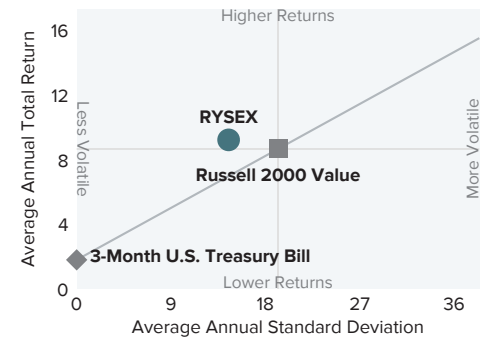
The Fund outperformed the Russell 2000 Value during all five downturns of 15% or more from the index's prior historical high since the Fund's inception.



Long-Term Risk/Return Profile

Fund's First Full Month (5/31/98) to 12/31/21 (%)

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



Relative Risk Adjusted Returns: Monthly Rolling Sharpe Ratios

20 Years Through 12/31/21

On a monthly rolling risk-adjusted basis, the Fund outperformed the Russell 2000 Value in 81% of all 10-year periods and 60% of all 5-year periods.

	PERIODS BEATING THE INDEX		RYSEX AVG*	INDEX AVG*
10-year	98/121	81%	0.56	0.47
5-year	109/181	60%	0.53	0.49

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

Absolute Returns:

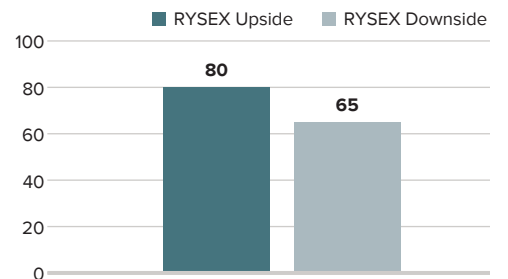
Number of 10-Year Average Annual Return Periods From 5/1/98 to 12/31/21

RYSEX averaged a 9.1% return over all 164 10-year monthly rolling return periods.

RETURN RANGE (%)	PERIODS	% IN RANGE
> 10	43	26
> 5 and ≤ 10	120	73
> 0 and ≤ 5	1	1
≤ 0	0	0

Upside/Downside Capture Ratio

Fund's First Full Quarter (6/30/98) to 12/31/21 (%)



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.) As of 12/31/21, the Fund invested 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 of these stocks would cause the Fund's overall value to decline to a greater degree.

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 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 client account's total returns have varied over time. The greater the standard deviation, the greater a portfolio's volatility. Please read the prospectus for a more complete discussion of risk. 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 Value). 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 Value). 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. 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 consists 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. 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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