

# Legg Mason Royce US Small Cap Opportunity Fund Class A Acc. (USD)



## Fund details

### Investment aim:

The Fund seeks to achieve long-term capital appreciation by investing at least 70% of its Net Asset Value in a diversified portfolio of equity securities issued by small- and micro-cap U.S. companies (market capitalisations of less than US\$2.5 billion). The Sub-Investment Manager attempts to take advantage of what it believes are opportunistic situations for undervalued securities.

**The value of investments and the income from them may go down as well as up and you may not get back the amount you originally invested.**

<b>Fund inception date:</b>	08.11.2002
<b>Performance inception date:</b>	09.05.2007
<b>Reference Benchmark:</b>	Russell 2000 Index
<b>ISIN</b>	IE00B19Z4B17
<b>SEDOL</b>	B19Z4B1

## Charges

Minimum initial investment	1,000 USD
Entry charge	5.00%
Exit charge	None
Ongoing charge	1.98%
Performance fee	None

## Risk and reward profile\*



## Portfolio statistics

Total net assets	93758m USD
Month end NAV	170.57 USD
Number of holdings	256
Percentage of top ten holdings	10.15
Weighted average market cap	1,337.17m USD

## 3-year risk statistics (annualized)\*

Sharpe ratio (%)	0.35
Treynor ratio	5.42
Tracking error (%)	5.58
Information ratio	-0.48
Risk adjusted alpha	-3.05
Beta	1.11
R-squared	0.90
M-squared	5.41
Standard deviation (%)	17.20

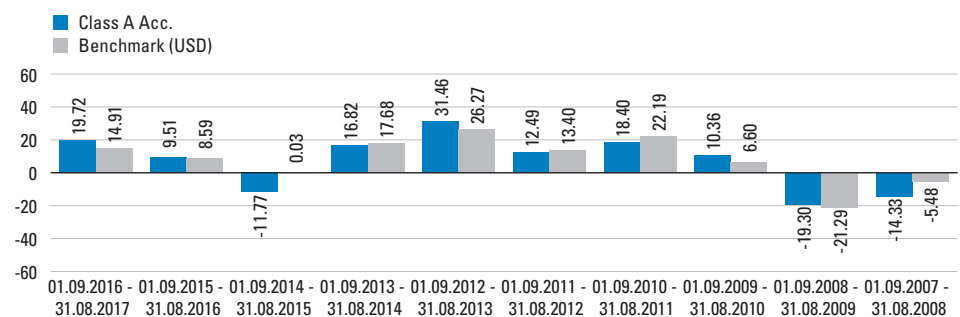
## Cumulative performance (%)

	YTD	1-Mon	3-Mon	1-Yr	3-Yr	5-Yr	Since inception
<b>Class A Acc.</b>	<b>7.04</b>	<b>-0.89</b>	<b>3.60</b>	<b>19.72</b>	<b>15.66</b>	<b>77.62</b>	<b>70.57</b>
Benchmark (USD)	4.42	-1.27	2.90	14.91	24.83	85.48	94.30

## Calendar year performance (%)

	2016	2015	2014	2013	2012
<b>Class A Acc.</b>	<b>28.83</b>	<b>-13.78</b>	<b>-2.18</b>	<b>40.50</b>	<b>21.47</b>
Benchmark (USD)	21.31	-4.41	4.89	38.82	16.35

## Rolling 12 months performance (%)



**Past performance is not a reliable indicator of future results.** Source for performance figures - Legg Mason. NAV to NAV, with gross income reinvested without initial charges but reflecting annual management fees. Sales charges, taxes and other locally applied costs have not been deducted.

## Top holdings (%)

KEMET Electronics Corp.	1.11	Meritor Inc	0.99
Comtech Telecommunications	1.10	Commercial Metals	0.98
Kratos Defense & Security Solutions	1.08	General Cable Corp.	0.97
Allegheny Technologies Inc.	1.02	Microsemi Corp.	0.96
Dana Holding Corporation	1.02	Kulicke & Soffa Industries, Inc.	0.93

## Sector breakdown (%)

Industrials	25.58	Energy	5.15
Information Technology	24.71	Real Estate	1.31
Consumer Discretionary	12.72	Consumer Staples	1.06
Materials	10.02	Telecommunication Services	0.50
Health Care	8.56	Utilities	0.05
Financials	6.95	Cash & Cash Equivalents	3.39

## Value themes (%)

Undervalued Growth	34.96	Interrupted Earnings	20.35
Turnarounds	28.83	Unrecognized Asset Values	15.85

\* Refer to the Definitions section on page 2

Percentages are based on total portfolio as of date displayed and are subject to change at any time. Holdings and allocations breakdowns are provided for information purposes only and should not be deemed a recommendation to buy or sell the securities mentioned or securities in the industries shown.

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## Market cap exposure (%) (in millions)

\$5,000 - \$10,000	2.02
\$2,500 - \$5,000	9.09
\$1,000 - \$2,500	42.65
\$750 - \$1,000	8.13
Less than \$750	38.11

## Investment risks

The fund does not offer any capital guarantee or protection and you may not get back the amount invested.

**The fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:**

**Investment in company shares:** The fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

**Geographical focus:** This fund invests primarily in the United States, which means that it is more sensitive to local economic, market, political or regulatory events in the United States, and will be more affected by these events than other funds that invest in a broader range of regions.

**Investment in smaller company shares:** The fund buys shares in smaller companies. It may be difficult to sell these shares, in which case the fund may not be able to minimise a loss on such shares.

**Fund operations:** The fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

For further explanation on the risks associated with an investment in the fund, please refer to the section entitled "Risk Factors" in the base prospectus and "Primary Risks" in the fund supplement.

A temporary negative cash position may be due to (1) unsettled trade activity (2) permitted purposes, such as borrowing or derivatives use, if allowed by the prospectus.

## Definitions

**Risk and reward profile:** There is no guarantee that the fund will remain in the indicator category shown above and the categorisation of the fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this fund. The lowest category does not mean a risk-free investment. The fund does not offer any capital guarantee or protection.

**Sharpe ratio:** A risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance. **Treynor ratio:** Measure of risk adjusted portfolio performance where Beta acts as a proxy for the level of risk associated with a given portfolio. **Tracking error:** Dispersal of differences between the returns obtained by the Fund and the benchmark variation. **Information ratio:** The ratio of annualized expected residual return to residual risk. **Risk adjusted alpha:** Measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta:** Measures the sensitivity of the fund to the movements of its benchmark. **R-Squared:** Measures the strength of the linear relationship between the fund and its benchmark. RSquared at 1.00 implies perfect linear relationship and zero implies no relationship exists. **M-Squared:** A measure of portfolio risk, the Modigliani ratio serves to adjust for the risk that a given portfolio takes in excess of the risk-free rate. **Standard deviation:** Measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

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## Important information

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