

# A distinctive approach to an attractive asset class

## Franklin Royce Global Small Cap Premier Fund

October 2025

### Fund description

Invests primarily in global small-cap stocks that Royce believes are “premier” small-cap companies, i.e., those with discernible competitive advantages, high returns on invested capital, and a sustainable franchise. Global small cap companies are those similar in size to companies in the MSCI All Country World (ACWI) Small Cap Index.

### Reasons to invest



#### Higher return potential

Global small cap stocks have delivered higher returns than global large cap stocks over multi-year time periods (e.g. three years or more) with less incremental risk compared to large caps than many investors realize.<sup>1</sup>



#### Low research coverage

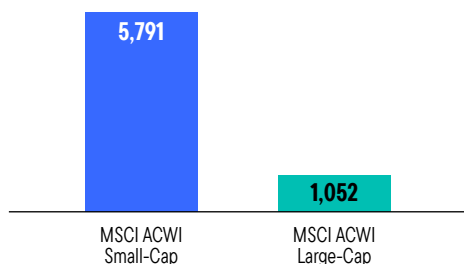
Many global small cap stocks have little or no analytical coverage from brokerage firms, potentially increasing the opportunity to find high quality companies selling at valuations that Royce believes understates their true value.

### An attractive universe

#### A Large Opportunity Set

##### Global Small-Cap Vs. Large-Cap Number of Companies<sup>1</sup>

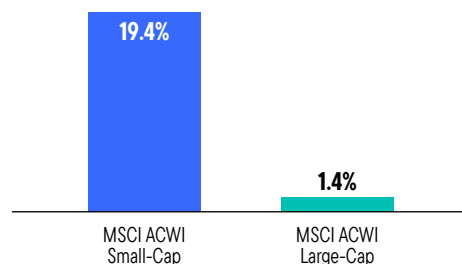
As of September 30, 2025



#### An Inefficient Asset Class

##### % of Global Stocks with Little or No Analyst Coverage<sup>1,2</sup>

As of September 30, 2025



#### Why consider global small cap equities

An opportunity set  
**4 times larger**  
than large-caps

Lower research coverage  
provides  
**alpha opportunities**

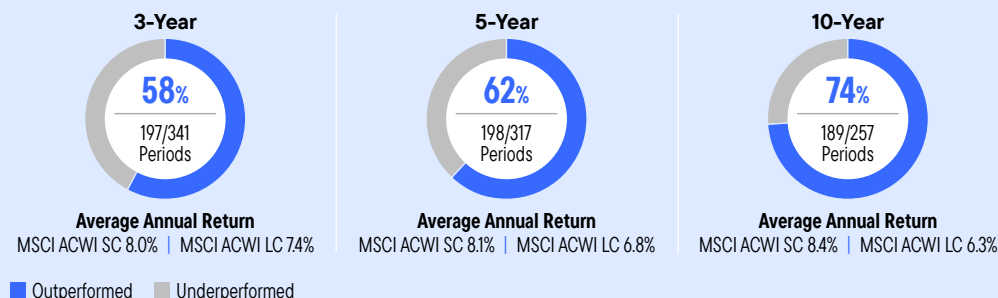
#### How have global small-caps done vs. global large-caps?

Global small-caps have a consistent history of beating global large-caps over multiple rolling time period.

#### Batting Average of MSCI ACWI Small-Cap Index Vs. MSCI ACWI Large-Cap

##### Monthly Rolling Average Annual Return Periods

From the Index Inception (May 31, 1994) Through to September 30, 2025<sup>1</sup>



1. Source: MSCI. The chart shown for illustrative purposes only and does not reflect the past performance, or project the future performance, of any investment. The performance of an index, such as those used above, does not represent any particular investment as you can not invest in an index.

2. Coverage ≤1.

What is the fund's approach?

Seeks to invest in high-quality companies with discernible competitive advantages, high returns on invested capital, and sustainable franchises.



Stock driven

An actively managed core global small cap strategy driven by fundamental, bottom-up research



Global universe

Diversified portfolio typically investing in 60-85 global stocks



Focus on quality

Invests in leading quality companies that demonstrate persistently high returns on invested capital and low debt

Why Royce?

Pioneers of small-cap investing with more than 50 years of investment success

**Founded in 1972**

**28+ years average**  
PM industry experience\*

**\$10.9B in AUM**  
(USD)\*

**\$102M**  
Employee Investment\*

Portfolio management



**Mark Rayner, CA**  
Co-Lead Portfolio Manager  
London, UK  
**18 years at Royce**  
**39 years industry experience**



**Steven McBoyle**  
Co-Lead Portfolio Manager  
New York, NY, USA  
**18 years at Royce**  
**35 years industry experience**



**Lauren Romeo, CFA**  
Portfolio Manager  
New York, NY, USA  
**21 years at Royce**  
**32 years industry experience**



**Mark Fischer**  
Portfolio Manager  
New York, NY, USA  
**5 years at Royce**  
**18 years industry experience**



**Small-Cap Equity:** Known for its disciplined, value-oriented approach to managing small-caps. An asset class pioneer, the firm's founder is one of the longest-tenured active managers in the industry.

Performance (%) – Series F

As of October 31, 2025

Fund/Benchmark	3 Months	YTD	1-Year	3-Years	5-Years	10-Years	Since Inception (11/24/2000)
Franklin Royce Global Small Cap Premier Fund	0.95	6.37	7.81	8.19	6.35	5.79	6.63
Global Small-/Mid-Cap Equity Category	6.92	15.16	16.75	14.86	9.27	7.06	N/A

\*As of September 30, 2025. Royce officers, employees, and their families have approximately \$99 million invested in The Royce Funds and similarly managed strategies and vehicles. CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

# Select fund codes & Management Expense Ratio (MER)

As of June 30, 2025

Fee Type	Fund Series	CDN\$	US\$	MER (%)
Commission-Based	Series A—Front End	TML707	TML806	2.35
Fee-Based	Series F	TML747	TML754	1.25
	Series F—ADM†	TML5022	TML5044	
	Series I	TML787	TML798	1.76
Negotiated Fee	Series O	TML169	TML178	Negotiated

†“ADM” refers to the Investment Advisory Services Fee purchase option for Series F, FT, PF, PF (Hedged) and PFT. Please see the simplified prospectus for further details.

To learn more about Franklin Royce Global Small Cap Premier Fund and how your investment portfolio can benefit from the global small cap asset class, please contact your financial advisor or visit: [www.franklintempleton.ca](http://www.franklintempleton.ca).

Effective August 9, 2021, Royce & Associates, LP (operating as Royce Investment Partners) (“Royce”) replaced Templeton Investment Counsel, LLC as the sub-advisor to Franklin Royce Global Small Cap Premier Fund (formerly Templeton Global Smaller Companies Fund). Royce is an affiliate of the Manager.

Effective August 9, 2021, Templeton Global Smaller Companies Fund has been renamed Franklin Royce Global Small Cap Premier Fund. The investment objective of the fund remains the same. Certain investment strategies have changed. Please refer to Amendment No.1 to the Simplified Prospectus for the fund, dated June 24, 2021, for further details.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or fund facts document before investing. The indicated rates of return are historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Effective May 19, 2022, all DSC and LL fund codes are closed to new investments. Switches between DSC and LL funds will continue to be permitted. Series F is available to investors participating in programs that do not require Franklin Templeton to incur distribution costs in the form of trailing commissions to dealers. As a consequence, the management fee on Series F is lower than on Series A.

Royce & Associates, LP and Legg Mason Investor Services LLC, are both wholly-owned subsidiaries of Franklin Resources, Inc.



Franklin Templeton Canada  
200 King Street West, Suite 1400  
Toronto, ON M5H 3T4

(800) 387-0830  
[franklintempleton.ca](http://franklintempleton.ca)