

ROYCE VALUE TRUST INC  
Form N-CSR  
March 02, 2016

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM N-CSR**

CERTIFIED SHAREHOLDER REPORT  
OF  
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act File Number: 811-04875

Name of Registrant: Royce Value Trust, Inc.

Address of Registrant: 745 Fifth Avenue  
New York, NY 10151

Name and address of agent for service: John E. Denneen, Esquire  
745 Fifth Avenue  
New York, NY 10151

Registrant's telephone number, including area code: (212) 508-4500

Date of fiscal year end: December 31

Date of reporting period: January 1, 2015 - December 31, 2015

**Item 1. Reports to Shareholders.**

DECEMBER 31, 2015  
Report to Stockholders

## 2015 Annual Review and

### A Few Words on Closed-End Funds

**Royce & Associates, LLC manages three closed-end funds: Royce Value Trust, which invests primarily in small-cap securities; Royce Micro-Cap Trust, which invests primarily in micro-cap securities; and Royce Global Value Trust, which invests in both U.S. and non-U.S. small-cap stocks.** A closed-end fund is an investment company whose shares are listed and traded on a stock exchange. Like all investment companies, including open-end mutual funds, the assets of a closed-end fund are professionally managed in accordance with the investment objectives and policies approved by the fund's Board of Directors. A closed-end fund raises cash for investment by issuing a fixed number of shares through initial and other public offerings that may include shelf offerings and periodic rights offerings. Proceeds from the offerings are invested in an actively managed portfolio of securities. Investors wanting to buy or sell shares of a publicly traded closed-end fund after the offerings must do so on a stock exchange, as with any publicly traded stock. Shares of closed-end funds frequently trade at a discount to their net asset value. This is in contrast to open-end mutual funds, which sell and redeem their shares at net asset value on a continuous basis.

#### A Closed-End Fund Can Offer Several Distinct Advantages

A closed-end fund does not issue redeemable securities or offer its securities on a continuous basis, so it does not need to liquidate securities or hold uninvested assets to meet investor demands for cash redemptions.

In a closed-end fund, not having to meet investor redemption requests or invest at inopportune times can be effective for value managers who attempt to buy stocks when prices are depressed and sell securities when prices are high.

A closed-end fund may invest in less liquid portfolio securities because it is not subject to potential stockholder redemption demands. This is potentially beneficial for Royce-managed closed-end funds, which invest primarily in small- and micro-cap securities.

The fixed capital structure allows permanent leverage to be employed as a means to enhance capital appreciation potential.

Royce Value Trust and Royce Micro-Cap Trust distribute capital gains on a quarterly basis. Each of these Funds has adopted a quarterly distribution policy for its common stock.

We believe that the closed-end fund structure can be an appropriate investment for a long-term investor who understands the benefits of a more stable pool of capital.

#### Why Dividend Reinvestment Is Important

A very important component of an investor's total return comes from the reinvestment of distributions. By reinvesting distributions, our investors can maintain an undiluted investment in a Fund. To get a fair idea of the impact of reinvested distributions, please see the charts on pages 12 and 13. For additional information on the Funds' Distribution Reinvestment and Cash Purchase Options and the benefits for stockholders, please see page 14 or visit our website at [www.roycefunds.com](http://www.roycefunds.com).

#### Managed Distribution Policy

The Board of Directors of each of Royce Value Trust and Royce Micro-Cap Trust has authorized a managed distribution policy (MDP). Under the MDP, Royce Value Trust and Royce Micro-Cap Trust pay quarterly distributions at an annual rate of 7% of the average of the prior four quarter-end net asset values, with the fourth quarter being the greater of these annualized rates or the distribution required by IRS regulations. With each distribution, the Fund will issue a notice to its stockholders and an accompanying press release that provides detailed information regarding the amount and composition of the distribution (including whether any portion of the distribution represents a return of capital) and other information required by a Fund's MDP. You should not draw any conclusions about a Fund's investment performance from the amount of distributions or from the terms of a Fund's MDP. A Fund's Board of Directors may amend or terminate the MDP at any time without prior notice to stockholders; however, at this time there are no reasonably foreseeable circumstances that might cause the termination of any of the MDPs.

This page is not part of the 2015 Annual Report to Stockholders

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## Letter to Our Stockholders

### GOODBYE TO ALL THAT

It was the sort of year that, when you first look at the final equity market returns, might seem unexceptional, almost quiet. **It is only when plugged into the context of the long, mostly bullish market since March 2009 that 2015's more muted results begin to make more sense** — one could even be forgiven for wondering why the losses for the major domestic stock indexes were not steeper than they were at the end of December, considering the heights to which most indexes ascended following the end of the Financial Crisis. Yet the mostly single-digit losses that marked 2015 were the first negative calendar-year returns for small-caps since 2011 (as measured by the Russell 2000 Index). For their part, large-caps, as measured by the Russell 1000 and S&P 500 Indexes, had low single-digit positive returns.

**An equally important contextual piece is the larger macro situation and few stock market cycles have been shaped as deeply as the current period has been by forces beyond the companies themselves.** So while factors such as interest rates, commodity prices, technological innovation, consumer confidence, and the like always influence the movement of share prices to some extent, the fragility of the global economy in the years following the crisis has resulted in levels of central bank and other government interventions not seen since The Great Depression. These actions were almost assuredly necessary to keep the economy afloat. At the same time, however, these policies — particularly zero interest rates and quantitative easing — had significant unintended consequences. And only now, a full seven years after the tumult, is the situation in the U.S. slouching toward something resembling the Old Normal — that is, a business cycle in which access to credit is more constrained, borrowing has a cost (however low) and both financial health and profitable execution are likely to matter to investors. **To be sure, the road back has proved both longer and more winding than any of us could have foreseen at almost any point over the last seven years.** At this writing in January of 2016 we know the path in front of us will have its own share of formidable challenges as we embark on the latest leg of the journey.

As equity investors, we find ourselves in a curious, ambiguous place. The number of risks affecting share prices (among other things) is long and somewhat chilling: Weak commodity prices, flagging currency in China, elevated credit concerns, and geopolitical instability. By year-end, the spread between the U.S. 10-Year note and the Two-Year note — which, when it inverts, often signals recession — had narrowed to a point near the bottom of its six-year range at about 122 basis points. Still far from inverted, it is worth keeping an eye on. We also saw widening credit spreads, a growing number of defaults, and additional signs of a potential credit crunch, especially in the energy industry. Our concerns over credit only intensified in light of the market's mild reaction to the Fed's hike on December 16. The situation is of particular interest and concern to us as small-cap specialists. As has been the case historically, a significant deterioration in access to capital would likely have a larger negative impact on small-caps, especially those carrying excess leverage. Of course, this development could also produce an advantage for more conservatively capitalized small-cap businesses — and we own plenty across our value, core, and growth

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strategies. **This is one facet of what we believe is a strong case for disciplined, contrarian, bottom-up small-cap approaches that put a premium on managing risk. More widespread success for these kinds of approaches would be a welcome departure from 2015, to which we are happy to say, Goodbye and good riddance.**

### **A WILD RIDE TO NOWHERE**

Our own Charlie Dreifus described 2015 as a wild ride to nowhere. We can think of no more fitting way to characterize the year, which was distinguished by high volatility and broadly divergent sector and industry results. **The market's indecision and frustration displayed itself with 19 crossings back and forth over the flat line for the S&P 500.** There were single-digit gains in 2015 for a few global and domestic indexes and single-digit losses for several more. The important exceptions to the downward trend were the Nasdaq Composite, U.S. large-caps, and European issues small-caps in particular. The Nasdaq Composite was the clear domestic leader in 2015, while the large-cap Russell 1000 and S&P 500 just barely escaped a volatile and bearish December to finish with modestly positive results.

Within our chosen specialty of small-cap stocks, there were strong returns within the Russell 2000 for Health Care and discrete, more growth-oriented pockets of Information Technology that were accompanied by losses for each of the index's eight remaining equity sectors, including Energy, Materials, Industrials, and Consumer Discretionary. Along with Information Technology, those four sectors have been among our largest portfolios weightings and/or

substantial overweights versus all three of our closed-end Funds' respective benchmarks over the last few years. One can get a sense of how confounding 2015 was by noting the confluence of losses for Energy and Consumer Discretionary in the Russell 2000, which defied the historical trend of low energy prices creating widespread demand for discretionary purchases. Indeed, traditional retail stocks were a particular source of red ink for the sector, in spite of consumer confidence remaining high and select, mostly large online companies scoring significant successes. In fact, the 4.4% decline for the Russell 2000 masks just how challenging it was to find strong small-cap performers, especially outside the bio-pharma complex. The difficulty becomes clearer in the context of the small-cap index's decline of 10.1% on an equal-weighted basis in 2015. (Similarly, the S&P 500 was also down on an equal-weighted basis, falling 2.2% for the calendar year.)

Looking within small-cap from a style perspective reveals another year in which the Russell 2000 Growth Index, which was down 1.4%, outpaced the Russell 2000 Value Index, which lost 7.5%. Yet small-cap value actually fared better than its growth sibling during the third-quarter correction, losing 10.7% versus 13.1%. Perhaps more interestingly to us, at least small-cap value led from the July 17, 2015 high for small-cap non-earners through year-end, falling 8.0% compared to an 11.3% decline for small-cap growth. Down and flat markets have historically favored value, as well as other valuation-focused approaches, so it was reassuring to see that pattern recur, however briefly, in 2015. The last decade, after all, has belonged to small-cap growth. The Russell 2000 Growth beat the Russell 2000

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### **Equity Indexes** As of December 31, 2015 (%)

**The Calendar Year Was a Wild Ride To Nowhere** 2015 saw single-digit losses for a number of global and domestic indexes. The important exceptions to these mostly modest equity declines came from U.S. large-caps, the Nasdaq Composite, international small-caps, and European issues (especially small-caps).

**Longer-Term Perspective** Returns Moving Lower Toward More Historically Typical Levels Three- and five-year returns remained higher than their long-term rolling averages but were down noticeably from where they were for the same periods through 6/30/15. Large-cap led for the three- and five-year periods ended 12/31/15, followed for both periods by the Russell Midcap, Russell Microcap, and Russell 2000. The Russell 2000 Growth outpaced the Russell 2000 Value for the three- and five-year periods ended 12/31/15.

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|                                  |             |             |              |              |                                  |       |       |       |                    |                          |       |       |       |         |
|----------------------------------|-------------|-------------|--------------|--------------|----------------------------------|-------|-------|-------|--------------------|--------------------------|-------|-------|-------|---------|
| <b>1-YR</b>                      | <b>3-YR</b> | <b>5-YR</b> | <b>10-YR</b> | Russell 2000 | -4.41                            | 11.65 | 9.19  | 6.80  | Russell 2000 Value | -7.47                    | 9.06  | 7.67  | 5.57  | Russell |
| 2000 Growth                      | -1.38       | 14.28       | 10.67        | 7.95         | S&P 500                          | 1.38  | 15.13 | 12.57 | 7.31               | Russell 1000             | 0.92  | 15.01 | 12.44 | 7.40    |
| Nasdaq Composite                 | 5.73        | 18.37       | 13.55        | 8.55         | Russell Midcap                   | -2.44 | 14.18 | 11.44 | 8.00               | Russell Microcap         | -5.16 | 12.70 | 9.23  | 5.13    |
| Russell Global ex-U.S. Small Cap | 0.50        | 4.32        | 1.87         | 4.40         | Russell Global ex-U.S. Large Cap | -5.02 | 2.07  | 1.40  | 3.25               | Russell Europe Small Cap | 9.37  | 10.97 | 6.69  | 5.76    |

For details on The Royce Funds performance in the period, please turn to the Managers Discussions that begin on page 8.

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### LETTER TO OUR STOCKHOLDERS

Value for the third consecutive year as of the end of 2015, and finished ahead in seven of the last 10 calendar years, resulting in a historically wide margin of outperformance on a trailing 10-year basis through the end of 2015. **As long-time believers in mean reversion, we suspect that leadership from value will be the more likely relative performance pattern going forward.** (Certainly that has been the case through January the Russell 2000 Value Index has thus far held up better than its growth counterpart.)

### WHERE ARE WE NOW?

The question is: Where are we now? We first want to stress that while the equity and other capital markets are under pressure, not all the news is grim. Several notable bright spots are present that militate against the rising wave of recessionary anxieties: job growth in the U.S. remains steady, while real incomes, as well as expectations, have risen. Perhaps more important is the fact that household formations picked up in 2015 and many expect them to rise again in 2016. **The economy also received a probable boost late in December when the government passed a budget deal that increased spending and put business tax credits in place. These moves, which could add as much as 0.7% to U.S. GDP in 2016, could also help areas as diverse as technology, defense, consumer, and nonresidential construction.** With so much of the global spotlight on China, it's also worth mentioning that the U.S. economy remains by far the world's largest and has little dependence on that of China.

That being said, many investors are understandably anxious over the 4 Cs of commodities, currency, credit, and China worries that were intense even before the massive sell-off that opened 2016. As mentioned, we peg the troubled state of the credit markets as the greatest concern for small-cap investors, especially in the near term. **Yet we also believe that these uncertain conditions offer fertile ground for disciplined stock pickers (though January's ground probably felt more like quicksand for many).** The driving force behind each of our distinct investment strategies—value, growth, and core—is a bottom-up approach, the result of our firm conviction that deep knowledge of companies and their industry dynamics ultimately matters more than the larger macro picture. While the last five years have not been kind to these approaches, we think the seismic shifts in the markets of late are another sign that the next five years will be different.

In addition to the tightening credit climate, we think that the world is moving out of an intensely macro-focused phase into a more historically typical period that will feature lower equity returns. Long-term returns for the Russell 2000 have shifted from spectacular highs to levels more in line with their historical averages. **We think returns for the next three-to-five years will be positive, but lower than, or close to, their long-term average. In this environment, we expect leadership to come from companies with low leverage, high returns on invested capital, and other financial and/or operational strengths, which should bode well for many of our holdings in more cyclical areas.** So while there may be additional pain for many small-caps in the initial phase of a significant credit or other market-rocking event, we think financially self-supporting companies should emerge in far better condition than their more highly leveraged and/or less profitable peers. Earnings will matter. Their increasing importance should cause a shift in small-cap leadership away from unprofitable or money-losing businesses toward profitable ones. **We see earnings growth, as opposed to P/E expansion, driving market returns as stocks seek to regain their balance later in 2016.**

To be sure, we saw evidence of positive change during January 2016. As equity prices were falling at an alarming rate, our three closed-end portfolios held up very well. In fact, each outpaced their respective benchmarks in January. In addition, Royce Value Trust outperformed the Russell 2000 on an NAV basis for the one-year period ended January 31, 2016. While not wanting to make too much of a short-term period, these developments bolster our optimism for better times ahead.



Sincerely,



Charles M.

Royce Christopher D. Clark Francis D. Gannon *Chief Executive Officer, President and Co-Chief Investment Officer, Co-Chief Investment Officer, Royce & Associates, LLC Royce & Associates, LLC Royce & Associates, LLC* January 31, 2016  
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## Performance

| NAV Average Annual Total Returns As of December 31, 2015 (%) |          |                       |        |       |           |       |                        |          |              |       | SINCE INCEPTION |                   |                    |       | 1-YR  | 3-YR |     |     |     |
|--|----------|-----------------------|--------|-------|-----------|-------|------------------------|----------|--------------|-------|-----------------|-------------------|--------------------|-------|-------|------|-----|-----|-----|
| 5-YR   | 10-YR    | 15-YR                 | 20-YR  | 25-YR | INCEPTION | DATE  |                        |          |              |       |                 |                   |                    |       |       |      |     |     |     |
| -3.21  | 10/17/13 | Royce Micro-Cap Trust | -11.72 | 9.73  | 7.43      | 6.12  | 9.30                   | 10.01    | N/A          | 10.33 | 12/14/93        | Royce Value Trust | -3.44              | N/A   | N/A   | N/A  | N/A | N/A | N/A |
| -8.09  | 7.51     | 5.22                  | 5.19   | 7.57  | 9.30      | 11.12 | 10.03                  | 11/26/86 | <b>INDEX</b> |       |                 |                   | Russell 2000 Index | -4.41 | 11.65 |      |     |     |     |
| 9.19   | 6.80     | 7.28                  | 8.03   | 10.50 | N/A       | N/A   | Russell Microcap Index | -5.16    | 12.70        | 9.23  | 5.13            | 7.99              | N/A                | N/A   | N/A   | N/A  | N/A | N/A | N/A |
|  |          |                       |        |       | -1.78     | 6.91  | 4.35                   | 5.10     | 7.65         | N/A   | N/A             | N/A               | N/A                | N/A   | N/A   | N/A  | N/A | N/A | N/A |

### Important Performance and Risk Information

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All performance information in this *Review and Report* reflects past performance, is presented on a total return basis, net of the Fund's investment advisory fee, and reflects the reinvestment of distributions. 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 sold. Current performance may be higher or lower than performance quoted. Current month-end performance may be obtained at [www.roycefunds.com](http://www.roycefunds.com). The Funds are closed-end registered investment companies whose respective shares of common stock may trade at a discount to the net asset value. Shares of each Fund's common stock are also subject to the market risk of investing in the underlying portfolio securities held by each Fund. Certain immaterial adjustments were made to the net assets of Royce Micro-Cap Trust at 12/31/12, as well as 12/31/14, for financial reporting purposes, and as a result the net asset value originally calculated on that date and the total return based on that net asset value differs from the adjusted net asset value and total return reported in the Financial Highlights. All indexes referenced are unmanaged and capitalization-weighted. Each index's returns include net reinvested dividends and/or interest income. 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 Index is an index of domestic small-cap stocks that measures the performance of the 2,000 smallest publicly traded U.S. companies in the Russell 3000 Index. The Russell Microcap Index includes 1,000 of the smallest securities in the small-cap Russell 2000 Index, along with the next smallest eligible securities as determined by Russell. The Russell Global Small Cap Index is an unmanaged, capitalization-weighted index of global small-cap stocks. The performance of an index does not represent exactly any particular investment, as you cannot invest directly in an index. Index returns include net reinvested dividends and/or interest income. Royce Value, Micro-Cap and Global Value Trust shares of common stock trade on the NYSE. Royce Fund Services, Inc ( RFS ) is a member of FINRA and has filed this *Review and Report* with FINRA on behalf of each Fund. RFS is not an underwriter or distributor of any of the Funds.

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## MANAGER'S DISCUSSION Royce Global Value Trust (RGT)

### Chuck Royce FUND PERFORMANCE

**Royce Global Value Trust (NYSE: RGT) fell 3.4% on an NAV (net asset value) basis and lost 6.1% on a market price basis in 2015, lagging its unleveraged benchmark, the Russell Global Small Cap Index, which declined 1.8% for the same period.** The Fund struggled on a relative basis through much of the year. For the year-to-date period ended June 30, 2015, RGT gained 5.6% on an NAV basis and 3.4% on a market price basis versus a gain of 6.4% for the Russell Global Small Cap for the same period. Stocks then suffered a sweeping correction in the third quarter, with many global and domestic indexes enduring double-digit losses. The Fund underperformed in the third quarter, down 12.4% on an NAV basis and 15.6% on a market price basis versus a decline of 11.6% for the Russell Global Small Cap Index. During the fourth quarter, RGT participated fully when stocks first rebounded in October, slipped behind its benchmark in November, and held its value better when markets turned down again in December. For the fourth quarter as a whole, the Fund increased 4.3% based on NAV and advanced 7.7% based on market price while the Russell Global Small Cap rose 4.4%.

**WHAT WORKED... AND WHAT DIDN'T** In many cases, the most important factor for our holdings was what did not happen – economies across the globe failed to accelerate with the kind of speed that would drive investors toward the more cyclical areas where we have been most actively investing. This effect was particularly noticeable for holdings in Materials, Information Technology, and Energy – three economically sensitive sectors that also posted the most significant net losses in 2015. A certain pace of growth must be present to key more robust performance for many cyclical businesses, and we simply did not see enough of it in 2015. Against this backdrop, we continued to focus on companies that in our analyses showed a combination of attractive valuation, balance sheet strength, and/or promising growth prospects.

Net losses for the Information Technology sector were spread across a number of positions and industry groups. The largest net losses for the latter came from software, electronic equipment, instruments & components, and semiconductors & semiconductor equipment companies. However, the portfolio's most significant detractor at the industry level was the metals & mining group. On the positive side, Health Care made a notable positive contribution, driven by strong net gains in the health care equipment & supplies group.

At the position level, New World Department Store China posted the largest net losses, its sales slowed by the decelerating economy on the mainland. We held a small position at year-end. Dundee Corporation is a holding company based in Toronto that is involved in investment advisory, corporate finance, energy, resources, agriculture, real estate, and infrastructure. The company also holds investment portfolios in these areas. Its stock was hurt by significant exposure to the weakened commodity markets in 2015. Liking its long-term prospects, we built our stake in 2015. We acted similarly, though on a larger scale, with top-10 holding Genworth MI Canada. Shares of this residential mortgage insurer often move with energy prices, and ongoing concerns about mortgage losses in the energy-dominated western Canada continued to push its price down. True to our contrarian nature, we suspect the bulk of those losses have already been priced in.

RGT's top contributor was Japan's Relo Holdings, which provides corporate fringe benefit outsourcing services, including maintenance and management services for expatriates' homes. We like its niche business, history of raising dividends, and steady company growth throughout 2015. We took gains at various times through the year. Italy's De'Longhi owns a collection of consumer brands in the domestic appliance market, such as coffee makers, food processors, electric ovens, kettles, toasters, and more. Growing revenues and expanding margins, driven in part by the increasing popularity of its home espresso machines, helped draw investors to its shares. We held a good-sized position at year-end.

On a relative basis, the Fund was hurt most by Information Technology, mostly by ineffective stock selection in the software and semiconductors & semiconductor equipment industries. Conversely, stock selection was a strength both in Industrials and Health Care versus the Russell Global Small Cap.

#### Top Contributors to Performance

|                          |               |            |           |                                 |                       |      |                |
|--------------------------|---------------|------------|-----------|---------------------------------|-----------------------|------|----------------|
| For 2015(%) <sup>1</sup> | Relo Holdings | 0.70       | De Longhi | 0.58                            | Santen Pharmaceutical | 0.45 | Value Partners |
| Group                    | 0.41          | VZ Holding | 0.38      | <sup>1</sup> Includes dividends |                       |      |                |

#### Top Detractors from Performance

|                          |                                  |              |                          |                               |             |
|--------------------------|----------------------------------|--------------|--------------------------|-------------------------------|-------------|
| For 2015(%) <sup>2</sup> | New World Department Store China | -0.68        | Dundee Corporation Cl. A | -0.55                         | Genworth MI |
| Canada                   | -0.47                            | Stallergenes | -0.40                    | Coronation Fund Managers      | -0.34       |
|                          |                                  |              |                          | <sup>2</sup> Net of dividends |             |

**CURRENT POSITIONING AND OUTLOOK** We expect reversals in a number of trends that should help benefit many portfolio holdings over the next few years. Our own research and regular meetings with confident management teams have made us comfortable with a contrarian, pro-cyclical bias for the portfolio. Moreover, we suspect that the protracted leadership of growth over value stocks is likely to reverse in 2016 and that companies with better balance sheets will do well in an environment of elevated corporate bond spreads. We also expect the combined effects of these reversals to put the market's focus squarely on the attributes we emphasize, which we think are overdue for recovery.

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#### PERFORMANCE AND PORTFOLIO REVIEW SYMBOLS MARKET PRICE RGT NAV XRGTX

|                    |  |                             |             |                                   |     |
|--------------------|--|-----------------------------|-------------|-----------------------------------|-----|
| <b>Performance</b> | Average Annual Total Return (%) Through 12/31/15 | <b>JUL-DEC 2015</b>         | <b>1-YR</b> | <b>SINCE INCEPTION (10/17/13)</b> | RGT |
| (NAV)              | -8.58 -3.44 -3.21                                | <sup>1</sup> Not Annualized |             |                                   |     |

#### Market Price Performance History Since Inception (10/17/13)

Cumulative Performance of Investment<sup>1</sup>

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**1-YR**   **5-YR**   **10-YR**   **15-YR**   **20-YR**   **SINCE INCEPTION (10/17/13)**   **RGT**   -6.1%   N/A   N/A   N/A   N/A   -14.3%

1

Reflects the cumulative performance experience of a continuous common stockholder who purchased one share at inception (\$8.975 IPO) and reinvested all distributions.

2

Reflects the actual month-end market price movement of one share as it has traded on NYSE.

The **Morningstar Style Map** is the **Morningstar Style Box<sup>TM</sup>** with the center 75% of fund holdings plotted as the **Morningstar Ownership Zone<sup>TM</sup>**. 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. See page 58 for additional information.

**Top 10 Positions**   % of Net Assets   Santen Pharmaceutical 1.8   Consort Medical 1.7   Virbac 1.7   Mayr-Melnhof Karton 1.7   Clarkson 1.7   Genworth MI Canada 1.6   VZ Holding 1.6   Spirax-Sarco Engineering 1.5   Shimano 1.5   Relo Holdings 1.4

**Portfolio Sector Breakdown**   % of Net Assets   Industrials 24.3   Financials 23.4   Information Technology 16.7   Consumer Discretionary 14.8   Health Care 12.4   Materials 10.4   Energy 2.7   Consumer Staples 2.3   Outstanding Line of Credit, Net of Cash and Cash Equivalents -7.0

**Calendar Year Total Returns (%)**   **YEAR**   **RGT**   2015 -3.4   2014 -6.2

**Portfolio Country Breakdown<sup>1,2</sup>**   % of Net Assets   United Kingdom 15.2   Japan 15.0   United States 12.7   Canada 8.5   France 8.1   Switzerland 7.1   Hong Kong 5.7   Germany 5.7   1

Represents countries that are 3% or more of net assets.

2

Securities are categorized by the country of their headquarters.

**Portfolio Diagnostics**   Fund Net Assets \$91 million   Number of Holdings 272   Turnover Rate 65%   Net Asset Value \$8.81   Market Price \$7.45   Net Leverage<sup>1</sup> 7%   Average Market Capitalization<sup>2</sup> \$1,367 million   Weighted Average P/E Ratio<sup>3,4</sup> 18.7x   Weighted Average P/B Ratio<sup>3</sup> 2.3x   Active Share<sup>5</sup> 97%   1

Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets.

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

**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.

4

The Fund's P/E ratio calculation excludes companies with zero or negative earnings (7% of portfolio holdings as of 12/31/15).

5

**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.

### Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, net of the Fund's investment advisory fee, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance

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quoted. Returns as of the most recent month-end may be obtained at [www.roycefunds.com](http://www.roycefunds.com). The market price of the Fund's shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund invests primarily in securities of small- and micro-cap companies, which may involve considerably more risk than investments in securities of larger-cap companies. The Fund's broadly diversified portfolio does not ensure a profit or guarantee against loss. From time to time, the Fund may invest a significant portion of its net assets in foreign securities, which may involve political, economic, currency and other risks not encountered in U.S. investments. Regarding the Top Contributors and Top Detractors tables shown on page 10, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund's year-to-date performance for 2015.



MANAGER'S DISCUSSION **Royce Micro-Cap Trust (RMT)****Chuck Royce FUND PERFORMANCE**

**Royce Micro-Cap Trust (NYSE: RMT) was down 11.7% on an NAV (net asset value) basis and fell 16.1% on a market price basis in 2015.** These results trailed those for each of its unleveraged benchmarks, the small-cap Russell 2000 Index, which lost 4.4%, and the Russell Microcap Index, which declined 5.2% for the same period. The Fund struggled versus its benchmarks throughout the year. For the year-to-date period ended June 30, 2015, RMT was down 0.5% on an NAV basis and fell 4.2% based on its market price while the Russell 2000 Index gained 4.8% and the Russell Microcap Index increased 6.0% for the same period. During the widespread correction in the third quarter, the Fund lost 13.8% on an NAV basis and lost 14.0% on a market price basis, compared to declines of 11.9% for the Russell 2000 and 13.8% for the Russell Microcap. Stock prices then revived somewhat in the fourth quarter, when RMT increased 2.9% on an NAV basis and 1.8% on a market price basis versus respective gains of 3.6% and 3.7% for the Russell 2000 and Microcap Indexes.

For a sense of how challenging the year was for small and micro-cap stocks (and the active managers who pick them), consider that the Russell 2000 lost 10.1% on an equal-weighted basis in 2015. This shows just how hard it was to find stocks that grew appreciably by year-end, especially in the more economically sensitive, cyclical areas of the market that have been our primary focus over the last few years. In this climate, we continued to focus on companies that in our analyses showed a combination of attractive valuation, balance sheet strength, and/or promising growth prospects. The Fund outperformed the Russell 2000 on an NAV basis for the 15-, 20-year, and since inception (12/14/93) periods ended December 31, 2015 while also beating the Russell Microcap on an NAV basis for the 10- and 15-year periods ended December 31, 2015. (Returns for the Russell Microcap only go back to 2000.) **RMT's average annual NAV total return since inception was 10.3%.**

**WHAT WORKED... AND WHAT DIDN'T**

Seven of the portfolio's 10 sectors were in the red at year-end (versus eight of 10 in negative territory for the Russell 2000). Financials detracted most by a wide margin, hampered mostly by net losses in the capital markets industry. This group includes asset managers, a business we believe we know well and in which we have many years of investment experience. So while we were disappointed in overall results for the group in 2015, we nonetheless think highly of both the recovery potential and long-term prospects for our holdings in the industry. Two of RMT's five biggest detractors came from that group. Dundee Corporation is a holding company based in Toronto that is involved in investment advisory, corporate finance, energy, resources, agriculture, real estate, and infrastructure. The company also holds investment portfolios in these areas. Its stock was hurt by significant exposure to the weakened commodity markets in 2015. Based in Greenwich, CT., Fifth Street Asset Management is a credit-focused asset manager that also specializes in providing credit solutions to small- and mid-sized businesses. The volatile market of the second half challenged its business and slowed revenues. We built positions in both companies through much of the year.

Industrials was also a sore spot in 2015, with net losses coming from several industry groups. It is a large and highly diverse sector home to RMT's two biggest contributors Frontier Services Group and Integrated Electrical Services, and its second-largest detractor, Universal Truckload Services. Frontier Services Group is a Hong Kong-based company with a base of operations in Nairobi that provides logistical services in Africa and benefited in part from the investor perception that asset growth can help fund FSG's plan to expand its logistics network.

The largest detractor to relative performance versus the Russell 2000 on a sector basis in 2015 was Financials. Several developments negatively impacted results, including an underweight in banks, an overweight and poor stock selection in capital markets, and ineffective stock picking in the consumer finance and diversified financial services industries. Information Technology, where we were hurt by stock selection misses in the Internet software & services industry, also detracted from calendar-year results relative to the small-cap index. We received a relative advantage from our underweight in Energy as well as modest stock selection success in Health Care and Industrials.

**Top Contributors to Performance**

For 2015 (%)<sup>1</sup> Frontier Services Group 0.59 Integrated Electrical Services 0.54 Diamond Hill Investment Group 0.34 Envivio 0.32 Hackett Group (The) 0.28 <sup>1</sup> Includes dividends

**Top Detractors from Performance**

For 2015 (%)<sup>2</sup> Dundee Corporation Cl. A -0.43 Universal Truckload Services -0.41 Fifth Street Asset Management Cl. A -0.39 Qumu Corporation -0.38 LeapFrog Enterprises Cl. A -0.35 <sup>2</sup> Net of dividends

**CURRENT POSITIONING AND OUTLOOK**

We expect reversals in a number of trends that should help benefit many portfolio holdings over the next few years. Our own research and regular meetings with confident management teams have made us comfortable with a contrarian, pro-cyclical bias for the portfolio. Moreover, we suspect that the protracted leadership of growth over value stocks is likely to reverse in 2016 and believe that companies with better balance sheets will do well in an environment of elevated corporate bond spreads. We also expect the combined effects of these reversals to put the market's focus squarely on the attributes we emphasize, which we think are overdue for recovery.

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**PERFORMANCE AND PORTFOLIO REVIEW SYMBOLS MARKET PRICE RMT NAV XOTCX**

**Performance** Average Annual Total Return (%) Through 12/31/15 **JUL-DEC 20151 1-YR 3-YR 5-YR 10-YR 15-YR 20-YR**  
**SINCE INCEPTION (12/14/93)** RMT (NAV) -11.26 -11.72 9.73 7.43 6.12 9.30 10.01 10.33 <sup>1</sup> Not Annualized

**Market Price Performance History Since Inception (12/14/93)** Cumulative Performance of Investment<sup>1</sup> **1-YR 5-YR 10-YR**

**15-YR 20-YR SINCE INCEPTION (12/14/93)** RMT -16.1% 39.9% 41.1% 277.1% 533.4% 616.8% <sup>1</sup> Reflects the cumulative performance experience of a continuous common stockholder who purchased one share at inception (\$7.50 IPO), reinvested all distributions and fully participated in the primary subscription of the Fund's 1994 rights offering. <sup>2</sup> Reflects the actual month-end market price movement of one share as it has traded on NYSE and, prior to 12/1/03, on the Nasdaq.

The **Morningstar Style Map** is the **Morningstar Style Box<sup>TM</sup>** with the center 75% of fund holdings plotted as the **Morningstar Ownership Zone<sup>TM</sup>**. 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. See page 58 for additional information.

**Top 10 Positions** % of Net Assets Integrated Electrical Services 2.0 SurModics 1.8 Seneca Foods 1.3 Atrion Corporation 1.2 Zealand Pharma 1.1 Newport Corporation 1.0 Orbotech 0.9 Care.com 0.9 Cross Country Healthcare 0.9 FRP Holdings 0.9

**Portfolio Sector Breakdown** % of Net Assets Information Technology 26.2 Financials 18.6 Industrials 16.1 Health Care 16.1 Consumer Discretionary 15.1 Materials 5.6 Consumer Staples 3.0 Energy 2.7 Utilities 0.3 Telecommunication Services 0.1 Miscellaneous 4.9 Preferred Stock 0.4 Outstanding Line of Credit, Net of Cash and Cash Equivalents -9.1

**Calendar Year Total Returns (%)** **YEAR RMT** 2015 -11.7 2014 3.5 2013 44.5 2012 17.3 2011 -7.7 2010 28.5 2009 46.5 2008 -45.5 2007 0.6 2006 22.5 2005 6.8 2004 18.7 2003 55.5 2002 -13.8 2001 23.4

**Portfolio Diagnostics** Fund Net Assets \$312 million Number of Holdings 358 Turnover Rate 39% Net Asset Value \$8.59 Market Price \$7.26 Net Leverage<sup>1</sup> 9% Average Market Capitalization<sup>2</sup> \$306 million Weighted Average P/E Ratio<sup>3,4</sup> 17.3x Weighted Average P/B Ratio<sup>3</sup> 1.6x Active Share<sup>5</sup> 95% U.S. Investments (% of Net Assets) 92.6% Non-U.S. Investments (% of Net Assets) 16.5% <sup>1</sup>

Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets.

<sup>2</sup> **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. <sup>3</sup>

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**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.

4  
The Fund's P/E ratio calculation excludes companies with zero or negative earnings (28% of portfolio holdings as of 12/31/15).

5  
**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.

**Important Performance and Risk Information** All performance information reflects past performance, is presented on a total return basis, net of the Fund's investment advisory fee, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at [www.roycefunds.com](http://www.roycefunds.com). Certain immaterial adjustments were made to the net assets of Royce Micro-Cap Trust at 12/31/12 and 12/31/14 for financial reporting purposes, and as a result the net asset value originally calculated on that date and the total return based on that net asset value differs from the adjusted net asset value and total return reported in the Financial Highlights. The market price of the Fund's shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund normally invests in micro-cap companies, which may involve considerably more risk than investments in securities of larger-cap companies. The Fund's broadly diversified portfolio does not ensure a profit or guarantee against loss. From time to time, the Fund may invest a significant portion of its net assets in foreign securities, which may involve political, economic, currency and other risks not encountered in U.S. investments. Regarding the Top Contributors and Top Detractors tables shown on page 8, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund's year-to-date performance for 2015.

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## MANAGER'S DISCUSSION **Royce Value Trust (RVT)**

### **Chuck Royce**

**FUND PERFORMANCE** Royce Value Trust (NYSE: RVT) fell **8.1% on an NAV (net asset value) basis and 9.6% on a market price basis in 2015, behind both of its unleveraged small-cap benchmarks.** For the same period, the Russell 2000 was down 4.4% while the S&P SmallCap 600 slid 2.0%. For the year-to-date period ended June 30, 2015, RVT gained 1.7% on an NAV basis and 0.3% based on its market price versus respective gains of 4.8% and 4.2% for the Russell 2000 and S&P SmallCap 600. The third quarter saw a significant correction for equities. In this challenging environment, the Fund was down 12.4% on an NAV basis and 14.6% on a market price basis. For the same period, the Russell 2000 fell 11.9% and the S&P SmallCap 600 was down 9.3%. Stocks then rallied in the fourth quarter through most of October and November. For the quarter as a whole, RVT advanced 3.2% based on NAV and 5.6% based on market price while the Russell 2000 increased 3.6% and the S&P SmallCap 600 rose 3.7%.

For a sense of how challenging the year was for small-cap stocks (and the active managers who pick them), consider that the Russell 2000 lost 10.1% on an equal-weighted basis in 2015. This shows just how hard it was to find stocks that grew appreciably by year-end, especially in the more economically sensitive, cyclical areas of the market that have been our primary focus over the last few years. In this climate, we continued to focus on companies that in our analyses showed a combination of attractive valuation, balance sheet strength, and/or promising growth prospects. On an NAV and market price basis, the Fund outperformed the Russell 2000 for the 15-, 20-, 25-year, and since inception (11/26/86) periods ended December 31, 2015 while trailing the S&P SmallCap 600. **RVT's average annual NAV total return for the since inception period was 10.0%.** **WHAT WORKED... AND WHAT DIDN'T** Six of the Fund's 10 equity sectors finished the year in negative territory, which compares favorably to the eight of 10 detracting sectors in the Russell 2000. Industrials, where we were substantially overweight at the end of 2015, detracted most on an absolute basis. It also hurt relative performance, but our disadvantage resulted from greater exposure to the sector—stock selection was a net positive versus the benchmark. On an industry level, the sector's largest net losses in Industrials came from machinery stocks, which was also a significant overweight. Long-time holding Kennametal makes tools and tooling systems, focusing on the metalworking, mining, oil, and energy industries, all of which faced sluggish industry conditions in 2015. The Financials, Energy, Information Technology, Consumer Discretionary, and Materials sectors also posted notable net losses. At the industry level, significant detractors other than machinery included electronic equipment, instruments & components, energy equipment & services, and capital markets. Slumping commodity prices and slowing industrial activity on a near-global scale were major factors behind poor performance for these areas. Modest net gains came from Health Care and Consumer Staples.

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At the position level, RVT's biggest detractor was Dundee Corporation, a holding company based in Toronto that is involved in investment advisory, corporate finance, energy, resources, agriculture, real estate, and infrastructure. The Company also holds investment portfolios in these areas. Its stock was hurt by its large exposure to the commodity markets. Confident in its long-term potential, we added shares in 2015. We did the same with our position in Tejon Ranch. Based in Lebec, CA., Tejon is a diversified real estate development and agribusiness company that is also one of the largest private landowners in the Golden State. Reduced revenues in its commodity-based farming and mineral resources businesses, as well as increased expenses across several business units, drove investors away from its shares.

The largest detractor to relative performance on a sector basis in 2015 was Information Technology, where poor stock selection in the electronic equipment, instruments & components and semiconductors & semiconductor equipment industries hurt most. The combination of an underweight in banks, an overweight in capital markets, and poor stock selection in insurance all hampered relative results in Financials. Health Care's modest net gain in the portfolio was mitigated by our significant underweight in the sector (particularly in biotech) it detracted from results relative to the Russell 2000. We were pleased, however, with our stock-picking strength in Materials and Consumer Discretionary two highly challenged sectors in which we sought to high-grade positions in 2015.

### Top Contributors to Performance

For 2015 (%)<sup>1</sup> Hackett Group (The) 0.59 American Woodmark 0.35 On Assignment 0.30 MarketAxess Holdings 0.30 John Bean Technologies 0.24 <sup>1</sup> Includes dividends

### Top Detractors from Performance

For 2015 (%)<sup>2</sup> Dundee Corporation Cl. A -0.37 Tejon Ranch -0.28 Kennametal -0.25 Greenlight Capital Re Cl. A -0.25 UTi Worldwide -0.25 <sup>2</sup> Net of dividends

### CURRENT POSITIONING AND OUTLOOK

We expect reversals in a number of trends that should help benefit many portfolio holdings over the next few years. Our own research and regular meetings with confident management teams have made us comfortable with a contrarian, pro-cyclical bias for the portfolio. Moreover, we suspect that the protracted leadership of growth over value stocks is likely to reverse in 2016 and believe that companies with better balance sheets will do well in an environment of elevated corporate bond spreads. We also expect the combined effects of these reversals to put the market's focus squarely on the attributes we emphasize, which we think are overdue for recovery.

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### PERFORMANCE AND PORTFOLIO REVIEW **SYMBOLS MARKET PRICE RVT NAV XRVTX**

| Performance |       | Average Annual Total Return (%) Through 12/31/15 |       |                            |           | JUL-DEC 2015 |       |      |      |      |      |      |       |
|-------------|-------|--|-------|----------------------------|-----------|--------------|-------|------|------|------|------|------|-------|
| 10-YR       | 15-YR | 20-YR  | 25-YR | SINCE INCEPTION (11/26/86) | RVT (NAV) | -9.62        | -8.09 | 7.51 | 5.22 | 5.19 | 7.57 | 9.30 | 11.12 |
| 10.03       |       |  |       |                            |           |              |       |      |      |      |      |      |       |

<sup>1</sup> Not Annualized

### Market Price Performance History Since Inception (11/26/86) Cumulative Performance of Investment through 12/31/15 **1-YR 5-YR 10-YR 15-YR 20-YR SINCE INCEPTION (11/26/86) RVT -9.6% 28.8% 35.3% 198.7% 489.3% 1221.7%**

<sup>1</sup> Reflects the cumulative performance of an investment made by a stockholder who purchased one share at inception (\$10.00 IPO), reinvested all distributions and fully participated in primary subscriptions of the Fund's rights offerings. <sup>2</sup> Reflects the actual month-end market price movement of one share as it has traded on the NYSE.

The **Morningstar Style Map** is the **Morningstar Style Box<sup>TM</sup>** with the center 75% of fund holdings plotted as the **Morningstar Ownership Zone<sup>TM</sup>**. 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. See page 58 for additional information.

### Top 10 Positions

| % of Net Assets | HEICO Corporation | 1.1 | Nautilus | 1.0 | Hackett Group (The) | 1.0 | Ash Grove Cement Cl. B | 1.0 | SEI Investments | 1.0 | On Assignment | 1.0 | Woodward | 1.0 | Coherent | 1.0 | MarketAxess Holdings | 0.9 | Reliance Steel & Aluminum | 0.9 |
|-----------------|-------------------|-----|----------|-----|---------------------|-----|------------------------|-----|-----------------|-----|---------------|-----|----------|-----|----------|-----|----------------------|-----|---------------------------|-----|
|-----------------|-------------------|-----|----------|-----|---------------------|-----|------------------------|-----|-----------------|-----|---------------|-----|----------|-----|----------|-----|----------------------|-----|---------------------------|-----|

### Portfolio Sector Breakdown

| % of Net Assets | Industrials | 28.1 | Information Technology | 20.7 | Financials | 19.3 | Consumer Discretionary | 12.6 | Materials | 7.6 | Health Care | 5.2 | Energy | 3.7 | Consumer Staples | 2.4 | Telecommunication Services | 0.5 | Utilities | 0.1 | Miscellaneous | 5.0 | Outstanding Line of Credit, Net of Cash and Cash Equivalents | -5.2 |
|-----------------|-------------|------|------------------------|------|------------|------|------------------------|------|-----------|-----|-------------|-----|--------|-----|------------------|-----|----------------------------|-----|-----------|-----|---------------|-----|--|------|
|-----------------|-------------|------|------------------------|------|------------|------|------------------------|------|-----------|-----|-------------|-----|--------|-----|------------------|-----|----------------------------|-----|-----------|-----|---------------|-----|--|------|

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| Calendar Year Total Returns (%) |      | YEAR | RVT  | 2015  | -8.1 | 2014 | 0.8  | 2013 | 34.1 | 2012 | 15.4 | 2011 | -10.1 | 2010 |      |       |      |      |
|---------------------------------|------|------|------|-------|------|------|------|------|------|------|------|------|-------|------|------|-------|------|------|
| 30.3                            | 2009 | 44.6 | 2008 | -45.6 | 2007 | 5.0  | 2006 | 19.5 | 2005 | 8.4  | 2004 | 21.4 | 2003  | 40.8 | 2002 | -15.6 | 2001 | 15.2 |

**Portfolio Diagnostics** Fund Net Assets \$1,072 million Number of Holdings 493 Turnover Rate 35% Net Asset Value \$13.56 Market Price \$11.77 Net Leverage<sup>1</sup> 5% Average Market Capitalization<sup>2</sup> \$1,166 million Weighted Average P/E Ratio<sup>3,4</sup> 18.1x Weighted Average P/B Ratio<sup>3</sup> 1.8x Active Share<sup>5</sup> 90% U.S. Investments (% of Net Assets) 86.7% Non-U.S. Investments (% of Net Assets) 18.5%

1

Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets.

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

**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.

4

The Fund's P/E ratio calculation excludes companies with zero or negative earnings (12% of portfolio holdings as of 12/31/15).

5

**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.

### Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, net of the Fund's investment advisory fee, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at [www.roycefunds.com](http://www.roycefunds.com). The market price of the Fund's shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund invests primarily in securities of small- and micro-cap companies, which may involve considerably more risk than investing in larger-cap companies. The Fund's broadly diversified portfolio does not ensure a profit or guarantee against loss. Regarding the Top Contributors and Top Detractors tables shown on page 6, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund's year-to-date performance for 2015.

## History Since Inception

The following table details the share accumulations by an initial investor in the Funds who reinvested all distributions and participated fully in primary subscriptions for each of the rights offerings. Full participation in distribution reinvestments and rights offerings can maximize the returns available to a long-term investor. This table should be read in conjunction with the Performance and Portfolio Reviews of the Funds.





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| HISTORY  | AMOUNT INVESTED           | PURCHASE PRICE <sup>1</sup> | SHARES       | NAV VALUE <sup>2</sup> | MARKET VALUE <sup>2</sup> | Royce Global Value Trust |                 |                           |                           |                 |        |        |
|--|---------------------------|-----------------------------|--------------|------------------------|---------------------------|--------------------------|-----------------|---------------------------|---------------------------|-----------------|--------|--------|
| 10/17/13 Initial Purchase                            | \$ 8,975                  | \$ 8.975                    | 1,000        | \$ 9,780               | \$ 8,975                  | 12/11/14                 | Distribution    | \$0.15                    | 7.970                     | 19              |        |        |
| 9,426 8,193 12/10/15                                 | Distribution              | \$0.10                      | 7,230        | 14                     |                           | <b>12/31/15</b>          | <b>\$ 8,975</b> | <b>1,033</b>              | <b>\$ 9,101</b>           | <b>\$ 7,696</b> |        |        |
| <b>Royce Micro-Cap Trust</b> 12/14/93                | Initial Purchase          | \$ 7,500                    | \$ 7,500     | 1,000                  | \$ 7,250                  | \$ 7,500                 | 10/28/94        | Rights Offering           |                           |                 |        |        |
| 1,400 7,000 200                                      |                           |                             |              |                        |                           | 12/19/94                 | Distribution    | \$0.05                    | 6.750                     | 9               | 9,163  | 8,462  |
| 7,500 58 11,264 10,136                               | 12/6/96                   | Distribution                | \$0.80       | 7.625                  | 133                       | 13,132                   | 11,550          | 12/5/97                   | Distribution              | \$0.36          |        |        |
| \$1.00 10,000 140 16,694 15,593                      | 12/7/98                   | Distribution                | \$0.29       | 8.625                  | 52                        | 16,016                   | 14,129          | 12/6/99                   | Distribution              | \$0.27          | 8.781  | 49     |
| Distribution \$0.27 8,781 49 18,051 14,769           | 12/6/00                   | Distribution                | \$1.72       | 8.469                  | 333                       | 20,016                   | 17,026          |                           |                           |                 |        |        |
| 12/6/01  | Distribution              | \$0.57                      | 9.880        | 114                    | 24,701                    | 21,924                   | 2002            | Annual distribution total | \$0.80                    | 9.518           | 180    |        |
| 21,297 19,142 2003                                   | Annual distribution total | \$0.92                      | 10.004       | 217                    | 33,125                    | 31,311                   | 2004            | Annual distribution total | \$1.33                    | 13.350          | 257    | 39,320 |
| 45,500 2006  | Annual distribution total | \$1.55                      | 14.246       | 354                    | 51,385                    | 57,647                   | 2007            | Annual distribution total | \$1.35                    | 13.584          | 357    | 51,709 |
| 13,584 357 51,709 45,802                             | 2008                      | Annual distribution total   | \$1.193      | 8.237                  | 578                       | 28,205                   | 24,807          | 3/11/09                   | Distribution              | \$0.223         | 4.260  | 228    |
| Distribution \$0.223 4,260 228 41,314 34,212         | 12/2/10                   | Distribution                | \$0.08       | 9.400                  | 40                        | 53,094                   | 45,884          |                           |                           |                 |        |        |
| 2011   | Annual distribution total | \$0.533                     | 8.773        | 289                    | 49,014                    | 43,596                   | 2012            | Annual distribution total | \$0.51                    | 9.084           | 285    | 57,501 |
| 285 57,501 49,669                                    | 2013                      | Annual distribution total   | \$1.38       | 11.864                 | 630                       | 83,110                   | 74,222          | 2014                      | Annual distribution total | \$2.90          | 10.513 | 1,704  |
| Distribution total \$2.90 10,513 1,704 86,071 76,507 | 2015                      | Annual distribution total   | \$1.26       | 7.974                  | 1,256                     |                          |                 |                           |                           |                 |        |        |
|  | <b>12/31/15</b>           | <b>\$ 8,900</b>             | <b>8,846</b> | <b>\$ 75,987</b>       | <b>\$ 64,222</b>          |                          |                 |                           |                           |                 |        |        |

1 The purchase price used for annual distribution totals is a weighted average of the distribution reinvestment prices for the year. 2 Values are stated as of December 31 of the year indicated, after reinvestment of distributions, other than for initial purchase. 3 Includes a return of capital.

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| HISTORY   | AMOUNT INVESTED           | PURCHASE PRICE <sup>1</sup> | SHARES        | NAV VALUE <sup>2</sup> | MARKET VALUE <sup>2</sup> | Royce Value Trust 11/26/86 |              |                           |                           |         |        |         |
|---|---------------------------|-----------------------------|---------------|------------------------|---------------------------|----------------------------|--------------|---------------------------|---------------------------|---------|--------|---------|
| Initial Purchase  | \$ 10,000                 | \$ 10.000                   | 1,000         | \$ 9,280               | \$ 10,000                 | 10/15/87                   | Distribution | \$0.30                    | 7.000                     | 42      |        |         |
| 12/31/87  | Distribution              | \$0.22                      | 7.125         | 32                     | 8,578                     | 7,250                      | 12/27/88     | Distribution              | \$0.51                    | 8.625   | 63     | 10,529  |
| 9,238 9/22/89   | Rights Offering           | 405                         | 9.000         | 45                     |                           | 12/29/89                   | Distribution | \$0.52                    | 9.125                     | 67      | 12,942 |         |
| 11,866 9/24/90  | Rights Offering           | 457                         | 7.375         | 62                     |                           | 12/31/90                   | Distribution | \$0.32                    | 8.000                     | 52      | 11,713 |         |
| 11,074 9/23/91  | Rights Offering           | 638                         | 9.375         | 68                     |                           | 12/31/91                   | Distribution | \$0.61                    | 10.625                    | 82      | 17,919 |         |
| 15,697 9/25/92  | Rights Offering           | 825                         | 11.000        | 75                     |                           | 12/31/92                   | Distribution | \$0.90                    | 12.500                    | 114     | 21,999 |         |
| 20,874 9/27/93  | Rights Offering           | 1,469                       | 13.000        | 113                    |                           | 12/31/93                   | Distribution | \$1.15                    | 13.000                    | 160     | 26,603 |         |
| 25,428 10/28/94   | Rights Offering           | 1,103                       | 11.250        | 98                     |                           | 12/19/94                   | Distribution | \$1.05                    | 11.375                    | 191     |        |         |
| 27,939 24,905 11/3/95                                       | Rights Offering           | 1,425                       | 12.500        | 114                    |                           | 12/7/95                    | Distribution | \$1.29                    | 12.125                    | 253     |        |         |
| 35,676 31,243 12/6/96                                       | Distribution              | \$1.15                      | 12.250        | 247                    | 41,213                    | 36,335                     | 1997         | Annual distribution total | \$1.21                    | 15.374  | 230    | 52,556  |
| 15,374 230 52,556 46,814                                    | 1998                      | Annual distribution total   | \$1.54        | 14.311                 | 347                       | 54,313                     | 47,506       | 1999                      | Annual distribution total | \$1.37  | 12.616 | 391     |
| Annual distribution total \$1.37 12,616 391 60,653 50,239   | 2000                      | Annual distribution total   | \$1.48        | 13.972                 | 424                       | 70,711                     | 61,648       | 2001                      | Annual distribution total | \$1.49  | 15.072 | 437     |
| 424 70,711 61,648 2001                                      | Annual distribution total | \$1.51                      | 14.903        | 494                    | 68,770                    | 68,927                     | 1/28/03      | Rights Offering           | 5,600                     | 10,770  | 520    |         |
| 2003  | Annual distribution total | \$1.30                      | 14.582        | 516                    | 106,216                   | 107,339                    | 2004         | Annual distribution total | \$1.55                    | 17.604  | 568    | 128,955 |
| 17,604 568 128,955 139,094                                  | 2005                      | Annual distribution total   | \$1.61        | 18.739                 | 604                       | 139,808                    | 148,773      | 2006                      | Annual distribution total | \$1.78  | 19.696 | 693     |
| Annual distribution total \$1.78 19,696 693 167,063 179,945 | 2007                      | Annual distribution total   | \$1.85        | 19.687                 | 787                       | 175,469                    | 165,158      | 2008                      | Annual distribution total | \$1.723 | 12.307 | 1,294   |
| 787 175,469 165,158 2008                                    | Annual distribution total | \$1.723                     | 12.307        | 1,294                  | 95,415                    | 85,435                     | 3/11/09      | Distribution              | \$0.323                   | 6.071   | 537    | 137,966 |
| Distribution \$0.323 6,071 537 137,966 115,669              | 12/2/10                   | Distribution                | \$0.03        | 13.850                 | 23                        | 179,730                    | 156,203      | 2011                      | Annual distribution total | \$0.783 | 13.043 | 656     |
| 156,203 2011  | Annual distribution total | \$0.80                      | 13.063        | 714                    | 186,540                   | 162,556                    | 2013         | Annual distribution total | \$2.194                   | 16.647  | 1,658  | 250,219 |
| \$0.80 13,063 714 186,540 162,556                           | 2014                      | Annual distribution total   | \$1.82        | 14.840                 | 1,757                     | 252,175                    | 222,516      | 2015                      | Annual distribution total | \$1.24  | 12.725 | 1,565   |
| 220,474 2014  | Annual distribution total | \$1.82                      | 14.840        | 1,757                  | 252,175                   | 222,516                    | 2015         | Annual distribution total | \$1.24                    | 12.725  | 1,565  |         |
|   | <b>12/31/15</b>           | <b>\$ 21,922</b>            | <b>17,093</b> | <b>\$ 231,781</b>      | <b>\$ 201,185</b>         |                            |              |                           |                           |         |        |         |

1 The purchase price used for annual distribution totals is a weighted average of the distribution reinvestment prices for the year. 2 Values are stated as of December 31 of the year indicated, after reinvestment of distributions, other than for initial purchase. 3 Includes a return of capital. 4 Includes Royce Global Value Trust spin-off of \$1.40 per share.

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## Distribution Reinvestment and Cash Purchase Options

### **Why should I reinvest my distributions?**

By reinvesting distributions, a stockholder can maintain an undiluted investment in the Fund. The regular reinvestment of distributions has a significant impact on stockholder returns. In contrast, the stockholder who takes distributions in cash is penalized when shares are issued below net asset value to other stockholders. **How does the reinvestment of distributions from the Royce closed-end funds work?**

The Funds automatically issue shares in payment of distributions unless you indicate otherwise. The shares are generally issued at the lower of the market price or net asset value on the valuation date. **How does this apply to registered stockholders?**

If your shares are registered directly with a Fund, your distributions are automatically reinvested unless you have otherwise instructed the Funds' transfer agent, Computershare, in writing, in which case you will receive your distribution in cash. A registered stockholder also may have the option to receive the distribution in the form of a stock certificate. **What if my shares are held by a brokerage firm or a bank?**

If your shares are held by a brokerage firm, bank, or other intermediary as the stockholder of record, you should contact your brokerage firm or bank to be certain that it is automatically reinvesting distributions on your behalf. If they are unable to reinvest distributions on behalf, you should have your shares registered in your name in order to participate. **What other features are available for registered stockholders?**

The Distribution Reinvestment and Cash Purchase Plans also allow registered stockholders to make optional cash purchases of shares of a Fund's common stock directly through Computershare on a monthly basis, and to deposit certificates representing your RVT and RMT shares with Computershare for safekeeping. (RGT does not issue shares in certificated form). Plan participants are subject to a \$0.75 service fee for each voluntary cash purchase under the Plans. The Funds' investment adviser absorbed all commissions on optional cash purchases under the Plans through December 31, 2015.

**How do the Plans work for registered stockholders?**

Computershare maintains the accounts for registered stockholders in the Plans and sends written confirmation of all transactions in the account. Shares in the account of each participant will be held by Computershare in non-certificated form in the name of the participant, and each participant will be able to vote those shares at a stockholder meeting or by proxy. A participant may also send stock certificates for RVT and RMT held by them to Computershare to be held in non-certificated form. RGT does not issue shares in certificated form. There is no service fee charged to participants for reinvesting distributions. If a participant elects to sell shares from a Plan account, Computershare will deduct a \$2.50 service fee from the sale transaction. The Funds' investment adviser absorbed all commissions on optional sales under the Plans through December 31, 2015. If a nominee is the registered owner of your shares, the nominee will maintain the accounts on your behalf. **How can I get more information on the Plans?**

You can call an Investor Services Representative at (800) 221-4268 or you can request a copy of the Plan for your Fund from Computershare. All correspondence (including notifications) should be directed to: [Name of Fund] Distribution Reinvestment and Cash Purchase Plan, c/o Computershare, PO Box 43078, Providence, RI 02940-3078, telephone (800) 426-5523 (from 9:00 A.M. to 5:00 P.M.).

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**Royce Global Value Trust** December 31, 2015

**Schedule of Investments** Common Stocks 107.0% **SHARES** **VALUE** **AUSTRALIA** 1.3%

ALS

10,785 \$ 29,422

Austal

78,100 88,894

Genworth Mortgage Insurance Australia

215,900 430,388

Imdex 1

473,700 68,611

Medusa Mining 1

82,600 21,727

Platinum Asset Management

37,000 216,069

TFS Corporation

143,945 165,231

Webjet

35,600 142,154 **Total (Cost \$1,328,337)** **1,162,496** **AUSTRIA** 2.2%

**Mayr-Melnhof Karton**

12,309 1,531,756

Semperit AG Holding

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11,000 369,268

UBM Development

2,200 86,945 **Total (Cost \$1,992,208)** 1,987,969 **BELGIUM 0.6%**

BHF Kleinwort Benson Group 1

55,000 341,510

Van de Velde

3,436 234,236 **Total (Cost \$439,862)** 575,746 **BRAZIL 2.2%**

Brasil Brokers Participacoes 1

205,000 67,637

**CETIP - Mercados Organizados**

113,000 1,067,176

T4F Entretenimento 1

184,500 144,445

TOTVS

98,000 764,196 **Total (Cost \$3,191,202)** 2,043,454 **CANADA 8.5%**

Agnico Eagle Mines 2

20,000 525,600

AirBoss of America

7,600 95,954

Altus Group

13,000 182,171

Cameco Corporation 2

24,500 302,085

Canyon Services Group

24,200 71,182

Chorus Aviation Cl. A

17,100 69,206

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Cogeco Cable

1,500 66,962

Computer Modelling Group

108,000 700,903

Dream Global Real Estate Investment Trust

12,300 76,981

Dundee Corporation Cl. A 1

120,000 395,461

Exco Technologies

5,000 61,140

FLYHT Aerospace Solutions 1

140,000 23,271

Franco-Nevada Corporation 2

10,200 466,650

**Genworth MI Canada**

75,000 1,441,787

Gluskin Sheff + Associates

28,200 424,518

goeasy

8,300 113,670

Intertape Polymer Group

8,400 113,461

Magellan Aerospace

27,400 318,812

Major Drilling Group International

110,500 349,780

Morguard Real Estate Investment Trust

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|                                 |         |                                  |                  |                   |
|---------------------------------|---------|----------------------------------|------------------|-------------------|
| 7,700                           | 75,792  |                                  |                  |                   |
| Morneau Shepell                 |         |                                  |                  |                   |
| 11,600                          | 121,391 |                                  |                  |                   |
| Pan American Silver 2           |         |                                  |                  |                   |
| 63,700                          | 414,050 |                                  |                  |                   |
| RDM Corporation                 |         |                                  |                  |                   |
| 30,400                          | 86,342  |                                  |                  |                   |
| Richelieu Hardware              |         |                                  |                  |                   |
| 2,100                           | 102,989 |                                  |                  |                   |
| Richmont Mines 1                |         |                                  |                  |                   |
| 23,700                          | 76,077  |                                  |                  |                   |
| Solium Capital 1                |         |                                  |                  |                   |
| 28,900                          | 146,202 |                                  |                  |                   |
| Sprott                          |         |                                  |                  |                   |
| 280,600                         | 482,639 |                                  |                  |                   |
| TMX Group                       |         |                                  |                  |                   |
| 14,000                          | 362,116 |                                  |                  |                   |
| Total Energy Services           |         |                                  |                  |                   |
| 7,100                           | 69,579  | <b>Total (Cost \$11,695,157)</b> | <b>7,736,771</b> | <b>CHINA 1.9%</b> |
| China Lilang                    |         |                                  |                  |                   |
| 93,400                          | 68,895  |                                  |                  |                   |
| Daphne International Holdings 1 |         |                                  |                  |                   |
| 1,383,000                       | 230,408 |                                  |                  |                   |
| Daqo New Energy ADR 1,2         |         |                                  |                  |                   |
| 6,400                           | 106,560 |                                  |                  |                   |
| Noah Holdings ADR 1,2           |         |                                  |                  |                   |
| 16,700                          | 466,431 |                                  |                  |                   |

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Pacific Online

593,100 178,369

TravelSky Technology

345,000 566,159

Xtep International Holdings

157,700 83,795 **Total (Cost \$2,358,843)** 1,700,617 **CYPRUS 0.2%**

Globaltrans Investment GDR 1

42,000 **191,455 Total (Cost \$212,014)** 191,455 **DENMARK 2.5%**

Chr. Hansen Holding

11,500 719,302

Coloplast Cl. B

4,500 363,225

Columbus

77,700 75,628

SimCorp

8,000 451,173

Zealand Pharma 1

32,400 710,069 **Total (Cost \$1,687,221)** 2,319,397 **FINLAND 2.0%**

BasWare

1,600 64,725

**Nokian Renkaat**

30,500 1,083,366

Powerflute

52,900 69,396

Vaisala Cl. A

24,498 636,736 **Total (Cost \$1,988,602)** 1,854,223 **FRANCE 8.1%**

aufeminin 1

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2,100 55,839

Cegedim 1

2,500 86,947

Chargeurs

7,700 75,231

**Gaztransport Et Technigaz**

26,000 1,099,578

HighCo

9,700 101,591

Lectra

6,100 80,193

Manutan International

8,100 431,362

Neurones

25,950 491,179

Nexity

16,500 731,107

Prodware

7,700 66,264

Rothschild & Co

33,000 842,212

Thermador Groupe

7,100 670,428

**Vetoquinol**

24,700 1,057,652

**Virbac**

6,600 1,572,848 **Total (Cost \$7,443,064)** **7,362,431** **GERMANY 5.7%**



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ADLER Real Estate 1

17,200 265,266

Allgeier SE

4,300 79,145

Balda

27,200 67,782

Bertrandt

7,000 840,134

Carl Zeiss Meditec

17,500 542,106

CompuGroup Medical

10,000 366,783

Fielmann

7,000 514,747

KUKA

8,000 719,692

KWS Saat

1,800 539,953

Leifheit

1,400 75,282

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2015 Annual Report to Stockholders | 15

## Royce Global Value Trust Schedule of Investments (continued)

| SHARES                                     | VALUE      | GERMANY (continued)             |                  |                       |
|--|------------|---------------------------------|------------------|-----------------------|
| LPKF Laser & Electronics                   |            |                                 |                  |                       |
| 15,500                                     | \$ 120,524 |                                 |                  |                       |
| msg life 1                                 |            |                                 |                  |                       |
| 40,700                                     | 80,131     |                                 |                  |                       |
| mutares                                    |            |                                 |                  |                       |
| 8,300                                      | 158,763    |                                 |                  |                       |
| SQS Software Quality Systems               |            |                                 |                  |                       |
| 7,900                                      | 69,299     |                                 |                  |                       |
| STRATEC Biomedical                         |            |                                 |                  |                       |
| 8,000                                      | 528,414    |                                 |                  |                       |
| Tomorrow Focus 1                           |            |                                 |                  |                       |
| 29,000                                     | 111,787    |                                 |                  |                       |
| VIB Vermoegen                              |            |                                 |                  |                       |
| 4,700                                      | 87,007     |                                 |                  |                       |
| XING                                       |            |                                 |                  |                       |
| 300  | 55,298     | <b>Total (Cost \$4,783,019)</b> | <b>5,222,113</b> | <b>GREECE 0.3%</b>    |
| Aegean Marine Petroleum Network            |            |                                 |                  |                       |
| 5,000                                      | 41,800     |                                 |                  |                       |
| Hellenic Exchanges - Athens Stock Exchange |            |                                 |                  |                       |
| 28,000                                     | 161,112    |                                 |                  |                       |
| StealthGas 1,2                             |            |                                 |                  |                       |
| 17,000                                     | 58,310     | <b>Total (Cost \$333,095)</b>   | <b>261,222</b>   | <b>HONG KONG 5.7%</b> |
| Anxin-China Holdings 1,3                   |            |                                 |                  |                       |
| 2,500,000                                  | 18,710     |                                 |                  |                       |

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China Metal International Holdings

430,000 131,772

First Pacific

180,000 119,229

Great Eagle Holdings

250,000 814,508

I.T

438,500 116,073

Le Saunda Holdings

295,460 67,858

Luk Fook Holdings (International)

120,100 253,947

Midland Holdings 1

1,400,000 563,986

New World Department Store China

2,159,700 328,448

Oriental Watch Holdings

2,223,000 326,453

Pico Far East Holdings

1,053,300 285,419

Samson Holding

589,100 72,754

Television Broadcasts

81,000 332,874

Texwinca Holdings

302,000 314,916

Tse Sui Luen Jewellery (International)

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142,400 42,260

**Value Partners Group**

1,080,000 1,247,692

VST Holdings

366,600 99,038

YGM Trading

169,400 106,684 **Total (Cost \$6,663,603)** **5,242,621** **INDIA 2.2%**

Bajaj Finance

11,000 999,940

Kewal Kiran Clothing

6,500 215,660

Motherson Sumi Systems

120,000 529,253

Videocon d2h ADR 1

27,400 243,312 **Total (Cost \$1,913,481)** **1,988,165** **INDONESIA 0.1%**

Supra Boga Lestari 1

3,945,000 **95,836** **Total (Cost \$198,065)** **95,836** **IRELAND 0.6%**

Ardmore Shipping 2

14,100 179,352

Keywords Studios

75,000 225,511

Trinity Biotech ADR Cl. A

10,000 117,600 **Total (Cost \$521,325)** **522,463** **ISRAEL 0.2%**

Nova Measuring Instruments 1,2,4

16,600 **162,680** **Total (Cost \$181,238)** **162,680** **ITALY 2.8%**

Azimut Holding

20,000 493,744

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Banca Sistema 1

29,800 125,286

De Longhi

25,000 748,348

DiaSorin

14,000 732,100

Recordati

16,800 438,534 **Total (Cost \$2,087,759) 2,538,012 JAPAN 15.0%**

CRE

9,400 178,708

Daifuku

4,400 74,917

Descente

6,100 77,397

EPS Holdings

10,700 117,605

FamilyMart

8,200 381,014

Freund Corporation

9,500 111,243

GCA Savvian

9,900 101,193

Horiba

17,500 675,532

Itoki Corporation

19,400 138,218

Leopalace21 Corporation 1

29,400 158,855

**Meitec Corporation**

33,700 1,152,671

Milbon

3,100 126,525

**MISUMI Group**

81,800 1,126,465

Nihon Kohden

18,500 445,803

Nishikawa Rubber

8,200 132,273

Nitto Kohki

6,300 134,489

Outsourcing

3,200 84,102

Pasona Group

9,700 69,238

Poletowin Pitcrew Holdings

9,000 85,117

Pressance Corporation

4,800 159,061

**Relo Holdings**

10,600 1,271,789

**Santen Pharmaceutical**

102,000 1,677,435

**Shimano**

9,100 1,393,770

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SPARX Group

54,200 127,748

Sun Frontier Fudousan

14,700 107,706

Takara Leben

13,000 72,098

Tenpos Busters

3,900 64,511

TOTO

20,700 725,771

**Trancom**

19,600 1,086,106

Trend Micro

20,000 811,305

USS

45,000 677,055

Zuiko Corporation

4,400 171,453 **Total (Cost \$11,367,976)** **13,717,173** **MALAYSIA 0.3%**

CB Industrial Product Holding

141,000 67,289

Media Prima

199,500 59,091

Scientex

57,800 131,093 **Total (Cost \$280,444)** **257,473** **MEXICO 0.8%**

Bolsa Mexicana de Valores

250,000 332,037

Consorcio ARA SAB de CV

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393,300 136,923

Fresnillo

15,000 156,997

Grupo SIMEC Ser. B 1

33,100 73,423 **Total (Cost \$860,344) 699,380 NETHERLANDS 0.1%**

Lucas Bols Holding



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2,700 **65,362** **Total (Cost \$58,086)** **65,362**  
 16 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**  
 December 31, 2015

**Schedule of Investments (continued)**      **SHARES**      **VALUE**      **NEW ZEALAND**      **0.8%**

Fisher & Paykel Healthcare

75,000      \$ 455,262

Trade Me Group

83,000      235,654      **Total (Cost \$678,639)**      **690,916**      **NORWAY**      **1.0%**

Ekornes

45,000      502,519

Kongsberg Automotive 1

134,500      94,353

Medistim

13,000      78,588

TGS-NOPEC Geophysical

15,000      237,273      **Total (Cost \$1,241,734)**      **912,733**      **PHILIPPINES**      **0.8%**

Universal Robina

195,000      **769,549**      **Total (Cost \$565,195)**      **769,549**      **POLAND**      **0.3%**

Warsaw Stock Exchange

33,000      **302,208**      **Total (Cost \$459,764)**      **302,208**      **SINGAPORE**      **1.0%**

ARA Asset Management

255,000      211,104

Asian Pay Television Trust

202,600      91,267

Parkson Retail Asia

274,300      51,265

XP Power

20,100      430,696

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Yoma Strategic Holdings 1

|         |         |                                 |                |                     |             |
|---------|---------|---------------------------------|----------------|---------------------|-------------|
| 323,400 | 104,991 | <b>Total (Cost \$1,084,408)</b> | <b>889,323</b> | <b>SOUTH AFRICA</b> | <b>1.6%</b> |
|---------|---------|---------------------------------|----------------|---------------------|-------------|

Cashbuild

|        |         |
|--------|---------|
| 17,500 | 339,027 |
|--------|---------|

Coronation Fund Managers

|        |         |
|--------|---------|
| 59,000 | 201,502 |
|--------|---------|

JSE

|        |         |
|--------|---------|
| 15,000 | 123,850 |
|--------|---------|

Metrofile Holdings

|         |        |
|---------|--------|
| 314,100 | 94,261 |
|---------|--------|

Net 1 UEPS Technologies 1

|        |         |
|--------|---------|
| 10,500 | 141,855 |
|--------|---------|

PSG Group

|        |         |                                 |                  |                    |             |
|--------|---------|---------------------------------|------------------|--------------------|-------------|
| 36,500 | 526,431 | <b>Total (Cost \$1,407,649)</b> | <b>1,426,926</b> | <b>SOUTH KOREA</b> | <b>0.3%</b> |
|--------|---------|---------------------------------|------------------|--------------------|-------------|

Eugene Technology

|        |         |
|--------|---------|
| 12,336 | 135,585 |
|--------|---------|

Huvis Corporation

|       |        |
|-------|--------|
| 3,900 | 25,693 |
|-------|--------|

ISC

|       |        |
|-------|--------|
| 1,809 | 43,563 |
|-------|--------|

Koh Young Technology

|       |        |                               |                |              |             |
|-------|--------|-------------------------------|----------------|--------------|-------------|
| 3,000 | 97,653 | <b>Total (Cost \$370,666)</b> | <b>302,494</b> | <b>SPAIN</b> | <b>0.2%</b> |
|-------|--------|-------------------------------|----------------|--------------|-------------|

Atento 1,2

|        |                |                               |                |               |             |
|--------|----------------|-------------------------------|----------------|---------------|-------------|
| 21,500 | <b>209,410</b> | <b>Total (Cost \$304,802)</b> | <b>209,410</b> | <b>SWEDEN</b> | <b>0.8%</b> |
|--------|----------------|-------------------------------|----------------|---------------|-------------|

Addtech Cl. B

|        |         |
|--------|---------|
| 27,000 | 458,577 |
|--------|---------|

Dustin Group 1

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15,100 116,380

Hoist Finance 1

7,900 82,448

Proact IT Group

4,700 77,159 **Total (Cost \$633,741)** **734,564** **SWITZERLAND 7.1%**

Belimo Holding

300 733,137

Burckhardt Compression Holding

2,075 636,333

Burkhalter Holding

4,500 487,400

dorma+kaba Holding

800 542,796

Forbo Holding

675 791,156

Inficon Holding

1,700 542,270

LEM Holding

1,000 752,239

Partners Group Holding

1,600 574,457

**VZ Holding**

4,850 1,428,192 **Total (Cost \$6,053,580)** **6,487,980** **TAIWAN 0.8%**

Flytech Technology

37,680 108,413

Hota Industrial Manufacturing

17,500 63,976

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Kinik Company

48,500 75,110

Lumax International

87,400 115,490

Shih Her Technologies

85,600 89,551

Sporton International

15,300 93,412

Taiwan Paiho

54,200 119,405

UDE Corporation

63,400 63,520 **Total (Cost \$867,356)** **728,877** **TURKEY 0.4%**

Mardin Cimento Sanayii

300,000 **380,590** **Total (Cost \$752,323)** **380,590** **UNITED ARAB EMIRATES 0.7%**

Aramex

750,000 **640,872** **Total (Cost \$652,528)** **640,872** **UNITED KINGDOM 15.2%**

**Ashmore Group**

279,000 1,053,520

Berendsen

30,000 474,434

BrainJuicer Group

9,400 49,392

Character Group

11,400 78,551

**Clarkson**

45,600 1,510,809

Computacenter

9,000 113,262

**Consort Medical**

92,500 1,574,819

Conviviality

24,000 78,927

Diploma

40,000 447,705

e2v technologies

150,000 497,238

Elementis

175,000 589,880

Exova Group

175,000 373,816

Fidessa Group

30,000 884,567

Finsbury Food Group

45,500 75,795

Hargreaves Services

11,000 41,981

ITE Group

250,000 581,054

Jupiter Fund Management

108,000 714,069

Mattioli Woods

8,900 84,486

Norcros

54,360 160,559

Pendragon

144,600 99,534

Polypipe Group

117,000 601,793

Real Estate Investors

71,700 73,976

Rotork

89,000 239,307

Senior

130,000 439,847

**Spirax-Sarco Engineering**

28,989 1,396,487

Stallergenes Greer 1

10,800 375,538

Trifast

82,700 152,276

Vertu Motors

66,300 75,249

Victrex

18,000 475,019

Xaar

65,000 402,473

Zeal Network

2,500 105,641 **Total (Cost \$14,984,922)** **13,822,004**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2015 Annual Report to Stockholders | 17

**Royce Global Value Trust** December 31, 2015 **Schedule of Investments (continued)** **SHARES**  
**VALUE UNITED STATES 12.7%**

Brooks Automation 2

18,100 \$ 193,308

Century Casinos 1

2,900 22,562

Commercial Metals 2

42,000 574,980

Diebold 2,4

28,800 866,592

Diodes 1,2,4

20,500 471,090

EnerSys 2

11,000 615,230

Expeditors International of Washington 2

10,000 451,000

Fairchild Semiconductor International 1,2

24,600 509,466

FLIR Systems

14,100 395,787

Greif Cl. A

8,700 268,047

Hallador Energy 2

18,600 84,816

Innospec 2,4

12,457 676,540

**KBR 2**

59,200 1,001,664

Kirby Corporation 1

8,900 468,318

Nanometrics 1,2,4

44,500 673,730

National Instruments

19,000 545,110

Quaker Chemical 2

8,400 648,984

Rogers Corporation 1,2,4

6,000 309,420

Schnitzer Steel Industries Cl. A 2

19,100 274,467

SEACOR Holdings 1,2,4

6,000 315,360

SEI Investments 2

15,000 786,000

Sensient Technologies 2,4

9,500 596,790

Sun Hydraulics 2

15,139 480,360

Tennant Company 2

|                       |                             |  |                           |   |                          |
|-----------------------|-----------------------------|--|---------------------------|---|--------------------------|
| 6,200                 | 348,812                     | <b>Total (Cost \$13,085,342)</b>   | <b>11,578,433</b>         | <b>TOTAL COMMON STOCKS</b>                    | <b>(Cost</b>             |
| <b>\$104,727,594)</b> | <b>97,583,938</b>           | <b>REPURCHASE AGREEMENT</b>  | <b>1.9%</b>               | Fixed Income Clearing Corporation,            |                          |
|                       |                             | 0.03% dated 12/31/15, due 1/4/16, maturity value \$1,703,006 (collateralized by obligations of various U.S. Government Agencies, |                           |   |                          |
|                       |                             | 1.625% due 7/31/20, valued at \$1,737,169)   | <b>(Cost \$1,703,000)</b> | <b>1,703,000</b>                              | <b>TOTAL INVESTMENTS</b> |
| <b>108.9%</b>         | <b>(Cost \$106,430,594)</b> | <b>99,286,938</b>  |                           | <b>LIABILITIES LESS CASH AND OTHER ASSETS</b> | <b>(8.9)%</b>            |
| <b>(8,113,378)</b>    |                             | <b>NET ASSETS</b>  | <b>100.0%</b>             | <b>\$ 91,173,560</b>                          |                          |



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New additions in 2015.

1

Non-income producing.

2

All or a portion of these securities were pledged as collateral in connection with the revolving credit agreement at December 31, 2015. Total market value of pledged securities at December 31, 2015, was \$12,402,589.

3

A security for which market quotations are not readily available represents 0.0% of net assets. This security has been valued at its fair value under procedures approved by the Fund's Board of Directors. This security is defined as a Level 3 security due to the use of significant unobservable inputs in the determination of fair value. See Notes to Financial Statements.

4

At December 31, 2015, a portion of these securities were rehypothecated in connection with the Fund's revolving credit agreement in the aggregate amount of \$3,933,961.

Securities of Global/International Funds are categorized by the country of their headquarters, with the exception of exchange-traded funds.

**Bold indicates the Fund's 20 largest equity holdings in terms of December 31, 2015, market value.**

**TAX INFORMATION:** The cost of total investments for Federal income tax purposes was \$108,211,627. At December 31, 2015, net unrealized depreciation for all securities was \$8,924,689, consisting of aggregate gross unrealized appreciation of \$7,516,891 and aggregate gross unrealized depreciation of \$16,441,580. The primary difference between book and tax basis cost is the timing of the recognition of losses on securities sold and mark-to-market of Passive Foreign Investment Companies.







18 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS****Royce Global Value Trust** December 31, 2015 **Statement of Assets and Liabilities** ASSETS:

|                                 |                                   |   |                                     |                           |                            |                                 |                              |                                       |                  |                                   |                            |                     |                          |                  |
|---------------------------------|-----------------------------------|---|-------------------------------------|---------------------------|----------------------------|---------------------------------|------------------------------|---------------------------------------|------------------|-----------------------------------|----------------------------|---------------------|--------------------------|------------------|
| Investments at value            | \$ 97,583,938                     | Repurchase agreements (at cost and value) | 1,703,000                           | Cash and foreign currency | 4,162                      | Receivable for investments sold | 628,783                      | Receivable for dividends and interest | 160,417          | Prepaid expenses and other assets | 42,990                     | <b>Total Assets</b> | <b>100,123,290</b>       |                  |
| LIABILITIES:                    |                                   |   |                                     |                           |                            |                                 |                              |                                       |                  |                                   |                            |                     |                          |                  |
| 8,000,000                       | Payable for investments purchased | 755,165                                   | Payable for investment advisory fee | 97,446                    | Payable for directors fees | 9,953                           | Payable for interest expense | 692                                   | Accrued expenses | 68,933                            | Deferred capital gains tax | 17,541              | <b>Total Liabilities</b> | <b>8,949,730</b> |
| <b>Net Assets \$ 91,173,560</b> |                                   |   |                                     |                           |                            |                                 |                              |                                       |                  |                                   |                            |                     |                          |                  |

ANALYSIS OF NET ASSETS: Paid-in capital - \$0.001 par value per share; 10,344,899 shares outstanding (150,000,000 shares authorized) \$ 116,929,670 Undistributed net investment income (loss) (224,615 ) Accumulated net realized gain (loss) on investments and foreign currency (18,359,656 ) Net unrealized appreciation (depreciation) on investments and foreign currency (7,171,839 ) **Net Assets (net asset value per share - \$8.81) \$ 91,173,560** Investments at identified cost \$ 104,727,594

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS** 2015 Annual Report to Stockholders | 19**Royce Global Value Trust** **Statement of Changes in Net Assets** YEAR ENDED 12/31/15 YEAR ENDED 12/31/14

|  |                               |   |  |   |
|--|-------------------------------|---|--|---|
| INVESTMENT OPERATIONS:                                       |                               | Net investment income (loss)                          | \$ 985,324   | \$ 1,335,060  |
| Net realized gain (loss) on investments and foreign currency | (11,820,601 )                 | (6,230,541 )  | Net change in unrealized appreciation (depreciation) on investments and foreign currency |   |
|  | 7,399,963                     | (1,573,933 )  | <b>Net increase (decrease) in net assets from investment operations</b>                  |   |
|  | <b>(3,435,314 )</b>           | <b>(6,469,414 )</b>                                   | DISTRIBUTIONS:   |   |
| (1,029,597 )   | (1,533,038 )                  | Net realized gain on investments and foreign currency | Net investment income  |   |
| <b>(1,533,038 )</b>  | CAPITAL STOCK TRANSACTIONS:   |   | <b>Total distributions</b>   |   |
|  | Reinvestment of distributions | 353,733   | 603,492  | <b>(1,029,597 )</b>   |
| <b>capital stock transactions</b>                            | <b>353,733</b>                | <b>603,492</b>  | <b>Total</b>   |   |
| NET ASSETS:  | Beginning of year             | 95,284,738  | 102,683,698  | End of year (including undistributed net investment income (loss) of \$(224,615) at 12/31/15 and \$(199,302) at 12/31/14) |
|  | \$ 91,173,560                 | \$ 95,284,738   |  |   |

20 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS****Royce Global Value Trust** Year Ended December 31, 2015 **Statement of Operations**

|   |                  |  |           |  |   |                         |            |                   |        |
|---|------------------|--|-----------|--|---|-------------------------|------------|-------------------|--------|
| INVESTMENT INCOME:  |                  | INCOME:  |           | Dividends  | \$ 2,827,456  | Foreign withholding tax | (230,967 ) | Interest          | 29     |
| Rehypothecation income  | 2,675            | Securities lending   | 247       | <b>Total income</b>  | <b>2,599,440</b>  | EXPENSES:               |            |                   |        |
| advisory fees   | 1,198,138        | Custody and transfer agent fees  | 115,281   | Interest expense   | 98,993  | Stockholder reports     | 84,590     | Professional fees | 37,180 |
| expenses  | 35,196           | Directors fees   | 29,648    | Administrative and office facilities                         | 15,090  | Other                   |            |                   |        |
| <b>Total expenses</b>   | <b>1,614,116</b> | <b>Net investment income (loss)</b>  |           | <b>985,324</b>   | <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:</b> |                         |            |                   |        |
| NET REALIZED GAIN (LOSS):   |                  |  |           |  |   |                         |            |                   |        |
| Investments   | (11,798,475 )    | Foreign currency transactions  | (22,126 ) | NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):        |   |                         |            |                   |        |
|   |                  | Investments and foreign currency translations                                      | 7,425,832 | Other assets and liabilities denominated in foreign currency |   |                         |            |                   |        |
|   | (25,869 )        | <b>Net realized and unrealized gain (loss) on investments and foreign currency</b> |           | <b>(4,420,638 )</b>  |   |                         |            |                   |        |
| <b>NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS \$ (3,435,314 )</b> |                  |  |           |  |   |                         |            |                   |        |

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS** 2015 Annual Report to Stockholders | 21**Royce Global Value Trust** Year Ended December 31, 2015 **Statement of Cash Flows**

|  |  |                 |
|--|--|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:  | Net increase (decrease) in net assets from investment operations | \$ (3,435,314 ) |
| Adjustments to reconcile net increase (decrease) in net assets from investment operations to net cash used for operating activities: |  |                 |

Purchases of long-term investments

(71,402,917 )

Proceeds from sales and maturities of long-term investments

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65,164,724

Net purchases, sales and maturities of short-term investments

(1,703,000 )

Net (increase) decrease in dividends and interest receivable and other assets

(47,563 )

Net increase (decrease) in interest expense payable, accrued expenses and other liabilities

24,832

Net change in unrealized appreciation (depreciation) on investments

(7,425,832 )

Net realized gain (loss) on investments and foreign currency

11,820,601 **Net cash used for operating activities (7,004,469)** CASH FLOWS FROM FINANCING ACTIVITIES:  
 Net increase (decrease) in revolving credit agreement 8,000,000 Distributions (1,029,597) Reinvestment of distributions  
 353,733 **Net cash provided by financing activities 7,324,136 INCREASE (DECREASE) IN CASH: 319,667 Cash  
 and foreign currency at beginning of year (315,505) Cash and foreign currency at end of year \$ 4,162**

22 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**Royce Global Value Trust** **Financial Highlights** This table is presented to show selected data for a share outstanding throughout each period, and to assist stockholders in evaluating the Fund's performance for the periods presented.

| YEARS ENDED   | PERIOD ENDED | 12/31/15  | 12/31/14                   | 12/31/13       | 12/31/12       | 12/31/11       | 12/31/10       |
|---|--------------|---|----------------------------|----------------|----------------|----------------|----------------|
|   |              | <b>\$ 9.25</b>  | <b>\$ 9.25</b>             | <b>\$ 9.25</b> | <b>\$ 9.25</b> | <b>\$ 9.25</b> | <b>\$ 9.25</b> |
| <b>INVESTMENT OPERATIONS:</b>   |              |   |                            |                |                |                |                |
|   |              | Net investment income (loss)  |                            | 0.10           | 0.13           | (0.00)         |                |
|   |              | realized and unrealized gain (loss) on investments and foreign currency |                            | (0.43)         | (0.77)         | 0.27           |                |
| <b>Net increase (decrease) in net assets from investment operations</b> |              | <b>(0.33)</b>   | <b>(0.64)</b>              | <b>0.27</b>    |                |                |                |
| <b>DISTRIBUTIONS:</b>   |              |   |                            |                |                |                |                |
|   |              | Net investment income   |                            | (0.10)         | (0.15)         |                |                |
|   |              | Net realized gain on investments and foreign currency                   |                            |                |                |                |                |
| <b>Total distributions</b>  |              | <b>(0.10)</b>   | <b>(0.15)</b>              |                |                |                |                |
| <b>CAPITAL STOCK TRANSACTIONS:</b>                                      |              |   |                            |                |                |                |                |
|   |              | Effect of reinvestment of distributions by Common Stockholders          |                            | (0.01)         | (0.01)         |                |                |
| <b>Total capital stock transactions</b>                                 |              | <b>(0.01)</b>   | <b>(0.01)</b>              |                |                |                |                |
| <b>Net Asset Value, End of Period</b>                                   |              | <b>\$ 8.81</b>  | <b>\$ 8.81</b>             | <b>\$ 8.81</b> | <b>\$ 8.81</b> | <b>\$ 8.81</b> | <b>\$ 8.81</b> |
| <b>Market Value, End of Period</b>                                      |              | <b>\$ 7.45</b>  | <b>\$ 8.04</b>             | <b>\$ 8.89</b> |                |                |                |
| TOTAL RETURN:   |              | 2   | 2                          | 2              | 2              | 2              | 2              |
| Net Asset Value   |              | (3.44)%   | (6.23)%                    | 2.76%          | 3              | 3              | 3              |
| Market Value  |              | (6.06)%   | (7.86)%                    | (0.95)%        | 3              | 3              | 3              |
| <b>RATIOS BASED ON AVERAGE NET ASSETS:</b>                              |              |   |                            |                |                |                |                |
|   |              | Investment advisory fee expense   |                            | 1.25%          | 1.25%          | 1.25%          | 4              |
|   |              | Other operating expenses  |                            | 0.43%          | 0.24%          | 0.37%          | 4              |
|   |              | Total expenses (net)  |                            | 1.68%          | 1.49%          | 1.62%          | 4              |
|   |              | Expenses excluding interest expense                                     |                            | 1.58%          | 1.49%          | 1.62%          | 4              |
|   |              | Expenses prior to balance credits                                       |                            | 1.68%          | 1.49%          | 1.62%          | 4              |
|   |              | Net investment income (loss)  |                            | 1.03%          | 1.30%          | (0.13)%        | 4              |
| <b>SUPPLEMENTAL DATA:</b>   |              |   |                            |                |                |                |                |
|   |              | Net Assets End of Period (in thousands)                                 |                            | \$ 91,174      | \$             | \$             | \$             |
| 95,285  |              | \$ 102,684  | Portfolio Turnover Rate    | 65%            | 43%            | 7%             |                |
| <b>REVOLVING CREDIT AGREEMENT:</b>                                      |              |   |                            |                |                |                |                |
| Asset coverage  |              | 1240%   | Asset coverage per \$1,000 | 12,397         |                |                |                |

1  
 The Fund commenced operations on October 18, 2013.

2  
 The Market Value Total Return is calculated assuming a purchase of Common Stock on the opening of the first business day and a sale on the closing of the last business day of each period. Dividends and distributions are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund's Distribution Reinvestment and Cash Purchase Plan. Net Asset Value Total Return is calculated on the same basis, except that the Fund's net asset value is used on the purchase and sale dates instead of market value.

3  
 Not annualized

4  
 Annualized

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2015 Annual Report to Stockholders | 23

## Royce Global Value Trust

### Notes to Financial Statements

#### Summary of Significant Accounting Policies

Royce Global Value Trust, Inc. (the Fund), is a diversified closed-end investment company that was incorporated under the laws of the State of Maryland on February 14, 2011. The Fund commenced operations on October 18, 2013.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 Financial Services-Investment Companies.

#### VALUATION OF INVESTMENTS:

Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq's Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their highest bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price, except in the case of some bonds and other fixed income securities which may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. The Fund values its non-U.S. dollar denominated securities in U.S. dollars daily at the prevailing foreign currency exchange rates as quoted by a major bank. Securities for which market quotations are not readily available are valued at their fair value in accordance with the provisions of the 1940 Act, under procedures approved by the Fund's Board of Directors, and are reported as Level 3 securities. As a general principle, the fair value of a security is the amount which the Fund might reasonably expect to receive for the security upon its current sale. However, in light of the judgment involved in fair valuations, there can be no assurance that a fair value assigned to a particular security will be the amount which the Fund might be able to receive upon its current sale. In addition, if, between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and may make the closing price unreliable, the Fund may fair value the security. The Fund uses an independent pricing service to provide fair value estimates for relevant non-U.S. equity securities on days when the U.S. market volatility exceeds a certain threshold. This pricing service uses proprietary correlations it has developed between the movement of prices of non-U.S. equity securities and indices of U.S.-traded securities, futures contracts and other indications to estimate the fair value of relevant non-U.S. securities. When fair value pricing is employed, the prices of securities used by the Fund may differ from quoted or published prices for the same security. Investments in money market funds are valued at net asset value per share.

Various inputs are used in determining the value of the Fund's investments, as noted above. These inputs are summarized in the three broad levels below:

**Level 1** quoted prices in active markets for identical securities. **Level 2** other significant observable inputs (including quoted prices for similar securities, foreign securities that may be fair valued and repurchase agreements). The table below includes all Level 2 securities. Any Level 2 securities with values based on quoted prices for similar securities would be noted in the Schedule of Investments.

**Level 3** significant unobservable inputs (including last trade price before trading was suspended, or at a discount thereto for lack of marketability or otherwise, market price information regarding other securities, information received from the company and/or published documents, including SEC filings and financial statements, or other publicly available information).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2015. For a detailed breakout of common stocks by country, please refer to the Schedule of Investments.

|               | LEVEL 1      | LEVEL 2      | LEVEL 3  | TOTAL               |      |
|---------------|--------------|--------------|----------|---------------------|------|
| Common Stocks | \$21,678,424 | \$75,886,804 | \$18,710 | <b>\$97,583,938</b> | Cash |
| Equivalents   |              | 1,703,000    |          | <b>1,703,000</b>    |      |

For the year ended December 31, 2015, certain securities have transferred in and out of Level 1, Level 2 and Level 3 measurements. The Fund recognizes transfers between levels as of the end of the reporting period. At December 31, 2015, securities valued at \$42,260 were transferred from Level 2 to Level 1 and securities valued at \$18,710 were transferred from Level



2 to Level 3 within the fair value hierarchy.

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# Royce Global Value Trust

## Notes to Financial Statements (continued)

### VALUATION OF INVESTMENTS (continued):

#### Level 3 Reconciliation:

|               | REALIZED AND UNREALIZED | BALANCE AS OF 12/31/14 | TRANSFERS IN | GAIN (LOSS) <sup>1</sup> | BALANCE AS OF 12/31/15 |
|---------------|-------------------------|------------------------|--------------|--------------------------|------------------------|
| Common Stocks | \$ 18,710               | \$ 18,710              | 1            |                          |                        |

The net change in unrealized appreciation (depreciation) is included in the accompanying Statement of Operations. Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized. Net realized gain (loss) from investments and foreign currency transactions is included in the accompanying Statement of Operations.

#### REPURCHASE AGREEMENTS:

The Fund may enter into repurchase agreements with institutions that the Fund's investment adviser has determined are creditworthy. The Fund restricts repurchase agreements to maturities of no more than seven days. Securities pledged as collateral for repurchase agreements, which are held until maturity of the repurchase agreements, are marked-to-market daily and maintained at a value at least equal to the principal amount of the repurchase agreement (including accrued interest). Repurchase agreements could involve certain risks in the event of default or insolvency of the counter-party, including possible delays or restrictions upon the ability of the Fund to dispose of its underlying securities. The remaining contractual maturity of the repurchase agreement held by the Fund at December 31, 2015 is overnight and continuous.

#### FOREIGN CURRENCY:

Net realized foreign exchange gains or losses arise from sales and maturities of short-term securities, sales of foreign currencies, expiration of currency forward contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, including investments in securities at the end of the reporting period, as a result of changes in foreign currency exchange rates.

#### SECURITIES LENDING:

The Fund loans securities through a lending agent to qualified institutional investors for the purpose of realizing additional income. Collateral for the Fund on all securities loaned is accepted in cash and cash equivalents and invested temporarily by the custodian. The collateral maintained is at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund retains the risk of any loss on the securities on loan as well as incurring the potential loss on investments purchased with cash collateral received for securities lending. The Fund's securities lending income consists of the income earned on investing cash collateral, plus any premium payments received for lending certain securities, less any rebates paid to borrowers and lending agent fees associated with the loan. The lending agent is not affiliated with Royce. No securities were on loan at December 31, 2015.

#### DISTRIBUTIONS AND TAXES:

As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the Fund is not subject to income taxes to the extent that it distributes substantially all of its taxable income for its fiscal year. The Schedule of Investments includes information regarding income taxes under the caption "Tax Information".

The Fund pays any dividends and capital gain distributions annually in December. Because federal income tax regulations differ from generally accepted accounting principles, income and capital gain distributions determined in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Accordingly, the character of distributions and composition of net assets for tax purposes differ from those reflected in the accompanying financial statements.

#### CAPITAL GAINS TAXES:

The Fund is subject to a tax imposed on short-term capital gains on securities of issuers domiciled in certain countries. The Fund records an estimated deferred tax liability for these securities that have been held for less than one year. This amount, if any, is reported as deferred capital gains tax in the accompanying Statement of Assets and Liabilities, assuming those positions were

disposed of at the end of the period, and accounted for as a reduction in the market value of the security.

**INVESTMENT TRANSACTIONS AND RELATED INVESTMENT INCOME:**

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Non-cash dividend income is recorded at the fair market value of the securities received. Interest income is recorded on an accrual basis. Premium and discounts on debt securities are amortized using the effective yield-to-maturity method. Realized gains and losses from investment transactions are determined on the basis of identified cost for book and tax purposes.

## Royce Global Value Trust

### Notes to Financial Statements (continued)

#### EXPENSES:

The Fund incurs direct and indirect expenses. Expenses directly attributable to the Fund are charged to the Fund's operations, while expenses applicable to more than one of the Royce Funds are allocated equitably. Certain personnel, occupancy costs and other administrative expenses related to the Funds are allocated by Royce & Associates, LLC ( Royce ) under an administration agreement and are included in administrative and office facilities and professional fees.

#### COMPENSATING BALANCE CREDITS:

The Fund has an arrangement with its custodian bank, whereby a portion of the custodian's fee is paid indirectly by credits earned on the Fund's cash on deposit with the bank. This deposit arrangement is an alternative to purchasing overnight investments. Conversely, the Fund pays interest to the custodian on any cash overdrafts, to the extent they are not offset by credits earned on positive cash balances.

#### Capital Stock:

The Fund issued 48,927 and 75,721 shares of Common Stock as reinvestment of distributions for the years ended December 31, 2015 and December 31, 2014, respectively.

#### Borrowings:

The Fund has entered into a revolving credit agreement (the credit agreement) with BNP Paribas Prime Brokerage Inc. (BNPP). The Fund pays a commitment fee of 0.50% per annum on the unused portion of the credit agreement. The credit agreement has a 360-day rolling term that resets daily; however, if the Fund exceeds certain net asset value triggers, the credit agreement may convert to a 60-day rolling term that resets daily. The Fund is required to pledge portfolio securities as collateral in an amount up to two times the loan balance outstanding and has granted a security interest in the securities pledged to, and in favor of, BNPP as security for the loan balance outstanding. If the Fund fails to meet certain requirements, or maintain other financial covenants required under the credit agreement, the Fund may be required to repay immediately, in part or in full, the loan balance outstanding under the credit agreement necessitating the sale of portfolio securities at potentially inopportune times. The credit agreement also permits, subject to certain conditions, BNPP to rehypothecate portfolio securities pledged by the Fund up to the amount of the loan balance outstanding. The Fund continues to receive payments in lieu of dividends and interest on rehypothecated securities. The Fund also has the right under the credit agreement to recall the rehypothecated securities from BNPP on demand. If BNPP fails to deliver the recalled security in a timely manner, the Fund is compensated by BNPP for any fees or losses related to the failed delivery or, in the event a recalled security is not returned by BNPP, the Fund, upon notice to BNPP, may reduce the loan balance outstanding by the amount of the recalled security failed to be returned. The Fund receives a portion of the fees earned by BNPP in connection with the rehypothecation of portfolio securities.

As of December 31, 2015, the Fund has outstanding borrowings of \$8,000,000. During the year ended December 31, 2015, the Fund borrowed an average daily balance of \$7,693,151 at a weighted average borrowing cost of 1.27%. The maximum amount outstanding during the year ended December 31, 2015 was \$8,000,000. As of December 31, 2015, the aggregate value of rehypothecated securities was \$3,933,961. During the year ended December 31, 2015, the Fund earned \$2,675 in fees from rehypothecated securities.

#### Investment Advisory Agreement:

The Investment Advisory Agreement between Royce and the Fund provides for fees to be paid at an annual rate of 1.25% of the Fund's average daily net assets. For the year ended December 31, 2015, the Fund accrued and paid Royce investment advisory fees totaling \$1,198,138.

#### Purchases and Sales of Investment Securities:

For the year ended December 31, 2015, the costs of purchases and proceeds from sales of investment securities, other than short-term securities, amounted to \$72,146,832 and \$65,666,166, respectively.

Cross trades were executed by the Fund pursuant to Rule 17a-7 under the 1940 Act. Cross trading is the buying or selling of portfolio securities between funds to which R&A serves as investment adviser. At its regularly scheduled quarterly meetings, the Board reviews such transactions as of the most recent calendar quarter for compliance with the requirements and restrictions set forth by Rule 17a-7. Cross trades for the year ended December 31, 2015, were as follows:

|                  |              |                             |              |             |             |
|------------------|--------------|-----------------------------|--------------|-------------|-------------|
| <b>PURCHASES</b> | <b>SALES</b> | <b>REALIZED GAIN (LOSS)</b> | \$10,074,569 | \$1,041,581 | \$(148,026) |
|------------------|--------------|-----------------------------|--------------|-------------|-------------|

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**Tax Information:**

Distributions during the years ended December 31, 2015 and 2014, were characterized as follows for tax purposes:

| <b>ORDINARY INCOME</b> | <b>LONG-TERM CAPITAL GAINS</b> | <b>2015</b> | <b>2014</b> | <b>2015</b> | <b>2014</b> | <b>\$1,029,597</b> | <b>\$1,533,038</b> | <b>\$</b> | <b>\$</b> |
|------------------------|--------------------------------|-------------|-------------|-------------|-------------|--------------------|--------------------|-----------|-----------|
|------------------------|--------------------------------|-------------|-------------|-------------|-------------|--------------------|--------------------|-----------|-----------|

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## Royce Global Value Trust

### Tax Information (continued):

The tax basis components of distributable earnings at December 31, 2015, were as follows:

| UNDISTRIBUTED LONG-TERM<br>ORDINARY AND<br>SUBJECT TO EXPIRATION)  | TOTAL ORDINARY<br>(DEPRECIATION) <sup>1</sup> | QUALIFIED LATE YEAR<br>(CAPITAL LOSSES<br>DEFERRALS) <sup>2</sup> | APPRECIATION<br>EARNINGS | UNDISTRIBUTED<br>POST-OCTOBER LOSS | CAPITAL GAINS OR<br>DISTRIBUTABLE INCOME | NET UNREALIZED<br>NOT |
|--|---|---|--------------------------|------------------------------------|--|-----------------------|
|  |   |   | \$23,117                 | \$(16,563,303)                     | \$(8,952,873)                            | \$(263,051)           |
| \$(25,756,110) <sup>1</sup> Includes timing differences on foreign currency, recognition of losses on securities sold and mark-to-market of Passive Foreign Investment Companies. <sup>2</sup> |   |   |                          |                                    |  |                       |

Under the current tax law, capital losses and qualified late year ordinary losses incurred after October 31 may be deferred and treated as occurring on the first day of the following fiscal year.

For financial reporting purposes, capital accounts and distributions to stockholders are adjusted to reflect the tax character of permanent book/tax differences. For the year ended December 31, 2015, the Fund recorded the following permanent reclassifications, which relate primarily to current publicly traded partnerships, foreign currency transactions, foreign capital gains tax and gains from the sale of Passive Foreign Investment Companies. Results of operations and net assets were not affected by these reclassifications.

**UNDISTRIBUTED NET ACCUMULATED NET INVESTMENT INCOME REALIZED GAIN (LOSS) \$18,961 \$(18,961)**

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years (2013-2015) and has concluded that as of December 31, 2015, no provision for income tax is required in the Fund's financial statements.

# Royce Global Value Trust

## Report of Independent Registered Public Accounting Firm

### To the Board of Directors and Stockholders of Royce Global Value Trust, Inc.:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statement of operations, of changes in net assets, and of cash flows and the financial highlights present fairly, in all material respects, the financial position of Royce Global Value Trust, Inc. (the Fund ) at December 31, 2015, the results of its operations, the changes in its net assets, its cash flows and its financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements ) are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of securities at December 31, 2015 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The statement of changes in net assets for the year ended December 31, 2014 and the financial highlights for each of the fiscal periods presented in the period ended December 31, 2014 were audited by other independent accountants whose report dated February 23, 2015 expressed an unqualified opinion on those statements.

PricewaterhouseCoopers LLP Baltimore, Maryland February 23, 2016

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## Royce Micro-Cap Trust December 31, 2015

| Schedule of Investments    | Common Stocks 108.7%   | SHARES | VALUE | CONSUMER |
|----------------------------|------------------------|--------|-------|----------|
| <b>DISCRETIONARY 15.1%</b> | AUTO COMPONENTS - 2.6% |        |       |          |

Drew Industries 1,2

32,800 \$ 1,997,192

Fuel Systems Solutions 3

86,000 420,540

Global & Yuasa Battery

50,500 1,753,292

Motorcar Parts of America 3

45,100 1,524,831

### Standard Motor Products

61,853 2,353,507 **8,049,362** DISTRIBUTORS - 1.3%

### Fenix Parts 3

351,200 2,384,648

Weyco Group

59,600 1,594,896 **3,979,544** DIVERSIFIED CONSUMER SERVICES - 2.2%

American Public Education 3

73,200 1,362,252

Capella Education

1,300 60,086

Collectors Universe

96,100 1,489,550

### Liberty Tax Cl. A 1

108,264 2,579,931

Lincoln Educational Services 3

100,000 199,000



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|  |           |                  |                                      |
|--|-----------|------------------|--------------------------------------|
| Universal Technical Institute          |           |                  |                                      |
| 270,000                                | 1,258,200 | <b>6,949,019</b> | HOTELS, RESTAURANTS & LEISURE - 0.9% |
| Century Casinos 3                      |           |                  |                                      |
| 196,822                                | 1,531,275 |                  |                                      |
| Lindblad Expeditions Holdings 3        |           |                  |                                      |
| 122,400                                | 1,359,864 | <b>2,891,139</b> | HOUSEHOLD DURABLES - 2.4%            |
| Cavco Industries 3                     |           |                  |                                      |
| 20,391                                 | 1,698,774 |                  |                                      |
| Ethan Allen Interiors 1                |           |                  |                                      |
| 50,100                                 | 1,393,782 |                  |                                      |
| Flexsteel Industries 1                 |           |                  |                                      |
| 20,900                                 | 923,362   |                  |                                      |
| iRobot Corporation 1,2,3               |           |                  |                                      |
| 15,000                                 | 531,000   |                  |                                      |
| Lifetime Brands 1                      |           |                  |                                      |
| 130,794                                | 1,734,328 |                  |                                      |
| Stanley Furniture 3                    |           |                  |                                      |
| 93,468                                 | 260,776   |                  |                                      |
| Universal Electronics 3                |           |                  |                                      |
| 15,100                                 | 775,385   | <b>7,317,407</b> | INTERNET & CATALOG RETAIL - 1.2%     |
| Blue Nile 1,2,3                        |           |                  |                                      |
| 59,400                                 | 2,205,522 |                  |                                      |
| FTD Companies 3                        |           |                  |                                      |
| 61,500                                 | 1,609,455 | <b>3,814,977</b> | LEISURE PRODUCTS - 0.9%              |
| Nautilus 3                             |           |                  |                                      |
| 128,600                                | 2,150,192 |                  |                                      |
| Smith & Wesson Holding Corporation 1,3 |           |                  |                                      |

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31,700 696,766

Sturm, Ruger & Co.

1,100 65,571 **2,912,529** MEDIA - 0.7%

New Media Investment Group

52,800 1,027,488

Rentrak Corporation 3

24,800 1,178,744 **2,206,232** SPECIALTY RETAIL - 1.5%

Destination Maternity

245,500 2,140,760

Kirkland's

7,900 114,550

MarineMax 3

5,400 99,468

Shoe Carnival 1

31,628 733,770

Stage Stores 1

15,000 136,650

Systemax 1,2,3

74,000 636,400

TravelCenters of America LLC 3

2,900 27,260

West Marine 3

86,000 730,140 **4,618,998** TEXTILES, APPAREL & LUXURY GOODS - 1.4%

Crown Crafts

135,459 1,150,047

Culp

32,900 837,963

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J.G. Boswell Company 4

2,490 1,556,250

YGM Trading

1,482,000 933,332 **4,477,592 Total (Cost \$44,856,058) 47,216,799 CONSUMER STAPLES**  
**3.0% BEVERAGES - 0.2%**

Crimson Wine Group 3,4

58,124 **501,610** FOOD PRODUCTS - 2.8%

Binggrae 3

18,078 1,050,086

Farmer Bros. 1,3

45,100 1,455,377

John B. Sanfilippo & Son

21,700 1,172,451

Landec Corporation 3

75,610 894,466

Limoneira Company

6,400 95,616

**Seneca Foods Cl. A 3**

51,400 1,489,572

**Seneca Foods Cl. B 3**

42,500 1,356,600

SunOpta 3

162,081 1,108,634

Waterloo Investment Holdings 3,5

806,207 225,738 **8,848,540 Total (Cost \$6,932,220) 9,350,150 ENERGY 2.7% ENERGY**  
**EQUIPMENT & SERVICES - 1.6%**

Canadian Energy Services & Technology

25,000 70,102

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Dawson Geophysical 3

73,654 254,843

**Era Group 3**

212,435 2,368,650

Geospace Technologies 1,3

9,500 133,665

Gulf Island Fabrication

103,216 1,079,639

Matrix Service 1,3

25,300 519,662

Newpark Resources 3

8,000 42,240

North American Energy Partners

50,000 86,500

Pioneer Energy Services 1,2,3

57,500 124,775

Tesco Corporation 1

58,000 419,920 **5,099,996** OIL, GAS & CONSUMABLE FUELS - 1.1%

Ardmore Shipping

15,500 197,160

Dorchester Minerals L.P.

106,127 1,049,596

Permian Basin Royalty Trust

266,333 1,347,645

StealthGas 3

186,085 638,272 **3,232,673** **Total (Cost \$13,283,624)** **8,332,669** **FINANCIALS 18.6%**  
 BANKS - 2.3%

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Bank of N.T. Butterfield & Son

438,100 854,295

BCB Holdings 3

526,221 65,939

Blue Hills Bancorp

50,000 765,500

Bryn Mawr Bank

25,000 718,000

Chemung Financial 1

31,000 857,460

Fauquier Bankshares 1

140,200 2,147,864

First Bancorp (The)

40,200 822,894

Peapack-Gladstone Financial

53,606 1,105,356 **7,337,308** CAPITAL MARKETS - 9.1%

ASA Gold and Precious Metals

206,150 1,478,095

BHF Kleinwort Benson Group 3

160,000 993,482

Cowen Group 3

100,000 383,000

Diamond Hill Investment Group 1

11,179 2,112,831

Dundee Corporation Cl. A 3

435,000 1,433,548

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2015 Annual Report to Stockholders | 29

## Royce Micro-Cap Trust

| Schedule of Investments (continued)             | SHARES  | VALUE      | FINANCIALS (continued) | CAPITAL |
|---|---------|------------|------------------------|---------|
| MARKETS (continued)                             |         |            |                        |         |
| EQT Holdings                                    |         |            |                        |         |
|   | 43,150  | \$ 643,961 |                        |         |
| Fiera Capital Cl. A                             |         |            |                        |         |
|   | 78,000  | 639,243    |                        |         |
| Fifth Street Asset Management Cl. A             |         |            |                        |         |
|   | 259,503 | 845,980    |                        |         |
| INTL FCStone 1,3                                |         |            |                        |         |
|   | 41,727  | 1,396,185  |                        |         |
| JZ Capital Partners                             |         |            |                        |         |
|   | 247,999 | 1,401,518  |                        |         |
| Manning & Napier Cl. A                          |         |            |                        |         |
|   | 170,600 | 1,448,394  |                        |         |
| Medley Management Cl. A                         |         |            |                        |         |
|   | 153,400 | 872,846    |                        |         |
| <b>MVC Capital 1</b>                            |         |            |                        |         |
|   | 372,400 | 2,744,588  |                        |         |
| Newtek Business Services                        |         |            |                        |         |
|   | 58,500  | 837,720    |                        |         |
| OHA Investment                                  |         |            |                        |         |
|   | 204,620 | 777,556    |                        |         |
| Queen City Investments 4                        |         |            |                        |         |
|   | 948     | 1,232,400  |                        |         |
| <b>Silvercrest Asset Management Group Cl. A</b> |         |            |                        |         |

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213,600 2,539,704

Sprott

1,268,333 2,181,566

U.S. Global Investors Cl. A

646,254 756,117

Urbana Corporation

237,600 353,730

Westwood Holdings Group 1

18,300 953,247

**ZAIS Group Holdings Cl. A 1,2,3**

265,818 2,461,475 **28,487,186** CONSUMER FINANCE - 0.4%

EZCORP Cl. A 1,2,3

201,000 1,002,990

J.G. Wentworth Company Cl. A 3

135,000 243,000 **1,245,990** DIVERSIFIED FINANCIAL SERVICES - 1.6%

Banca Finnat Euramerica

910,000 426,671

GAIN Capital Holdings

25,000 202,750

PICO Holdings 1,2,3

153,700 1,586,184

Value Line

169,000 2,269,670

Warsaw Stock Exchange

52,900 484,449 **4,969,724** INSURANCE - 2.0%

eHealth 1,2,3

100,000 998,000

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Hallmark Financial Services 3

114,000 1,332,660

Independence Holding Company

100,080 1,386,108

State Auto Financial 1

73,264 1,508,506

United Fire Group 1

29,603 1,134,091 **6,359,365** REAL ESTATE INVESTMENT TRUSTS (REITS) - 0.5%

BRT Realty Trust 3

230,331 **1,460,298** REAL ESTATE MANAGEMENT & DEVELOPMENT - 2.7%

AV Homes 3

87,400 1,119,594

Forestar Group 1,2,3

53,000 579,820

**FRP Holdings 1,3**

83,981 2,850,315

Griffin Industrial Realty

47,746 1,245,693

Hopefluent Group Holdings

1,400,000 384,106

Marcus & Millichap 3

1,800 52,452

Tejon Ranch 1,2,3

112,162 2,147,902

Tejon Ranch (Warrants) 3

13,146 92 **8,379,974** **Total (Cost \$67,156,570)** **58,239,845** **HEALTH CARE 16.1%**  
 BIOTECHNOLOGY - 4.1%



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Abeona Therapeutics 3

299,643 1,006,800

Aquinox Pharmaceuticals 1,2,3

18,622 232,403

ARIAD Pharmaceuticals 1,2,3

114,102 713,138

Avalanche Biotechnologies 3

168,246 1,601,702

ChemoCentryx 3

33,300 269,730

Fortress Biotech 3

147,400 411,246

Invitae Corporation 3

144,936 1,189,925

Keryx Biopharmaceuticals 3

271,725 1,372,211

Sangamo BioSciences 3

191,785 1,750,997

Stemline Therapeutics 3

159,179 1,004,419

**Zealand Pharma 3**

151,000 3,309,274

**12,861,845**

HEALTH CARE EQUIPMENT & SUPPLIES - 7.0%

Analogic Corporation

17,200 1,420,720

AngioDynamics 1,3

106,061 1,287,580

**Atrion Corporation 1**

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|                           |           |                   |   |
|---------------------------|-----------|-------------------|---|
| 9,760                     | 3,720,512 |                   |   |
| Cerus Corporation 1,2,3   |           |                   |   |
| 140,000                   | 884,800   |                   |   |
| Cynosure Cl. A 3          |           |                   |   |
| 1,500                     | 67,005    |                   |   |
| Derma Sciences 3          |           |                   |   |
| 74,958                    | 342,558   |                   |   |
| Exactech 1,2,3            |           |                   |   |
| 127,200                   | 2,308,680 |                   |   |
| Inogen 3                  |           |                   |   |
| 5,400                     | 216,486   |                   |   |
| Invacare Corporation 1    |           |                   |   |
| 44,300                    | 770,377   |                   |   |
| STRATEC Biomedical        |           |                   |   |
| 14,000                    | 924,724   |                   |   |
| <b>SurModics 3</b>        |           |                   |   |
| 282,000                   | 5,716,140 |                   |   |
| Symmetry Surgical 3       |           |                   |   |
| 2,975                     | 27,370    |                   |   |
| Syneron Medical 3         |           |                   |   |
| 69,200                    | 533,532   |                   |   |
| TearLab Corporation 3     |           |                   |   |
| 85,000                    | 118,150   |                   |   |
| Trinity Biotech ADR Cl. A |           |                   |   |
| 100,500                   | 1,181,880 |                   |   |
| Utah Medical Products     |           |                   |   |
| 38,100                    | 2,230,374 | <b>21,750,888</b> | HEALTH CARE PROVIDERS & SERVICES - 3.8% |

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Aceto Corporation 1

79,600 2,147,608

Addus HomeCare 3

29,500 686,760

CorVel Corporation 1,2,3

40,000 1,756,800

**Cross Country Healthcare 3**

175,400 2,874,806

Landauer

33,743 1,110,820

National Research Cl. A

40,033 642,129

PharMerica Corporation 1,2,3

40,000 1,400,000

Psychemedics Corporation

37,500 380,250

U.S. Physical Therapy

12,600 676,368 **11,675,541** HEALTH CARE TECHNOLOGY - 0.1%

Vocera Communications 3

33,100 **403,820** PHARMACEUTICALS - 1.1%

Agile Therapeutics 1,2,3

80,000 780,800

Lipocine 3

90,467 1,169,738

Repros Therapeutics 3

129,000 156,090

Theravance Biopharma 3

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83,509 1,368,713 **3,475,341** **Total (Cost \$40,357,258)** **50,167,435** **INDUSTRIALS 16.1%**  
 AEROSPACE & DEFENSE - 0.4%

CPI Aerostructures 3

9,500 92,435

FLYHT Aerospace Solutions 3

1,916,800 318,613

Innovative Solutions and Support 3

142,828 394,205

SIFCO Industries 3

45,800 435,100 **1,240,353** AIR FREIGHT & LOGISTICS - 0.2%

Frontier Services Group 3

3,009,086 **687,591** BUILDING PRODUCTS - 1.6%

AAON 1

21,200 492,264

Apogee Enterprises

15,900 691,809

Burnham Holdings Cl. A 4

117,000 1,924,650

30 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**  
December 31, 2015

**Schedule of Investments (continued)**                      **SHARES**    **VALUE**                      **INDUSTRIALS (continued)**  
BUILDING PRODUCTS (continued)

Insteel Industries

60,500 \$ 1,265,660

Patrick Industries 3

16,900 735,150                      **5,109,533**                      COMMERCIAL SERVICES & SUPPLIES - 1.9%

Atento 3

159,501 1,553,540

CompX International Cl. A

107,500 1,225,500

**Heritage-Crystal Clean 1,2,3**

235,077 2,491,816

Team 1,3

17,500 559,300                      **5,830,156**                      CONSTRUCTION & ENGINEERING - 3.9%

Ameresco Cl. A 3

275,700 1,723,125

**Integrated Electrical Services 3**

568,594 6,294,335

Layne Christensen 1,2,3

50,000 263,000

MYR Group 1,2,3

92,300 1,902,303

Northwest Pipe 3

101,800 1,139,142

Orbit Garant Drilling 3

1,492,500 787,400                      **12,109,305**                      ELECTRICAL EQUIPMENT - 1.2%

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Encore Wire 1

18,400 682,456

LSI Industries

93,012 1,133,816

Orion Energy Systems 3

170,000 368,900

Powell Industries

28,400 739,252

Power Solutions International 1,2,3

7,100 129,575

Preformed Line Products

17,243 725,930 **3,779,929** INDUSTRIAL CONGLOMERATES - 0.5%

Raven Industries 1

93,400 **1,457,040** MACHINERY - 3.7%

CIRCOR International 1

1,100 46,365

Columbus McKinnon

5,300 100,170

Eastern Company (The)

39,750 745,312

Foster (L.B.) Company 1

99,300 1,356,438

Graham Corporation 1

81,150 1,364,943

Hurco Companies

57,266 1,520,985

Kadant

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|                                    |                |                   |                              |
|------------------------------------|----------------|-------------------|------------------------------|
| 34,300                             | 1,392,923      |                   |                              |
| Luxfer Holdings ADR                |                |                   |                              |
| 59,712                             | 587,566        |                   |                              |
| NN                                 |                |                   |                              |
| 103,900                            | 1,656,166      |                   |                              |
| Pfeiffer Vacuum Technology         |                |                   |                              |
| 6,000                              | 611,343        |                   |                              |
| Sun Hydraulics                     |                |                   |                              |
| 8,200                              | 260,186        |                   |                              |
| Tennant Company 1,2                |                |                   |                              |
| 33,500                             | 1,884,710      |                   |                              |
| Twin Disc                          |                |                   |                              |
| 7,000                              | 73,640         | <b>11,600,747</b> | MARINE - 0.1%                |
| Clarkson                           |                |                   |                              |
| 13,000                             | <b>430,713</b> |                   | PROFESSIONAL SERVICES - 1.5% |
| Acacia Research 1                  |                |                   |                              |
| 63,700                             | 273,273        |                   |                              |
| CBIZ 3                             |                |                   |                              |
| 47,000                             | 463,420        |                   |                              |
| Franklin Covey 3                   |                |                   |                              |
| 68,400                             | 1,145,016      |                   |                              |
| Heidrick & Struggles International |                |                   |                              |
| 46,300                             | 1,260,286      |                   |                              |
| Kforce 1                           |                |                   |                              |
| 3,200                              | 80,896         |                   |                              |
| Mistras Group 3                    |                |                   |                              |
| 4,100                              | 78,269         |                   |                              |

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Navigant Consulting 3

5,100 81,906

Resources Connection

20,000 326,800

RPX Corporation 3

104,900 1,153,900 **4,863,766** ROAD & RAIL - 0.6%

Marten Transport

3,300 58,410

Patriot Transportation Holding 1,3

29,460 683,472

Universal Truckload Services 1

77,600 1,089,504 **1,831,386** TRADING COMPANIES & DISTRIBUTORS - 0.3%

Houston Wire & Cable

172,075 **908,556** TRANSPORTATION INFRASTRUCTURE - 0.2%

Touax 3

53,197 **578,121** **Total (Cost \$46,088,814)** **50,427,196** **INFORMATION TECHNOLOGY 26.2%**  
 COMMUNICATIONS EQUIPMENT - 1.6%

Alliance Fiber Optic Products 3

72,000 1,091,520

Applied Optoelectronics 1,2,3

7,500 128,700

Bel Fuse Cl. A

67,705 985,785

CalAmp Corporation 3

5,500 109,615

Ceragon Networks 3

29,700 35,937



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|                         |           |                  |   |
|-------------------------|-----------|------------------|---|
| Clearfield 3            |           |                  |   |
| 78,500                  | 1,052,685 |                  |   |
| ClearOne                |           |                  |   |
| 25,000                  | 323,250   |                  |   |
| Extreme Networks 3      |           |                  |   |
| 124,000                 | 505,920   |                  |   |
| KVH Industries 3        |           |                  |   |
| 8,900                   | 83,838    |                  |   |
| Oclaro 3                |           |                  |   |
| 152,300                 | 530,004   |                  |   |
| PCTEL                   |           |                  |   |
| 34,100                  | 155,155   |                  |   |
| Sandvine Corporation 3  |           |                  |   |
| 22,700                  | 58,074    | <b>5,060,483</b> | ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS - 9.2% |
| Agilysys 3              |           |                  |   |
| 170,587                 | 1,704,164 |                  |   |
| Deswell Industries      |           |                  |   |
| 524,371                 | 749,851   |                  |   |
| DTS 3                   |           |                  |   |
| 73,500                  | 1,659,630 |                  |   |
| Electro Rent            |           |                  |   |
| 171,800                 | 1,580,560 |                  |   |
| ePlus 3                 |           |                  |   |
| 2,700                   | 251,802   |                  |   |
| Fabrinet 3              |           |                  |   |
| 2,200                   | 52,404    |                  |   |
| FARO Technologies 1,2,3 |           |                  |   |

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60,000 1,771,200

HollySys Automation Technologies

56,700 1,257,606

Inficon Holding

3,600 1,148,336

LRAD Corporation 3

853,456 1,698,377

Mercury Systems 3

47,500 872,100

**Mesa Laboratories 1,2**

27,900 2,776,050

**Newport Corporation 1,2,3**

204,423 3,244,193

**Orbotech 1,2,3**

134,000 2,965,420

PC Connection

43,716 989,730

Perceptron 3

8,500 66,215

Richardson Electronics

330,900 1,876,203

Rofin-Sinar Technologies 3

85,100 2,278,978

Rogers Corporation 1,3

1,600 82,512

Vishay Precision Group 3

158,000 1,788,560

**28,813,891**

INTERNET SOFTWARE & SERVICES - 4.8%

Actua Corporation 3

52,096 596,499

**Care.com 1,2,3**

401,654 2,875,843

IZEA 3,4

798,700 315,486

Marchex Cl. B

85,000 330,650

QuinStreet 3

392,400 1,683,396

RealNetworks 3

244,000 1,037,000

Reis

25,000 593,250

SciQuest 3

108,000 1,400,760

Solium Capital 3

186,300 942,473

Stamps.com 3

9,900 1,085,139

Support.com 3

880,658 889,465

Textura Corporation 1,2,3

71,600 1,545,128

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2015 Annual Report to Stockholders | 31

## Royce Micro-Cap Trust

| Schedule of Investments (continued) | SHARES                                   | VALUE | INFORMATION TECHNOLOGY |
|-------------------------------------|--|-------|------------------------|
| (continued)                         | INTERNET SOFTWARE & SERVICES (continued) |       |                        |

United Online 3

|         |              |                   |                    |
|---------|--------------|-------------------|--------------------|
| 132,800 | \$ 1,565,712 | <b>14,860,801</b> | IT SERVICES - 2.2% |
|---------|--------------|-------------------|--------------------|

Cass Information Systems 1

|        |           |
|--------|-----------|
| 29,150 | 1,500,059 |
|--------|-----------|

Computer Task Group 1

|         |           |
|---------|-----------|
| 333,633 | 2,208,650 |
|---------|-----------|

Hackett Group (The)

|         |           |
|---------|-----------|
| 111,100 | 1,785,377 |
|---------|-----------|

Innodata 3

|         |           |
|---------|-----------|
| 437,275 | 1,246,234 |
|---------|-----------|

Sykes Enterprises 3

|       |        |                  |   |
|-------|--------|------------------|---|
| 2,900 | 89,262 | <b>6,829,582</b> | SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT - 4.1% |
|-------|--------|------------------|---|

Amtech Systems 3

|         |           |
|---------|-----------|
| 160,284 | 1,003,378 |
|---------|-----------|

Brooks Automation 1

|         |           |
|---------|-----------|
| 131,200 | 1,401,216 |
|---------|-----------|

Cascade Microtech 3

|         |           |
|---------|-----------|
| 105,200 | 1,709,500 |
|---------|-----------|

GSI Technology 3

|        |         |
|--------|---------|
| 60,000 | 223,200 |
|--------|---------|

Intermolecular 3

|         |         |
|---------|---------|
| 240,000 | 556,800 |
|---------|---------|

IXYS Corporation

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|                               |           |                   |                 |
|-------------------------------|-----------|-------------------|-----------------|
| 18,800                        | 237,444   |                   |                 |
| Kulicke & Sofa Industries 3   |           |                   |                 |
| 88,000                        | 1,026,960 |                   |                 |
| MoSys 1,2,3                   |           |                   |                 |
| 402,275                       | 438,480   |                   |                 |
| Nanometrics 3                 |           |                   |                 |
| 50,800                        | 769,112   |                   |                 |
| Nova Measuring Instruments 3  |           |                   |                 |
| 117,900                       | 1,155,420 |                   |                 |
| Photronics 3                  |           |                   |                 |
| 186,000                       | 2,315,700 |                   |                 |
| Rudolph Technologies 3        |           |                   |                 |
| 2,900                         | 41,238    |                   |                 |
| Sigma Designs 3               |           |                   |                 |
| 62,700                        | 396,264   |                   |                 |
| Silicon Motion Technology ADR |           |                   |                 |
| 35,300                        | 1,107,008 |                   |                 |
| Ultra Clean Holdings 3        |           |                   |                 |
| 57,000                        | 291,840   |                   |                 |
| Xcerra Corporation 3          |           |                   |                 |
| 26,200                        | 158,510   | <b>12,832,070</b> | SOFTWARE - 3.1% |
| American Software Cl. A       |           |                   |                 |
| 122,752                       | 1,249,615 |                   |                 |
| BSQUARE Corporation 3         |           |                   |                 |
| 83,675                        | 509,581   |                   |                 |
| Computer Modelling Group      |           |                   |                 |
| 276,500                       | 1,794,443 |                   |                 |

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Gigamon 3

3,600 95,652

Model N 3

95,000 1,060,200

PSI 3

34,000 478,291

Rubicon Project 3

60,500 995,225

SeaChange International 3

295,300 1,990,322

TiVo 3

151,600 1,308,308  
1.2%

**9,481,637**

TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS -

Intevac 3

251,700 1,185,507

Kortek

135,007 1,332,127

Silicon Graphics International 3

106,400 627,760

TransAct Technologies

78,600 674,388  
**5.6%** CHEMICALS - 1.3%

**3,819,782**

**Total (Cost \$83,689,269)**

**81,698,246**

**MATERIALS**

Balchem Corporation 1

11,775 715,920

FutureFuel Corporation

85,262 1,151,037

Quaker Chemical 1

27,400 2,116,924

**3,983,881**

CONSTRUCTION MATERIALS - 0.7%

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Ash Grove Cement 4

8,000 1,664,000

Monarch Cement 4

16,303 489,090

**2,153,090**

CONTAINERS & PACKAGING - 0.5%

UFP Technologies 3

62,236 **1,482,461**

METALS & MINING - 3.1%

Alamos Gold Cl. A

236,044 776,180

Ampco-Pittsburgh

92,252 946,506

Central Steel & Wire 4

788 429,476

Comstock Mining 3

938,634 375,360

Exeter Resource 3

1,271,700 413,303

Haynes International 1

19,000 697,110

Hecla Mining

44,518 84,139

Horsehead Holding Corporation 1,2,3

11,900 24,395

Imdex 3

525,666 76,137

MAG Silver 3

96,050 678,113

**Major Drilling Group International**

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796,857 2,522,392

Materion Corporation

50,000 1,400,000

Olympic Steel

70,000 810,600

Pretium Resources 3

90,000 452,699

Universal Stainless & Alloy Products 3

6,100 56,669

Victoria Gold 3

890,000 99,696

9,842,775

Total (Cost \$18,953,830)

17,462,207

**TELECOMMUNICATION SERVICES**

0.1%

DIVERSIFIED TELECOMMUNICATION SERVICES - 0.1%

ORBCOMM 3

45,800

331,592

Total (Cost \$283,906)

331,592

UTILITIES 0.3%

GAS UTILITIES - 0.1%

Shizuoka Gas

40,000

255,668

INDEPENDENT POWER & RENEWABLE ELECTRICITY PRODUCER - 0.0%

Alterra Power 3

450,000

149,599

WATER UTILITIES - 0.2%

GWR Global Water Resources

106,000

580,675

Total (Cost \$936,784)

985,942

MISCELLANEOUS6 4.9%

Total (Cost

\$16,516,798)

15,224,770

TOTAL COMMON STOCKS

(Cost \$339,055,131)

339,436,851

PREFERRED STOCK - 0.4%

Seneca Foods Conv. 3,4











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|   |                  |                             |                    |                              |                       |       |
|---|------------------|-----------------------------|--------------------|------------------------------|-----------------------|-------|
| 45,409  | <b>1,315,499</b> | <b>(Cost \$578,719)</b>     | <b>1,315,499</b>   | <b>REPURCHASE AGREEMENT</b>  | <b>4.6%</b>           | Fixed |
| Income Clearing Corporation, 0.03% dated 12/31/15, due 1/4/16, maturity value \$14,418,048 (collateralized by obligations of various U.S. Government Agencies, 1.625% due 7/31/20, valued at \$14,708,363) <b>(Cost \$14,418,000)</b> |                  |                             |                    |                              |                       |       |
|   |                  |                             |                    | <b>14,418,000</b>            |                       |       |
| <b>TOTAL INVESTMENTS</b>  | <b>113.7%</b>    | <b>(Cost \$354,051,850)</b> | <b>355,170,350</b> | <b>LIABILITIES LESS CASH</b> |                       |       |
| <b>AND OTHER ASSETS</b>   | <b>(13.7)%</b>   | <b>(42,763,258)</b>         | <b>NET ASSETS</b>  | <b>100.0%</b>                | <b>\$ 312,407,092</b> |       |

32 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**  
December 31, 2015

New additions in 2015. 1 All or a portion of these securities were pledged as collateral in connection with the revolving credit agreement at December 31, 2015. Total market value of pledged securities at December 31, 2015, was \$82,340,578. 2 At December 31, 2015, a portion of these securities were rehypothecated in connection with the Fund's revolving credit agreement in the aggregate amount of \$29,125,481. 3 Non-income producing. 4 These securities are defined as Level 2 securities due to fair value being based on quoted prices for similar securities. See Notes to Financial Statements. 5 A security for which market quotations are not readily available represents 0.1% of net assets. This security has been valued at its fair value under procedures approved by the Fund's Board of Directors. This security is defined as a Level 3 security due to the use of significant unobservable inputs in the determination of fair value. See Notes to Financial Statements. 6 Includes securities first acquired in 2015 and less than 1% of net assets. **Bold indicates the Fund's 20 largest equity holdings in terms of December 31, 2015, market value.**

**TAX INFORMATION:** The cost of total investments for Federal income tax purposes was \$355,802,750. At December 31, 2015, net unrealized depreciation for all securities was \$632,400, consisting of aggregate gross unrealized appreciation of \$64,839,661 and aggregate gross unrealized depreciation of \$65,472,061. The primary difference between book and tax basis cost is the timing of the recognition of losses on securities sold, investments in publicly traded partnerships and mark-to-market of Passive Foreign Investment Companies.

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS** 2015 Annual Report to Stockholders | 33

### Royce Micro-Cap Trust December 31, 2015 Statement of Assets and Liabilities

|                                |   |                                |  |                    |  |                            |  |                                   |  |                                     |  |
|--------------------------------|---|--------------------------------|--|--------------------|--|----------------------------|--|-----------------------------------|--|-------------------------------------|--|
| <b>ASSETS:</b>                 | Investments at value  | \$ 340,752,350                 | Repurchase agreements (at cost and value)      | 14,418,000         | Cash and foreign currency                  | 50,124                     | Receivable for investments sold  | 3,346,488                         | Receivable for dividends and interest  | 567,218                             |  |
|                                | Prepaid expenses and other assets                             | 30,554                         | <b>Total Assets</b>                            | <b>359,164,734</b> | <b>LIABILITIES:</b>                        | Revolving credit agreement | 45,000,000   | Payable for investments purchased | 1,423,302  | Payable for investment advisory fee | 192,194  |
|                                | directors' fees   | 29,609                         | Payable for interest expense                   | 3,892              | Accrued expenses                           | 108,645                    | <b>Total Liabilities</b>   | <b>46,757,642</b>                 | <b>Net Assets</b>  | <b>\$ 312,407,092</b>               |  |
| <b>ANALYSIS OF NET ASSETS:</b> |   |                                |  |                    |  |                            |  |                                   |  |                                     |  |
|                                | 36,374,786 shares outstanding (150,000,000 shares authorized) | \$ 306,854,627                 | Paid-in capital - \$0.001 par value per share; |                    | Undistributed net investment income (loss) | (116,177)                  | Accumulated net realized gain (loss) on investments and foreign currency | 4,552,877                         | Net unrealized appreciation (depreciation) on investments and foreign currency | 1,115,765                           | <b>Net Assets (net asset value per share - \$8.59)</b> |
|                                | <b>312,407,092</b>  | Investments at identified cost | \$ 339,633,850                                 |                    |  |                            |  |                                   |  |                                     |  |

34 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

### Royce Micro-Cap Trust Statement of Changes in Net Assets

|                            |                            |  |                                    |
|----------------------------|----------------------------|--|------------------------------------|
| <b>YEAR ENDED 12/31/15</b> | <b>YEAR ENDED 12/31/14</b> | <b>INVESTMENT OPERATIONS:</b>  | Net investment income              |
| (loss) \$ 917,928          | \$(382,932)                | Net realized gain (loss) on investments and foreign currency   | 21,372,239                         |
|                            |                            | Net change in unrealized appreciation (depreciation) on investments and foreign currency   | (71,062,194)                       |
|                            |                            | <b>Net increase (decrease) in net assets from investment operations</b>  | <b>(48,772,027)</b>                |
|                            |                            | <b>8,218,052</b>   | <b>DISTRIBUTIONS:</b>              |
|                            |                            | Net investment income  | (399,672)                          |
|                            |                            | Net realized gain on investments and foreign currency  | (43,520,307)                       |
|                            |                            | <b>Total distributions</b>   | <b>(43,919,979)</b>                |
|                            |                            | <b>(90,873,513)</b>  | <b>CAPITAL STOCK TRANSACTIONS:</b> |
|                            |                            | Reinvestment of distributions  | 17,611,123                         |
|                            |                            | <b>Total capital stock transactions</b>  | <b>17,611,123</b>                  |
|                            |                            | <b>37,022,256</b>  | <b>Beginning of year</b>           |
|                            |                            | <b>Net Increase (Decrease) In Net Assets</b>   | <b>(75,080,883)</b>                |
|                            |                            | <b>(45,633,205)</b>  | <b>NET ASSETS:</b>                 |
|                            |                            | <b>387,487,975</b>   | <b>433,121,180</b>                 |
|                            |                            | <b>End of year (including undistributed net investment income (loss) of \$(116,177) at 12/31/15 and \$(1,763,387) at 12/31/14)</b> | <b>\$ 312,407,092</b>              |
|                            |                            |  | <b>\$ 387,487,975</b>              |

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS** 2015 Annual Report to Stockholders | 35

### Royce Micro-Cap Trust Year Ended December 31, 2015 Statement of Operations

|                           |                |                        |              |                         |                  |                                 |                          |                 |
|---------------------------|----------------|------------------------|--------------|-------------------------|------------------|---------------------------------|--------------------------|-----------------|
| <b>INVESTMENT INCOME:</b> | <b>INCOME:</b> | Dividends              | \$ 5,352,830 | Foreign withholding tax | (90,772)         | Interest                        | 312                      |                 |
|                           |                | Rehypothecation income | 258,203      | <b>Total income</b>     | <b>5,520,573</b> | <b>EXPENSES:</b>                | Investment advisory fees | 3,350,257       |
|                           |                | Interest expense       | 737,528      | Stockholder reports     | 139,562          | Custody and transfer agent fees | 99,018                   | Directors' fees |

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|                 |                                      |                                     |                   |   |                               |              |   |
|-----------------|--------------------------------------|-------------------------------------|-------------------|---|-------------------------------|--------------|---|
| 93,378          | Administrative and office facilities | 58,985                              | Professional fees | 57,082  | Other expenses                | 66,835       | <b>Total</b>  |
| <b>expenses</b> | <b>4,602,645</b>                     | <b>Net investment income (loss)</b> | <b>917,928</b>    | <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:</b> |                               |              |   |
|                 |                                      |                                     |                   | NET REALIZED GAIN (LOSS):   | Investments                   | 21,372,172   | Foreign   |
|                 |                                      |                                     |                   |   | currency transactions         | 67           | NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):                   |
|                 |                                      |                                     |                   |   | Investments and               |              |   |
|                 |                                      |                                     |                   |   | foreign currency translations | (71,065,569) | Other assets and liabilities denominated in foreign currency            |
|                 |                                      |                                     |                   |   |                               | 3,375        | <b>Net realized</b>   |
|                 |                                      |                                     |                   |   |                               |              | <b>and unrealized gain (loss) on investments and foreign currency</b>   |
|                 |                                      |                                     |                   |   |                               |              | <b>(49,689,955)</b>   |
|                 |                                      |                                     |                   |   |                               |              | <b>NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS</b> |
|                 |                                      |                                     |                   |   |                               |              | <b>\$ (48,772,027)</b>  |

36 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

## Royce Micro-Cap Trust

Year Ended December 31, 2015

### Statement of Cash Flows

CASH FLOWS FROM OPERATING ACTIVITIES: Net increase (decrease) in net assets from investment operations \$ (48,772,027) Adjustments to reconcile net increase (decrease) in net assets from investment operations to net cash provided by operating activities:

Purchases of long-term investments

(146,887,346)

Proceeds from sales and maturities of long-term investments

199,467,869

Net purchases, sales and maturities of short-term investments

(11,762,000)

Net (increase) decrease in dividends and interest receivable and other assets

(232,001)

Net increase (decrease) in interest expense payable, accrued expenses and other liabilities

(149,031)

Net change in unrealized appreciation (depreciation) on investments

71,065,569

Net realized gain (loss) on investments and foreign currency

(21,372,239 ) **Net cash provided by operating activities** **41,358,794** CASH FLOWS FROM FINANCING ACTIVITIES:  
 Net increase (decrease) in revolving credit agreement (15,000,000 ) Distributions (43,919,979 ) Reinvestment of  
 distributions 17,611,123 **Net cash used for financing activities** **(41,308,856 ) INCREASE (DECREASE) IN CASH:**  
**49,938 Cash and foreign currency at beginning of year 186 Cash and foreign currency at end of year \$ 50,124**  
**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS** 2015 Annual Report to Stockholders | 37

**Royce Micro-Cap Trust** **Financial Highlights** This table is presented to show selected data for a share of  
 Common Stock outstanding throughout each period, and to assist stockholders in evaluating the Fund's performance for the  
 periods presented.

| YEARS ENDED  | 12/31/15        | 12/31/14        | 12/31/13       | 12/31/12        | 12/31/11 | Net Asset Value, Beginning of Period  | \$             |             |                        |
|--------------|-----------------|-----------------|----------------|-----------------|----------|---|----------------|-------------|------------------------|
| <b>11.33</b> | <b>\$ 14.12</b> | <b>\$ 10.93</b> | <b>\$ 9.86</b> | <b>\$ 11.34</b> |          |   |                |             |                        |
|              |                 |                 |                |                 |          | INVESTMENT OPERATIONS:  |                |             | Net investment income  |
| (loss)       | 0.03            | (0.01 )         | 0.01           | 0.15            | 0.04     | Net realized and unrealized gain (loss) on investments and foreign currency |                |             |                        |
| (1.42 )      | 0.25            | 4.64            | 1.58           | (0.82 )         |          | <b>Total investment operations</b>  | <b>(1.39 )</b> | <b>0.24</b> | <b>4.65</b>            |
|              |                 |                 |                |                 |          |   |                | <b>1.73</b> | <b>(0.78 )</b>         |
|              |                 |                 |                |                 |          | DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:                                    |                |             | Net investment income  |
| (0.02 )      | (0.02 )         |                 |                |                 |          | Net realized gain on investments and foreign currency                       |                | (0.09 )     | (0.11 )                |
|              |                 |                 |                |                 |          | <b>Total distributions to Preferred Stockholders</b>                        |                |             | <b>(0.11 ) (0.13 )</b> |

**Net Increase (Decrease) in Net Assets Applicable to Common Stockholders from Investment Operations**

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|  |                 |                |  |                 |  |  |                |              |        |                        |              |
|--|-----------------|----------------|--|-----------------|--|--|----------------|--------------|--------|------------------------|--------------|
| <b>(1.39)</b>  | <b>0.24</b>     | <b>4.65</b>    | <b>1.62</b>                                | <b>(0.91)</b>   | DISTRIBUTIONS TO COMMON STOCKHOLDERS:            |  |                |              |        | Net                    |              |
| investment income  | (0.01)          | (0.04)         | (0.03)                                     | (0.08)          | (0.05)   | Net realized gain on investments and foreign currency  |                |              |        |                        |              |
| (1.25)   | (2.86)          | (1.35)         | (0.43)                                     | (0.24)          |  | Return of capital                                      |                |              |        |                        |              |
| <b>(0.24)</b>  |                 |                |  |                 |  | <b>Total distributions to</b>                          |                |              |        |                        |              |
| <b>Common Stockholders (1.26) (2.90) (1.38) (0.51) (0.53)</b>        |                 |                |  |                 |  | <b>CAPITAL STOCK TRANSACTIONS:</b>                     |                |              |        |                        |              |
| Effect of reinvestment of distributions by Common Stockholders       |                 |                |  |                 |  | (0.09)   | (0.13)         | (0.08)       | (0.04) | (0.04)                 | <b>Total</b> |
| <b>capital stock transactions (0.09) (0.13) (0.08) (0.04) (0.04)</b> |                 |                |  |                 |  | <b>Net Asset Value, End of Period \$ 8.59 \$ 11.33</b> |                |              |        |                        |              |
| <b>\$ 14.12</b>  | <b>\$ 10.93</b> | <b>\$ 9.86</b> | <b>Market Value, End of Period \$ 7.26</b> | <b>\$ 10.08</b> | <b>\$ 12.61</b>                                  | <b>\$ 9.45</b>   | <b>\$ 8.77</b> | <b>TOTAL</b> |        |                        |              |
| RETURN: 1  | Net Asset Value |                | (11.64)%                                   | 3.46%           | 44.66%   | 17.23%   | (7.69)%        | Market Value |        |                        |              |
| (16.06)%   | 3.06%           | 49.42%         | 13.95%                                     | (4.99)%         | RATIOS BASED ON AVERAGE NET ASSETS APPLICABLE TO |  |                |              |        |                        |              |
| COMMON STOCKHOLDERS:   |                 |                |  |                 |  | Investment advisory fee expense 2                      |                |              |        |                        |              |
|  |                 |                |  |                 |  | 0.93%  | 0.93%          | 0.82%        | 1.12   |                        |              |
| % 0.97%  |                 |                |  |                 |  | Other operating expenses                               |                |              |        |                        |              |
| 0.35%  |                 |                |  |                 |  | 0.25%  | 0.29%          | 0.18%        | 0.15%  | Total expenses (net) 3 |              |
| 1.18%  |                 |                |  |                 |  | 1.11%  |                |              |        |                        |              |
| 1.30%  |                 |                |  |                 |  | 1.12%  |                |              |        |                        |              |
| Expenses net of fee waivers and excluding interest expense           |                 |                |  |                 |  | 1.08%  |                |              |        |                        |              |
| 1.27%  |                 |                |  |                 |  | 1.12%  |                |              |        |                        |              |
| Expenses prior to fee waivers and balance credits                    |                 |                |  |                 |  | 1.28%  |                |              |        |                        |              |
| 1.28%  |                 |                |  |                 |  | 1.18%  |                |              |        |                        |              |
| 1.11%  |                 |                |  |                 |  | 1.11%  |                |              |        |                        |              |
| 1.32%  |                 |                |  |                 |  | 1.15%  |                |              |        |                        |              |
| Expenses prior to fee waivers  |                 |                |  |                 |  | Net investment income (loss)                           |                |              |        |                        |              |
| )% 0.08%   |                 |                |  |                 |  | 0.26%  |                |              |        |                        |              |
| 1.46%  |                 |                |  |                 |  | 0.40%  |                |              |        |                        |              |
| 0.40%  |                 |                |  |                 |  | SUPPLEMENTAL DATA:                                     |                |              |        |                        |              |
| Stockholders, End of Period (in thousands)                           |                 |                |  |                 |  | Net Assets Applicable to Common                        |                |              |        |                        |              |
| \$ 312,407   |                 |                |  |                 |  | \$ 387,488   |                |              |        |                        |              |
| \$ 433,121   |                 |                |  |                 |  | \$ 318,545   |                |              |        |                        |              |
| \$ 279,292   |                 |                |  |                 |  | \$ 279,292   |                |              |        |                        |              |
| Preferred Stock, End of Period (in thousands)                        |                 |                |  |                 |  | Liquidation Value of                                   |                |              |        |                        |              |
| \$ 60,000  |                 |                |  |                 |  | Portfolio Turnover Rate                                |                |              |        |                        |              |
| %  |                 |                |  |                 |  | 39%  |                |              |        |                        |              |
| 30%  |                 |                |  |                 |  | 41%  |                |              |        |                        |              |
| PREFERRED STOCK:   |                 |                |  |                 |  | 29%  |                |              |        |                        |              |
| Total shares outstanding   |                 |                |  |                 |  | 28   |                |              |        |                        |              |
| 2,400,000  |                 |                |  |                 |  | Asset  |                |              |        |                        |              |
| coverage per share   |                 |                |  |                 |  | \$ 141.37  |                |              |        |                        |              |
| Liquidation preference per share                                     |                 |                |  |                 |  | \$ 25.00   |                |              |        |                        |              |
| Average  |                 |                |  |                 |  |  |                |              |        |                        |              |
| month-end market value per share                                     |                 |                |  |                 |  | \$ 25.41   |                |              |        |                        |              |
|  |                 |                |  |                 |  | REVOLVING CREDIT AGREEMENT:                            |                |              |        |                        |              |
| Asset coverage   |                 |                |  |                 |  | 794%   |                |              |        |                        |              |
| 746%   |                 |                |  |                 |  | 1062%  |                |              |        |                        |              |
| 808%   |                 |                |  |                 |  | Asset coverage per \$1,000                             |                |              |        |                        |              |
| \$ 7,942   |                 |                |  |                 |  | \$ 7,458   |                |              |        |                        |              |
| \$ 10,625  |                 |                |  |                 |  | \$ 8,079   |                |              |        |                        |              |

1 The Market Value Total Return is calculated assuming a purchase of Common Stock on the opening of the first business day and a sale on the closing of the last business day of each period. Dividends and distributions are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund's Distribution Reinvestment and Cash Purchase Plan. Net Asset Value Total Return is calculated on the same basis, except that the Fund's net asset value is used on the purchase and sale dates instead of market value. 2 The investment advisory fee is calculated based on average net assets over a rolling 36-month basis, while the above ratios of investment advisory fee expenses are based on the average net assets applicable to Common Stockholders over a 12-month basis. 3 Expense ratios based on total average net assets including liquidation value of Preferred Stock were 1.10% and 0.93% for the years ended December 31, 2012 and 2011, respectively.

38 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

## Royce Micro-Cap Trust

### Notes to Financial Statements Summary of Significant Accounting Policies

Royce Micro-Cap Trust, Inc. (the Fund), is a diversified closed-end investment company that was incorporated under the laws of the State of Maryland on September 9, 1993. The Fund commenced operations on December 14, 1993.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 Financial Services-Investment Companies.

#### VALUATION OF INVESTMENTS:

Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq's Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their highest bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price, except in the case of some bonds and other fixed income securities which may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. The Fund values its non-U.S. dollar denominated securities in U.S. dollars daily at the prevailing foreign currency exchange rates as quoted by a major bank. Securities for which market quotations are not readily available are valued at their fair value in accordance with the provisions of the 1940 Act, under procedures approved by the Fund's Board of Directors, and are reported as Level 3 securities. As a general principle, the fair value of a security is the amount which the Fund might reasonably expect to receive for the security upon its current sale. However, in light of the judgment involved in fair valuations, there can be no assurance that a fair value assigned to a particular security will be the amount which the Fund might be able to receive upon its current sale. In addition, if, between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and may make the closing price unreliable, the Fund may fair value the security. The



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Fund uses an independent pricing service to provide fair value estimates for relevant non-U.S. equity securities on days when the U.S. market volatility exceeds a certain threshold. This pricing service uses proprietary correlations it has developed between the movement of prices of non-U.S. equity securities and indices of U.S.-traded securities, futures contracts and other indications to estimate the fair value of relevant non-U.S. securities. When fair value pricing is employed, the prices of securities used by the Fund may differ from quoted or published prices for the same security. Investments in money market funds are valued at net asset value per share.

Various inputs are used in determining the value of the Fund's investments, as noted above. These inputs are summarized in the three broad levels below:

**Level 1** quoted prices in active markets for identical securities. **Level 2** other significant observable inputs (including quoted prices for similar securities, foreign securities that may be fair valued and repurchase agreements). The table below includes all Level 2 securities. Level 2 securities with values based on quoted prices for similar securities are noted in the Schedule of Investments. **Level 3** significant unobservable inputs (including last trade price before trading was suspended, or at a discount thereto for lack of marketability or otherwise, market price information regarding other securities, information received from the company and/or published documents, including SEC filings and financial statements, or other publicly available information). The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2015. For a detailed breakout of common stocks by sector classification, please refer to the Schedule of Investments.

| <b>LEVEL 1</b>     | <b>LEVEL 2</b>   | <b>LEVEL 3</b> | <b>TOTAL</b>     |                  | Common Stocks | \$ 313,789,996 | \$ 25,421,117 | \$ 225,738 | \$ |
|--------------------|------------------|----------------|------------------|------------------|---------------|----------------|---------------|------------|----|
| <b>339,436,851</b> | Preferred Stocks | 1,315,499      | <b>1,315,499</b> | Cash Equivalents |               |                | 14,418,000    |            |    |
| <b>14,418,000</b>  |                  |                |                  |                  |               |                |               |            |    |

For the year ended December 31, 2015, certain securities have transferred in and out of Level 1 and Level 2 measurements. The Fund recognizes transfers between levels as of the end of the reporting period. At December 31, 2015, securities valued at \$643,961 were transferred from Level 2 to Level 1 within the fair value hierarchy.

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## Royce Micro-Cap Trust

### Notes to Financial Statements (continued) VALUATION OF INVESTMENTS (continued):

| Level 3 Reconciliation:        | REALIZED AND UNREALIZED       |               |           | BALANCE AS OF 12/31/14 | SALES      |           |   |
|--------------------------------|-------------------------------|---------------|-----------|------------------------|------------|-----------|---|
| <b>GAIN (LOSS)<sup>1</sup></b> | <b>BALANCE AS OF 12/31/15</b> | Common Stocks | \$325,702 | \$1                    | \$(99,963) | \$225,738 | 1 |

The net change in unrealized appreciation (depreciation) is included in the accompanying Statement of Operations. Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized. Net realized gain (loss) from investments and foreign currency transactions is included in the accompanying Statement of Operations.

The following table summarizes the valuation techniques used and unobservable inputs approved by the Valuation Committee to determine the fair value of certain, material Level 3 investments. The table does not include Level 3 investments with values derived utilizing prices from prior transactions or third party pricing information with adjustments (e.g. broker quotes, pricing services, net asset values).

| FAIR VALUE AT INPUT(S) | RANGE AVERAGE      | IMPACT TO VALUATION FROM AN INCREASE IN INPUT 1 | 12/31/15 | VALUATION TECHNIQUE(S) | UNOBSERVABLE   |
|------------------------|--------------------|---|----------|------------------------|--|
| Balance Sheet Analysis | Liquidity Discount | 30%-40%   | Decrease | 1                      | This column represents the directional change in the fair value of the Level 3 investments that would result in an increase from the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these unobservable inputs in isolation could result in significantly higher or lower fair value measurements. |

#### REPURCHASE AGREEMENTS:

The Fund may enter into repurchase agreements with institutions that the Fund's investment adviser has determined are creditworthy. The Fund restricts repurchase agreements to maturities of no more than seven days. Securities pledged as collateral for repurchase agreements, which are held until maturity of the repurchase agreements, are marked-to-market daily and maintained at a value at least equal to the principal amount of the repurchase agreement (including accrued interest). Repurchase agreements could involve certain risks in the event of default or insolvency of the counter-party, including possible delays or restrictions upon the ability of the Fund to dispose of its underlying securities. The remaining contractual maturity of the repurchase agreement held by the Fund at December 31, 2015 is overnight and continuous.

#### FOREIGN CURRENCY:

Net realized foreign exchange gains or losses arise from sales and maturities of short-term securities, sales of foreign currencies, expiration of currency forward contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, including investments in securities at the end of the reporting period, as a result of changes in foreign currency exchange rates.

#### TAXES:

As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the Fund is not subject to income taxes to the extent that it distributes substantially all of its taxable income for its fiscal year. The Schedule of Investments includes information regarding income taxes under the caption Tax Information.

#### DISTRIBUTIONS:

The Fund pays quarterly distributions on the Fund's Common Stock at the annual rate of 7% of the rolling average of the prior four calendar quarter-end NAVs of the Fund's Common Stock, with the fourth quarter distribution being the greater of 1.75% of the rolling average or the distribution required by IRS regulations. Prior to November 15, 2012, distributions to Preferred Stockholders were accrued daily and paid quarterly. Distributions to Common Stockholders are recorded on ex-dividend date. Distributable capital gains and/or net investment income were first allocated to Preferred Stockholder distributions, with any excess allocable to Common Stockholders. If capital gains and/or net investment income were allocated to both Preferred and Common Stockholders, the tax character of such allocations was proportional. To the extent that distributions are not paid from long-term capital gains, net investment income or net short-term capital gains, they will represent a return of capital. Distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. Permanent book and tax differences relating to stockholder distributions will result in reclassifications within the capital accounts. Undistributed net investment income may include temporary book and tax basis differences, which will reverse in a subsequent period. Any taxable income or gain remaining undistributed at fiscal year end is distributed in the following year.

## Royce Micro-Cap Trust Notes to Financial Statements (continued)

### INVESTMENT TRANSACTIONS AND RELATED INVESTMENT INCOME:

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Non-cash dividend income is recorded at the fair market value of the securities received. Interest income is recorded on an accrual basis. Premium and discounts on debt securities are amortized using the effective yield-to-maturity method. Realized gains and losses from investment transactions are determined on the basis of identified cost for book and tax purposes.

### EXPENSES:

The Fund incurs direct and indirect expenses. Expenses directly attributable to the Fund are charged to the Fund's operations, while expenses applicable to more than one of the Royce Funds are allocated equitably. Certain personnel, occupancy costs and other administrative expenses related to the Funds are allocated by Royce & Associates, LLC ( Royce ) under an administration agreement and are included in administrative and office facilities and professional fees. The Fund has adopted a deferred fee agreement that allows the Directors to defer the receipt of all or a portion of directors' fees otherwise payable. The deferred fees are invested in certain Royce Funds until distributed in accordance with the agreement.

### COMPENSATING BALANCE CREDITS:

The Fund has an arrangement with its custodian bank, whereby a portion of the custodian's fee is paid indirectly by credits earned on the Fund's cash on deposit with the bank. This deposit arrangement is an alternative to purchasing overnight investments. Conversely, the Fund pays interest to the custodian on any cash overdrafts, to the extent they are not offset by credits earned on positive cash balances.

### Capital Stock:

The Fund issued 2,189,322 and 3,505,620 shares of Common Stock as reinvestment of distributions for years ended December 31, 2015 and December 31, 2014, respectively.

### Borrowings:

The Fund has entered into a revolving credit agreement (the credit agreement) with BNP Paribas Prime Brokerage Inc. (BNPP). The Fund pays a commitment fee of 0.50% per annum on the unused portion of the credit agreement. The credit agreement has a 360-day rolling term that resets daily; however, if the Fund exceeds certain net asset value triggers, the credit agreement may convert to a 60-day rolling term that resets daily. The Fund is required to pledge portfolio securities as collateral in an amount up to two times the loan balance outstanding and has granted a security interest in the securities pledged to, and in favor of, BNPP as security for the loan balance outstanding. If the Fund fails to meet certain requirements, or maintain other financial covenants required under the credit agreement, the Fund may be required to repay immediately, in part or in full, the loan balance outstanding under the credit agreement necessitating the sale of portfolio securities at potentially inopportune times. The credit agreement also permits, subject to certain conditions, BNPP to rehypothecate portfolio securities pledged by the Fund up to the amount of the loan balance outstanding. The Fund continues to receive payments in lieu of dividends and interest on rehypothecated securities. The Fund also has the right under the credit agreement to recall the rehypothecated securities from BNPP on demand. If BNPP fails to deliver the recalled security in a timely manner, the Fund is compensated by BNPP for any fees or losses related to the failed delivery or, in the event a recalled security is not returned by BNPP, the Fund, upon notice to BNPP, may reduce the loan balance outstanding by the amount of the recalled security failed to be returned. The Fund receives a portion of the fees earned by BNPP in connection with the rehypothecation of portfolio securities.

As of December 31, 2015, the Fund has outstanding borrowings of \$45,000,000. During the year ended December 31, 2015, the Fund borrowed an average daily balance of \$57,698,630 at a weighted average borrowing cost of 1.26%. The maximum amount outstanding during the year ended December 31, 2015 was \$60,000,000. As of December 31, 2015, the aggregate value of rehypothecated securities was \$29,125,481. During the year ended December 31, 2015, the Fund earned \$258,203 in fees from rehypothecated securities.

### Investment Advisory Agreement:

As compensation for its services under the Investment Advisory Agreement, Royce receives a fee comprised of a Basic Fee ( Basic Fee ) and an adjustment to the Basic Fee based on the investment performance of the Fund in relation to the investment record of the Russell 2000.

The Basic Fee is a monthly fee equal to 1/12 of 1% (1% on an annualized basis) of the average of the Fund's month-end net assets applicable to Common Stockholders, plus the liquidation value of outstanding Preferred Stock through October 31, 2015, for the rolling 36-month period ending with such month (the performance period ). The Basic Fee for each month is increased or decreased at the rate of 1/12 of .05% for each percentage point that the investment performance of the Fund exceeds, or is exceeded by, the percentage change in the investment record of the Russell 2000 for the performance period by more than two percentage points. The performance period for each such month is a rolling 36-month period ending with such month. The maximum increase or decrease in the Basic Fee for any month may not exceed 1/12 of .5%. Accordingly, for each month, the maximum monthly fee rate as adjusted for performance is 1/12

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**Royce Micro-Cap Trust** Notes to Financial Statements (continued)**Investment Advisory Agreement (continued):**

of 1.5% and is payable if the investment performance of the Fund exceeds the percentage change in the investment record of the Russell 2000 by 12 or more percentage points for the performance period, and the minimum monthly fee rate as adjusted for performance is 1/12 of .5% and is payable if the percentage change in the investment record of the Russell 2000 exceeds the investment performance of the Fund by 12 or more percentage points for the performance period.

For the twelve rolling 36-month periods in 2015, the Fund's investment performance ranged from 1% to 10% below the investment performance of the Russell 2000. Accordingly, the net investment advisory fee consisted of a Basic Fee of \$3,847,073 and a net downward adjustment of \$496,816 for the performance of the Fund relative to that of the Russell 2000. For the year ended December 31, 2015, the Fund accrued and paid Royce investment advisory fees totaling \$3,350,257.

**Purchases and Sales of Investment Securities:**

For the year ended December 31, 2015, the costs of purchases and proceeds from sales of investment securities, other than short-term securities, amounted to \$146,797,402 and \$180,593,359, respectively.

Cross trades were executed by the Fund pursuant to Rule 17a-7 under the 1940 Act. Cross trading is the buying or selling of portfolio securities between funds to which R&A serves as investment adviser. At its regularly scheduled quarterly meetings, the Board reviews such transactions as of the most recent calendar quarter for compliance with the requirements and restrictions set forth by Rule 17a-7. Cross trades for the year ended December 31, 2015, were as follows:

|                  |              |                             |              |             |               |
|------------------|--------------|-----------------------------|--------------|-------------|---------------|
| <b>PURCHASES</b> | <b>SALES</b> | <b>REALIZED GAIN (LOSS)</b> | \$27,582,337 | \$3,448,609 | \$(1,067,717) |
|------------------|--------------|-----------------------------|--------------|-------------|---------------|

**Tax Information:**

Distributions during the years ended December 31, 2015 and 2014, were characterized as follows for tax purposes:

|                        |                                |             |             |             |             |             |              |
|------------------------|--------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| <b>ORDINARY INCOME</b> | <b>LONG-TERM CAPITAL GAINS</b> | <b>2015</b> | <b>2014</b> | <b>2015</b> | <b>2014</b> | \$7,501,533 | \$15,250,124 |
| \$36,418,446           | \$75,623,389                   |             |             |             |             |             |              |

The tax basis components of distributable earnings at December 31, 2015, were as follows:

|   |  |  |                                  |  |
|---|--|--|----------------------------------|--|
| <b>UNDISTRIBUTED LONG-TERM<br/>ORDINARY AND TOTAL ORDINARY<br/>NOT SUBJECT TO EXPIRATION)</b> | <b>QUALIFIED LATE YEAR<br/>(CAPITAL LOSSES DEPRECIATION) 1</b> | <b>UNDISTRIBUTED<br/>POST-OCTOBER<br/>EARNINGS</b> | <b>CAPITAL GAINS OR<br/>LOSS</b> | <b>NET UNREALIZED<br/>DISTRIBUTABLE INCOME</b> |
| \$(635,427)   | \$5,552,465  | \$510,737  | \$6,312,289                      | \$(635,134)                                    |

Includes timing differences on foreign currency, recognition of losses on securities sold, publicly traded partnerships and mark-to-market of Passive Foreign Investment Companies.

2

Under the current tax law, capital losses and qualified late year ordinary losses incurred after October 31 may be deferred and treated as occurring on the first day of the following fiscal year.

For financial reporting purposes, capital accounts and distributions to stockholders are adjusted to reflect the tax character of permanent book/tax differences. For the year ended December 31, 2015, the Fund recorded the following permanent reclassifications, which relate primarily to current investments in publicly traded partnerships and Trusts, foreign currency transactions, dividend redesignations and gains from the sale of Passive Foreign Investment Companies. Results of operations and net assets were not affected by these reclassifications.

|                          |                        |                          |                             |                        |
|--------------------------|------------------------|--------------------------|-----------------------------|------------------------|
| <b>UNDISTRIBUTED NET</b> | <b>ACCUMULATED NET</b> | <b>INVESTMENT INCOME</b> | <b>REALIZED GAIN (LOSS)</b> | <b>PAID-IN CAPITAL</b> |
| \$1,128,953              | \$(684,544)            | \$(444,409)              |                             |                        |

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years (2012-2015) and has concluded that as of December 31, 2015, no provision for income tax is required in the Fund's financial statements.

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## **Royce Micro-Cap Trust** Report of Independent Registered Public Accounting Firm

### **To the Board of Directors and Stockholders of Royce Micro-Cap Trust, Inc.:**

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statement of operations, of changes in net assets, and of cash flows and the financial highlights present fairly, in all material respects, the financial position of Royce Micro-Cap Trust, Inc. (the Fund ) at December 31, 2015, the results of its operations, the changes in its net assets, its cash flows and its financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements ) are the responsibility of the Funds management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of securities at December 31, 2015 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The statement of changes in net assets for the year ended December 31, 2014 and the financial highlights for each of the fiscal periods presented in the period ended December 31, 2014 were audited by other independent accountants whose report dated February 23, 2015 expressed an unqualified opinion on those statements.

PricewaterhouseCoopers LLP Baltimore, Maryland February 23, 2016

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## Royce Value Trust

| <b>Schedule of Investments</b> |                        | <b>SHARES</b> | <b>VALUE</b> | <b>CONSUMER</b> |
|--------------------------------|------------------------|---------------|--------------|-----------------|
| <b>DISCRETIONARY 12.6%</b>     | Common Stocks 105.2%   |               |              |                 |
|                                | AUTO COMPONENTS - 1.4% |               |              |                 |

### Drew Industries

94,616 \$ 5,761,168

### Gentex Corporation

302,970 4,850,550

### Global & Yuasa Battery

28,500 989,481

### MRF

800 482,523

### Selamat Sempurna

1,816,700 627,466

### Standard Motor Products

50,391 1,917,378 **14,628,566** AUTOMOBILES - 1.3%

### Thor Industries 1

168,010 9,433,761

### Winnebago Industries

211,400 4,206,860 **13,640,621** DISTRIBUTORS - 1.1%

### Core-Mark Holding Company

115,200 9,439,488

### Weyco Group

97,992 2,622,266 **12,061,754** DIVERSIFIED CONSUMER SERVICES - 1.7%

### American Public Education 2

39,400 733,234

### Collectors Universe

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|                                 |           |                   |                                      |
|---------------------------------|-----------|-------------------|--------------------------------------|
| 62,400                          | 967,200   |                   |                                      |
| DeVry Education Group           |           |                   |                                      |
| 52,054                          | 1,317,487 |                   |                                      |
| Liberty Tax Cl. A               |           |                   |                                      |
| 144,740                         | 3,449,154 |                   |                                      |
| LifeLock 1,2,3                  |           |                   |                                      |
| 142,000                         | 2,037,700 |                   |                                      |
| Lincoln Educational Services 2  |           |                   |                                      |
| 430,600                         | 856,894   |                   |                                      |
| Regis Corporation 1,2           |           |                   |                                      |
| 210,400                         | 2,977,160 |                   |                                      |
| Sotheby s                       |           |                   |                                      |
| 138,200                         | 3,560,032 |                   |                                      |
| Universal Technical Institute   |           |                   |                                      |
| 534,032                         | 2,488,589 | <b>18,387,450</b> | HOTELS, RESTAURANTS & LEISURE - 0.2% |
| Century Casinos 2               |           |                   |                                      |
| 183,160                         | 1,424,985 |                   |                                      |
| Thomas Cook (India)             |           |                   |                                      |
| 120,000                         | 369,030   |                   |                                      |
| Tropicana Entertainment 2,4     |           |                   |                                      |
| 16,100                          | 272,895   | <b>2,066,910</b>  | HOUSEHOLD DURABLES - 2.2%            |
| Ethan Allen Interiors           |           |                   |                                      |
| 288,700                         | 8,031,634 |                   |                                      |
| Flexsteel Industries            |           |                   |                                      |
| 18,500                          | 817,330   |                   |                                      |
| Harman International Industries |           |                   |                                      |
| 28,600                          | 2,694,406 |                   |                                      |

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Mohawk Industries 1,2

22,400 4,242,336

Natuzzi ADR 2

2,096,300 3,375,043

NVR 2

660 1,084,380

Samson Holding

2,500,000 308,752

Stanley Furniture 2,5

1,012,235 2,824,136 **23,378,017** INTERNET & CATALOG RETAIL - 0.3%

Blue Nile 2

53,500 1,986,455

Manutan International

12,200 649,706 **2,636,161** LEISURE PRODUCTS - 1.1%

LeapFrog Enterprises Cl. A 2

162,000 115,020

**Nautilus 2**

656,600 10,978,352

Shimano

3,500 536,065 **11,629,437** MEDIA - 0.9%

E.W. Scripps Company Cl. A

139,260 2,645,940

Harte-Hanks

136,730 443,005

McClatchy Company (The) Cl. A 2

557,400 674,454

New Media Investment Group



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|                                  |           |                  |                         |
|----------------------------------|-----------|------------------|-------------------------|
| 46,800                           | 910,728   |                  |                         |
| Pico Far East Holdings           |           |                  |                         |
| 3,484,400                        | 944,189   |                  |                         |
| Rentrak Corporation 2            |           |                  |                         |
| 15,400                           | 731,962   |                  |                         |
| T4F Entretenimento 2             |           |                  |                         |
| 263,617                          | 206,386   |                  |                         |
| Technicolor                      |           |                  |                         |
| 30,000                           | 242,759   |                  |                         |
| Television Broadcasts            |           |                  |                         |
| 58,400                           | 239,998   |                  |                         |
| Wiley (John) & Sons Cl. A        |           |                  |                         |
| 55,980                           | 2,520,779 | <b>9,560,200</b> | MULTILINE RETAIL - 0.0% |
| New World Department Store China |           |                  |                         |
| 1,447,500                        | 220,136   |                  |                         |
| Parkson Retail Asia              |           |                  |                         |
| 345,800                          | 64,629    | <b>284,765</b>   | SPECIALTY RETAIL - 1.4% |
| Buckle (The) 1                   |           |                  |                         |
| 130,595                          | 4,019,714 |                  |                         |
| Destination Maternity            |           |                  |                         |
| 420,376                          | 3,665,679 |                  |                         |
| Genesco 2                        |           |                  |                         |
| 57,115                           | 3,245,846 |                  |                         |
| I.T                              |           |                  |                         |
| 1,127,000                        | 298,322   |                  |                         |
| Oriental Watch Holdings          |           |                  |                         |
| 967,900                          | 142,138   |                  |                         |

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Systemax 2

194,000 1,668,400

TravelCenters of America LLC 2

62,500 587,500

USS

35,000 526,598

West Marine 2

131,100 1,113,039 **15,267,236** TEXTILES, APPAREL & LUXURY GOODS - 1.0%

Crown Crafts

118,041 1,002,168

Culp

29,400 748,818

J.G. Boswell Company 4

3,940 2,462,500

Kewal Kiran Clothing

2,000 66,357

Movado Group

79,161 2,035,229

Pacific Textiles Holdings

350,000 540,160

Stella International Holdings

150,000 371,102

Van de Velde

10,000 681,713

Wolverine World Wide 1

148,500 2,481,435

YGM Trading

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|                |             |                   |                                   |                    |                 |
|----------------|-------------|-------------------|-----------------------------------|--------------------|-----------------|
| 1,082,600      | 681,798     | <b>11,071,280</b> | <b>Total (Cost \$122,068,088)</b> | <b>134,612,397</b> | <b>CONSUMER</b> |
| <b>STAPLES</b> | <b>2.4%</b> | BEVERAGES - 0.3%  |                                   |                    |                 |

Compania Cervecerias Unidas ADR

|         |                  |                      |
|---------|------------------|----------------------|
| 134,000 | <b>2,902,440</b> | FOOD PRODUCTS - 2.0% |
|---------|------------------|----------------------|

Alico 1

|        |           |
|--------|-----------|
| 27,000 | 1,044,630 |
|--------|-----------|

Binggrae 2

|        |         |
|--------|---------|
| 14,000 | 813,210 |
|--------|---------|

Cal-Maine Foods

|        |           |
|--------|-----------|
| 88,216 | 4,087,929 |
|--------|-----------|

Farmer Bros. 2

|        |           |
|--------|-----------|
| 40,000 | 1,290,800 |
|--------|-----------|

Industrias Bachoco ADR

|        |           |
|--------|-----------|
| 41,895 | 2,062,491 |
|--------|-----------|

Sanderson Farms 1

|       |         |
|-------|---------|
| 7,500 | 581,400 |
|-------|---------|

Seneca Foods Cl. A 2

|         |           |
|---------|-----------|
| 229,255 | 6,643,810 |
|---------|-----------|

Seneca Foods Cl. B 2

|        |         |
|--------|---------|
| 13,840 | 441,773 |
|--------|---------|

SunOpta 2

|         |         |
|---------|---------|
| 143,559 | 981,943 |
|---------|---------|

Tootsie Roll Industries 1

|         |           |
|---------|-----------|
| 109,859 | 3,470,446 |
|---------|-----------|

Waterloo Investment Holdings 2,6

|         |         |                   |                          |
|---------|---------|-------------------|--------------------------|
| 598,676 | 167,629 | <b>21,586,061</b> | PERSONAL PRODUCTS - 0.1% |
|---------|---------|-------------------|--------------------------|

Inter Parfums

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5,700 135,774

Nu Skin Enterprises Cl. A 1

|                                    |           |                  |                                  |                   |               |             |
|------------------------------------|-----------|------------------|----------------------------------|-------------------|---------------|-------------|
| 31,000                             | 1,174,590 | <b>1,310,364</b> | <b>Total (Cost \$22,016,530)</b> | <b>25,798,865</b> | <b>ENERGY</b> | <b>3.7%</b> |
| ENERGY EQUIPMENT & SERVICES - 3.1% |           |                  |                                  |                   |               |             |

CARBO Ceramics 1

53,000 911,600

44 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**  
December 31, 2015

| <b>Schedule of Investments (continued)</b> | <b>SHARES</b> | <b>VALUE</b> | <b>ENERGY (continued)</b> |
|--|---------------|--------------|---------------------------|
| ENERGY EQUIPMENT & SERVICES (continued)    |               |              |                           |

Ensign Energy Services

134,000 \$ 714,693

Era Group 2

356,000 3,969,400

Gulf Island Fabrication

32,964 344,804

Helmerich &amp; Payne

95,660 5,122,593

ION Geophysical 2

1,078,200 542,442

Oil States International 2

51,233 1,396,099

Pason Systems

388,380 5,442,428

**SEACOR Holdings 2**

170,469 8,959,851

TGS-NOPEC Geophysical

181,470 2,870,533

Trican Well Service 2

897,300 415,026

Unit Corporation 2

254,579 3,105,864 **33,795,333** OIL, GAS & CONSUMABLE FUELS - 0.6%

Green Plains

98,000 2,244,200

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Permian Basin Royalty Trust

161,000 814,660

World Fuel Services

66,600 2,561,436

WPX Energy 2

110,000 631,400

BANKS - 2.3%

**6,251,696 Total (Cost \$60,383,624)**

**40,047,029**

**FINANCIALS 19.3%**

Bank of N.T. Butterfield & Son

1,784,161 3,479,114

BCB Holdings 2

209,426 26,243

Blue Hills Bancorp

104,180 1,594,996

Canadian Western Bank

279,500 4,722,635

Farmers & Merchants Bank of Long Beach 4

1,200 7,488,000

Fauquier Bankshares

160,800 2,463,456

First Citizens BancShares Cl. A

17,026 4,395,602

**24,170,046**

CAPITAL MARKETS - 8.8%

AllianceBernstein Holding L.P.

24,500 584,325

Ares Management L.P.

375,900 4,860,387

Artisan Partners Asset Management Cl. A

223,200 8,048,592

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ASA Gold and Precious Metals

324,821 2,328,967

Ashmore Group

1,144,000 4,319,809

Azimut Holding

17,500 432,026

BHF Kleinwort Benson Group 2

148,761 923,697

CETIP - Mercados Organizados

430,000 4,060,936

Citadel Capital 2

11,799,921 2,396,137

Cowen Group 2

250,824 960,656

Dundee Corporation Cl. A 2

1,079,900 3,558,823

Eaton Vance 1

40,500 1,313,415

Edmond de Rothschild (Suisse)

133 2,204,273

**Federated Investors Cl. B**

334,390 9,580,274

GAMCO Investors Cl. A

20,200 627,008

GCA Savvian

11,513 117,681

Jupiter Fund Management

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230,000 1,520,704

Lazard Cl. A

87,435 3,935,449

Manning & Napier Cl. A

465,492 3,952,027

Medley Management Cl. A

109,500 623,055

mutares

9,266 177,241

MVC Capital

324,200 2,389,354

Newtek Business Services

65,900 943,688

Partners Group Holding

1,075 385,963

Rothschild & Co

196,893 5,025,022

**SEI Investments**

198,905 10,422,622

Sprott

590,000 1,014,815

U.S. Global Investors Cl. A

520,551 609,045

Value Partners Group

5,453,000 6,299,687

Virtus Investment Partners

24,920 2,927,103



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VZ Holding

2,000 588,945

Westwood Holdings Group

54,573 2,842,708

ZAIS Group Holdings Cl. A 1,2

492,300 4,558,698 **94,533,132** CONSUMER FINANCE - 0.1%

EZCORP Cl. A 2

213,000 **1,062,870** DIVERSIFIED FINANCIAL SERVICES - 2.5%

Banca Finnat Euramerica

500,000 234,435

First Pacific

1,020,000 675,631

**MarketAxess Holdings**

90,000 10,043,100

Morningstar

84,600 6,802,686

PICO Holdings 2

409,400 4,225,008

Sofina

19,698 2,210,780

TMX Group

91,000 2,353,754 **26,545,394** INSURANCE - 2.1%

Alleghany Corporation 2

2,709 1,294,712

Atlas Financial Holdings 2

9,500 189,050

eHealth 2

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|                               |                  |                   |   |
|-------------------------------|------------------|-------------------|---|
| 20,000                        | 199,600          |                   |   |
| E-L Financial                 |                  |                   |   |
| 16,500                        | 8,299,487        |                   |   |
| Erie Indemnity Cl. A          |                  |                   |   |
| 25,000                        | 2,391,000        |                   |   |
| Greenlight Capital Re Cl. A 2 |                  |                   |   |
| 240,561                       | 4,500,896        |                   |   |
| Independence Holding Company  |                  |                   |   |
| 332,964                       | 4,611,551        |                   |   |
| ProAssurance Corporation      |                  |                   |   |
| 17,139                        | 831,756          |                   |   |
| WMIH 2                        |                  |                   |   |
| 77,742                        | 201,352          | <b>22,519,404</b> | INVESTMENT COMPANIES - 0.3%                 |
| RIT Capital Partners          |                  |                   |   |
| 130,500                       | <b>3,231,286</b> |                   | REAL ESTATE MANAGEMENT & DEVELOPMENT - 2.2% |
| AV Homes 2                    |                  |                   |   |
| 66,100                        | 846,741          |                   |   |
| Forestar Group 2              |                  |                   |   |
| 122,000                       | 1,334,680        |                   |   |
| FRP Holdings 2                |                  |                   |   |
| 212,958                       | 7,227,794        |                   |   |
| Kennedy-Wilson Holdings       |                  |                   |   |
| 101,300                       | 2,439,304        |                   |   |
| Marcus & Millichap 2          |                  |                   |   |
| 41,680                        | 1,214,555        |                   |   |
| St. Joe Company (The) 2       |                  |                   |   |
| 177,000                       | 3,276,270        |                   |   |

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Sun Frontier Fudousan

17,600 128,954

Tejon Ranch 2

358,000 6,855,700

Tejon Ranch (Warrants) 2

96,561 676 **23,324,674** THRIFTS & MORTGAGE FINANCE - 1.0%

Genworth MI Canada

284,395 5,467,159

Timberland Bancorp 5

444,200 5,512,522

Vestin Realty Mortgage II 2

53,557 139,248 **11,118,929** **Total (Cost \$208,767,123)** **206,505,735** **HEALTH CARE**  
**5.2%** BIOTECHNOLOGY - 0.9%

ARIAD Pharmaceuticals 1,2,3

140,000 875,000

Keryx Biopharmaceuticals 2

70,000 353,500

Myriad Genetics 1,2

7,973 344,115

Sangamo BioSciences 2

120,315 1,098,476

Zealand Pharma 2

334,307 7,326,579 **9,997,670**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2015 Annual Report to Stockholders | 45

**Royce Value Trust**

| <b>Schedule of Investments (continued)</b>         | <b>SHARES</b> | <b>VALUE</b> | <b>HEALTH CARE (continued)</b> |
|--|---------------|--------------|--------------------------------|
| <b>HEALTH CARE EQUIPMENT &amp; SUPPLIES - 2.2%</b> |               |              |                                |

Analogic Corporation

53,335 \$ 4,405,471

Atrion Corporation 1

17,079 6,510,515

bioMerieux

4,000 477,001

Cerus Corporation 2

156,600 989,712

Derma Sciences 2

87,142 398,239

DiaSorin

7,000 366,050

IDEXX Laboratories 1,2,3

114,822 8,372,820

Invacare Corporation

38,900 676,471

Trinity Biotech ADR Cl. A

82,800 973,728 **23,170,007** HEALTH CARE PROVIDERS & SERVICES - 0.3%

Aceto Corporation

42,255 1,140,040

Addus HomeCare 2

22,200 516,816

Landauer

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|                                |                  |                   |                                       |                   |                          |
|--------------------------------|------------------|-------------------|---------------------------------------|-------------------|--------------------------|
| 50,000                         | 1,646,000        | <b>3,302,856</b>  | HEALTH CARE TECHNOLOGY - 0.2%         |                   |                          |
| Medidata Solutions 2           |                  |                   |                                       |                   |                          |
| 40,000                         | <b>1,971,600</b> |                   | LIFE SCIENCES TOOLS & SERVICES - 1.1% |                   |                          |
| Bio-Rad Laboratories Cl. A 2   |                  |                   |                                       |                   |                          |
| 19,858                         | 2,753,510        |                   |                                       |                   |                          |
| Bio-Techne                     |                  |                   |                                       |                   |                          |
| 58,743                         | 5,286,870        |                   |                                       |                   |                          |
| PAREXEL International 2        |                  |                   |                                       |                   |                          |
| 56,600                         | 3,855,592        | <b>11,895,972</b> | PHARMACEUTICALS - 0.5%                |                   |                          |
| Lipocine 2                     |                  |                   |                                       |                   |                          |
| 55,866                         | 722,347          |                   |                                       |                   |                          |
| Medicines Company (The) 2      |                  |                   |                                       |                   |                          |
| 58,000                         | 2,165,720        |                   |                                       |                   |                          |
| Theravance Biopharma 2         |                  |                   |                                       |                   |                          |
| 63,291                         | 1,037,340        |                   |                                       |                   |                          |
| Vetoquinol                     |                  |                   |                                       |                   |                          |
| 10,000                         | 428,199          |                   |                                       |                   |                          |
| Virbac                         |                  |                   |                                       |                   |                          |
| 3,000                          | 714,931          | <b>5,068,537</b>  | <b>Total (Cost \$36,084,199)</b>      | <b>55,406,642</b> | <b>INDUSTRIALS 28.1%</b> |
|                                |                  |                   | AEROSPACE & DEFENSE - 1.8%            |                   |                          |
| Ducommun 2                     |                  |                   |                                       |                   |                          |
| 117,200                        | 1,900,984        |                   |                                       |                   |                          |
| FLYHT Aerospace Solutions 2    |                  |                   |                                       |                   |                          |
| 1,683,400                      | 279,816          |                   |                                       |                   |                          |
| <b>HEICO Corporation</b>       |                  |                   |                                       |                   |                          |
| 140,338                        | 7,628,774        |                   |                                       |                   |                          |
| <b>HEICO Corporation Cl. A</b> |                  |                   |                                       |                   |                          |

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|  |           |                   |                                       |
|--|-----------|-------------------|---------------------------------------|
| 80,808                                 | 3,975,754 |                   |                                       |
| Hexcel Corporation                     |           |                   |                                       |
| 47,500                                 | 2,206,375 |                   |                                       |
| Magellan Aerospace                     |           |                   |                                       |
| 122,779                                | 1,428,591 |                   |                                       |
| Teledyne Technologies 2                |           |                   |                                       |
| 20,600                                 | 1,827,220 | <b>19,247,514</b> | AIR FREIGHT & LOGISTICS - 2.0%        |
| Expeditors International of Washington |           |                   |                                       |
| 158,900                                | 7,166,390 |                   |                                       |
| <b>Forward Air</b>                     |           |                   |                                       |
| 209,750                                | 9,021,347 |                   |                                       |
| Hub Group Cl. A 1,2,3                  |           |                   |                                       |
| 149,400                                | 4,922,730 | <b>21,110,467</b> | BUILDING PRODUCTS - 0.8%              |
| American Woodmark 2                    |           |                   |                                       |
| 89,635                                 | 7,169,007 |                   |                                       |
| Burnham Holdings Cl. B 4               |           |                   |                                       |
| 36,000                                 | 592,200   |                   |                                       |
| Patrick Industries 2                   |           |                   |                                       |
| 14,750                                 | 641,625   |                   |                                       |
| Polypipe Group                         |           |                   |                                       |
| 103,000                                | 529,783   | <b>8,932,615</b>  | COMMERCIAL SERVICES & SUPPLIES - 2.8% |
| Atento 2                               |           |                   |                                       |
| 159,200                                | 1,550,608 |                   |                                       |
| Brady Corporation Cl. A                |           |                   |                                       |
| 45,900                                 | 1,054,782 |                   |                                       |
| CompX International Cl. A              |           |                   |                                       |
| 211,100                                | 2,406,540 |                   |                                       |

Copart 2

178,360 6,779,464

dorma+kaba Holding

600 407,097

Heritage-Crystal Clean 2

152,527 1,616,786

InnerWorkings 2

114,000 855,000

Kimball International Cl. B

286,180 2,795,979

**Ritchie Bros. Auctioneers**

401,794 9,687,253

Societe BIC

2,000 329,082

Steelcase Cl. A

155,330 2,314,417

**29,797,008**

CONSTRUCTION & ENGINEERING - 2.6%

EMCOR Group 1,3

134,400 6,456,576

Integrated Electrical Services 2

677,482 7,499,726

Jacobs Engineering Group 1,2

164,900 6,917,555

KBR

286,192 4,842,368

Northwest Pipe 2

117,800 1,318,182

Sterling Construction 2

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|                                    |           |                   |                                 |
|------------------------------------|-----------|-------------------|---------------------------------|
| 212,735                            | 1,293,429 | <b>28,327,836</b> | ELECTRICAL EQUIPMENT - 1.2%     |
| AZZ                                |           |                   |                                 |
| 21,600                             | 1,200,312 |                   |                                 |
| Franklin Electric                  |           |                   |                                 |
| 104,600                            | 2,827,338 |                   |                                 |
| Global Power Equipment Group       |           |                   |                                 |
| 631,820                            | 2,198,734 |                   |                                 |
| Powell Industries                  |           |                   |                                 |
| 94,500                             | 2,459,835 |                   |                                 |
| Preformed Line Products            |           |                   |                                 |
| 91,600                             | 3,856,360 | <b>12,542,579</b> | INDUSTRIAL CONGLOMERATES - 0.4% |
| A. Soriano                         |           |                   |                                 |
| 2,791,000                          | 378,430   |                   |                                 |
| Carlisle Companies 1               |           |                   |                                 |
| 11,400                             | 1,011,066 |                   |                                 |
| Raven Industries                   |           |                   |                                 |
| 226,725                            | 3,536,910 | <b>4,926,406</b>  | MACHINERY - 10.2%               |
| Burckhardt Compression Holding     |           |                   |                                 |
| 8,400                              | 2,575,997 |                   |                                 |
| Chen Hsong Holdings                |           |                   |                                 |
| 1,159,000                          | 267,690   |                   |                                 |
| China Metal International Holdings |           |                   |                                 |
| 554,524                            | 169,932   |                   |                                 |
| CIRCOR International               |           |                   |                                 |
| 104,004                            | 4,383,769 |                   |                                 |
| CLARCOR                            |           |                   |                                 |
| 92,500                             | 4,595,400 |                   |                                 |



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Columbus McKinnon

69,775 1,318,748

Deutz

115,000 460,288

Donaldson Company

193,559 5,547,401

Federal Signal

166,280 2,635,538

Graco

94,276 6,794,471

Graham Corporation

20,568 345,954

Hurco Companies

25,952 689,285

Hyster-Yale Materials Handling Cl. A

18,415 965,867

IDEX Corporation

67,400 5,163,514

John Bean Technologies

121,826 6,070,590

Kennametal

160,100 3,073,920

Lincoln Electric Holdings

61,360 3,183,970

Lindsay Corporation 1

80,000 5,792,000

Luxfer Holdings ADR

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28,100 276,504

Lydall 2

30,680 1,088,526

Mueller Water Products Cl. A

33,600 288,960

NN

308,700 4,920,678

Nordson Corporation

24,296 1,558,588

RBC Bearings 2

109,600 7,079,064

Semperit AG Holding

2,940 98,695

Spirax-Sarco Engineering

7,600 366,115

Sun Hydraulics

103,118 3,271,934

Tennant Company

103,900 5,845,414

Valmont Industries 1

67,855 7,193,987

WABCO Holdings 2

43,400 4,438,084

46 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**  
December 31, 2015

| <b>Schedule of Investments (continued)</b> | <b>SHARES</b> | <b>VALUE</b> | <b>INDUSTRIALS (continued)</b> |
|--|---------------|--------------|--------------------------------|
| MACHINERY (continued)                      |               |              |                                |

Wabtec Corporation

83,560 \$ 5,942,787

Watts Water Technologies Cl. A

61,000 3,029,870

**Woodward**208,400 10,349,144 **109,782,684** MARINE - 0.8%

Clarkson

198,700 6,583,284

Kirby Corporation 2

41,100 2,162,682 **8,745,966** PROFESSIONAL SERVICES - 3.0%

Acacia Research

55,600 238,524

Advisory Board (The) 1,2,3

150,277 7,455,242

Franklin Covey 2

60,000 1,004,400

Heidrick &amp; Struggles International

66,480 1,809,586

ICF International 2

27,196 967,090

ManpowerGroup

83,858 7,068,391

**On Assignment 1,2,3**

230,695 10,369,740

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Robert Half International

19,032 897,168

TrueBlue 2

70,250 1,809,640

Volt Information Sciences 2

65,000 529,100 **32,148,881** ROAD & RAIL - 1.5%

Genesee & Wyoming Cl. A 2

20,000 1,073,800

Knight Transportation

122,400 2,965,752

Landstar System

118,960 6,977,004

Saia 1,2

141,890 3,157,052

Trancom

6,647 368,334

Universal Truckload Services

78,916 1,107,981 **15,649,923** TRADING COMPANIES & DISTRIBUTORS - 0.8%

Houston Wire & Cable

598,871 3,162,039

Kloeckner & Co

31,300 271,976

MISUMI Group

30,000 413,129

MSC Industrial Direct Cl. A 1

79,993 4,501,206 **8,348,350** TRANSPORTATION INFRASTRUCTURE - 0.2%

Hopewell Highway Infrastructure

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|                                 |              |  |  |                    |
|---------------------------------|--------------|--|--|--------------------|
| 1,012,000                       | 485,075      |  |  |                    |
| Touax 2                         |              |  |  |                    |
| 40,040                          | 435,137      |  |  |                    |
| Wesco Aircraft Holdings 2       |              |  |  |                    |
| 68,400                          | 818,748      | <b>1,738,960</b>                       | <b>Total (Cost \$210,534,829)</b>                                | <b>301,299,189</b> |
| <b>TECHNOLOGY</b>               | <b>20.7%</b> | <b>COMMUNICATIONS EQUIPMENT - 0.6%</b> |  | <b>INFORMATION</b> |
| ADTRAN 1,3                      |              |  |  |                    |
| 259,273                         | 4,464,681    |  |  |                    |
| Alliance Fiber Optic Products 2 |              |  |  |                    |
| 63,200                          | 958,112      |  |  |                    |
| Bel Fuse Cl. B                  |              |  |  |                    |
| 30,238                          | 522,815      |  |  |                    |
| Extreme Networks 2              |              |  |  |                    |
| 80,000                          | 326,400      | <b>6,272,008</b>                       | <b>ELECTRONIC EQUIPMENT, INSTRUMENTS &amp; COMPONENTS - 9.8%</b> |                    |
| Agilysys 2                      |              |  |  |                    |
| 165,125                         | 1,649,599    |  |  |                    |
| Anixter International 1,2,3     |              |  |  |                    |
| 70,895                          | 4,281,349    |  |  |                    |
| Benchmark Electronics 2         |              |  |  |                    |
| 125,500                         | 2,594,085    |  |  |                    |
| Cognex Corporation 1            |              |  |  |                    |
| 166,400                         | 5,619,328    |  |  |                    |
| <b>Coherent 2</b>               |              |  |  |                    |
| 158,536                         | 10,322,279   |  |  |                    |
| Dolby Laboratories Cl. A        |              |  |  |                    |
| 57,840                          | 1,946,316    |  |  |                    |
| DTS 2                           |              |  |  |                    |

225,000 5,080,500

ePlus 2

6,800 634,168

Fabrinet 2

46,950 1,118,349

FARO Technologies 2

115,200 3,400,704

FEI Company

82,100 6,550,759

**FLIR Systems**

302,000 8,477,140

HollySys Automation Technologies

51,082 1,132,999

IPG Photonics 1,2,3

53,890 4,804,832

Kimball Electronics 2

214,635 2,358,839

LRAD Corporation 2

751,544 1,495,573

Mercury Systems 2

38,200 701,352

Methode Electronics

29,200 929,436

National Instruments

261,850 7,512,476

**Newport Corporation 2**

541,000 8,585,670

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Orbotech 2

4,000 88,520

PC Connection

16,301 369,055

Perceptron 2

357,700 2,786,483

Plexus Corporation 2

176,100 6,149,412

Richardson Electronics

573,732 3,253,060

Rofin-Sinar Technologies 2

226,971 6,078,283

Rogers Corporation 2

57,066 2,942,894

TTM Technologies 1,2,3

496,400 3,231,564

Vishay Precision Group 2

78,826 892,310

**104,987,334**

INTERNET SOFTWARE & SERVICES - 1.8%

Actua Corporation 2

152,253 1,743,297

Care.com 2

395,900 2,834,644

IZEA 2,4

701,300 277,014

j2 Global

28,610 2,355,175

QuinStreet 2

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|                            |            |                   |                    |
|----------------------------|------------|-------------------|--------------------|
| 488,232                    | 2,094,515  |                   |                    |
| RealNetworks 2             |            |                   |                    |
| 376,750                    | 1,601,188  |                   |                    |
| Spark Networks 1,2,3       |            |                   |                    |
| 394,100                    | 1,517,285  |                   |                    |
| Stamps.com 2               |            |                   |                    |
| 33,600                     | 3,682,896  |                   |                    |
| Support.com 2              |            |                   |                    |
| 1,324,295                  | 1,337,538  |                   |                    |
| Textura Corporation 2      |            |                   |                    |
| 19,000                     | 410,020    |                   |                    |
| Tomorrow Focus 2           |            |                   |                    |
| 44,900                     | 173,077    |                   |                    |
| United Online 2            |            |                   |                    |
| 133,971                    | 1,579,518  | <b>19,606,167</b> | IT SERVICES - 2.4% |
| Computer Task Group        |            |                   |                    |
| 223,700                    | 1,480,894  |                   |                    |
| Convergys Corporation 1    |            |                   |                    |
| 121,000                    | 3,011,690  |                   |                    |
| eClerx Services            |            |                   |                    |
| 18,000                     | 383,825    |                   |                    |
| <b>Hackett Group (The)</b> |            |                   |                    |
| 671,366                    | 10,788,852 |                   |                    |
| Hexaware Technologies      |            |                   |                    |
| 130,000                    | 478,325    |                   |                    |
| Innodata 2                 |            |                   |                    |
| 314,314                    | 895,795    |                   |                    |



MAXIMUS

107,500 6,046,875

Net 1 UEPS Technologies 2

15,000 202,650

Persistent Systems

40,000 387,854

Prodware

20,100 172,976

Sykes Enterprises 2

24,294 747,769

TravelSky Technology

200,000 328,208

Unisys Corporation 2

94,000 1,038,700

**25,964,413**

SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT - 2.7%

Amtech Systems 2

141,471 885,609

Brooks Automation

116,100 1,239,948

Cascade Microtech 2

61,800 1,004,250

Diodes 2

270,850 6,224,133

Exar Corporation 2

157,576 965,941

Intermolecular 2

165,448 383,839



242,200 658,784

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## Royce Value Trust

| Schedule of Investments (continued)<br>(continued) | SHARES | VALUE | INFORMATION TECHNOLOGY                               |
|--|--------|-------|--|
|  |        |       | SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT (continued) |

Kulicke &amp; Soffa Industries 2

77,400 \$ 903,258

MKS Instruments

170,510 6,138,360

MoSys 1,2,3

337,000 367,330

Nanometrics 2

166,750 2,524,595

Photronics 2

157,700 1,963,365

Teradyne

130,000 2,687,100

Tessera Technologies

65,930 1,978,559

Ultra Clean Holdings 2

50,300 257,536

Veeco Instruments 1,2,3

28,300 581,848 **28,764,455** SOFTWARE - 2.5%

American Software Cl. A

88,490 900,828

**ANSYS 1,2,3**

95,000 8,787,500

Blackbaud

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|                           |           |                   |   |
|---------------------------|-----------|-------------------|---|
| 31,400                    | 2,068,004 |                   |   |
| Computer Modelling Group  |           |                   |   |
| 313,200                   | 2,032,620 |                   |   |
| Mentor Graphics           |           |                   |   |
| 149,923                   | 2,761,582 |                   |   |
| Model N 2                 |           |                   |   |
| 104,000                   | 1,160,640 |                   |   |
| Monotype Imaging Holdings |           |                   |   |
| 153,740                   | 3,634,414 |                   |   |
| PSI 2                     |           |                   |   |
| 52,500                    | 738,537   |                   |   |
| PTC 2                     |           |                   |   |
| 25,000                    | 865,750   |                   |   |
| SeaChange International 2 |           |                   |   |
| 247,069                   | 1,665,245 |                   |   |
| SimCorp                   |           |                   |   |
| 9,300                     | 524,488   |                   |   |
| TiVo 2                    |           |                   |   |
| 133,200                   | 1,149,516 |                   |   |
| TOTVS                     |           |                   |   |
| 50,000                    | 389,896   | <b>26,679,020</b> | TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS - 0.9% |
| Diebold 1                 |           |                   |   |
| 266,600                   | 8,021,994 |                   |   |
| Intevac 2                 |           |                   |   |
| 114,000                   | 536,940   |                   |   |
| Kortek                    |           |                   |   |

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99,000 976,842

Silicon Graphics International 2

|             |                  |                   |                                   |                    |                  |
|-------------|------------------|-------------------|-----------------------------------|--------------------|------------------|
| 93,600      | 552,240          | <b>10,088,016</b> | <b>Total (Cost \$188,389,488)</b> | <b>222,361,413</b> | <b>MATERIALS</b> |
| <b>7.6%</b> | CHEMICALS - 2.0% |                   |                                   |                    |                  |

C. Uyemura & Co.

13,100 557,573

Dyadic International 2,4

75,000 135,000

FutureFuel Corporation

48,500 654,750

Hawkins

86,178 3,082,587

Innospec

44,838 2,435,152

Intrepid Potash 2

356,498 1,051,669

Minerals Technologies

87,093 3,994,085

**Quaker Chemical**

109,669 8,473,027

Umicore

12,500 522,516

Victrex

|        |         |                   |                               |
|--------|---------|-------------------|-------------------------------|
| 12,000 | 316,680 | <b>21,223,039</b> | CONSTRUCTION MATERIALS - 1.0% |
|--------|---------|-------------------|-------------------------------|

**Ash Grove Cement Cl. B 4**

|        |                   |                               |
|--------|-------------------|-------------------------------|
| 50,518 | <b>10,507,744</b> | CONTAINERS & PACKAGING - 0.8% |
|--------|-------------------|-------------------------------|

Greif Cl. A

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|                                    |           |                  |                        |
|------------------------------------|-----------|------------------|------------------------|
| 100,344                            | 3,091,599 |                  |                        |
| Mayr-Melnhof Karton                |           |                  |                        |
| 32,700                             | 4,069,251 |                  |                        |
| UFP Technologies 2                 |           |                  |                        |
| 54,709                             | 1,303,168 | <b>8,464,018</b> | METALS & MINING - 3.8% |
| Alamos Gold Cl. A                  |           |                  |                        |
| 464,366                            | 1,526,968 |                  |                        |
| Ampco-Pittsburgh                   |           |                  |                        |
| 56,516                             | 579,854   |                  |                        |
| Central Steel & Wire 4             |           |                  |                        |
| 4,862                              | 2,649,887 |                  |                        |
| Exeter Resource 2                  |           |                  |                        |
| 475,000                            | 154,375   |                  |                        |
| Franco-Nevada Corporation          |           |                  |                        |
| 108,000                            | 4,941,000 |                  |                        |
| Gold Fields ADR                    |           |                  |                        |
| 865,000                            | 2,396,050 |                  |                        |
| Haynes International               |           |                  |                        |
| 113,900                            | 4,178,991 |                  |                        |
| Hecla Mining                       |           |                  |                        |
| 660,000                            | 1,247,400 |                  |                        |
| Imdex 2                            |           |                  |                        |
| 700,000                            | 101,388   |                  |                        |
| Lundin Mining 2                    |           |                  |                        |
| 640,000                            | 1,757,606 |                  |                        |
| Major Drilling Group International |           |                  |                        |
| 406,543                            | 1,286,882 |                  |                        |

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Pan American Silver

130,430 847,795

Pretium Resources 2

246,000 1,237,378

**Reliance Steel & Aluminum**

171,270 9,918,246

Seabridge Gold 1,2,3

282,000 2,337,780

Synalloy Corporation

178,800 1,230,144

Vista Gold 2

124,000 34,038

Worthington Industries

148,000 4,460,720

**40,886,502**

PAPER & FOREST PRODUCTS - 0.0%

TFS Corporation

251,185 **288,330** **Total (Cost \$77,065,012)** **81,369,633**

**TELECOMMUNICATION SERVICES 0.5%**

WIRELESS TELECOMMUNICATION SERVICES - 0.5%

Spok Holdings

18,595 340,661

Telephone and Data Systems

208,270 5,392,110 **Total (Cost \$5,721,184)** **5,732,771**  
0.1%

**UTILITIES 0.1%**

GAS UTILITIES -

Shizuoka Gas

110,000 703,087

Toho Gas

60,000 387,471

**1,090,558**

MULTI-UTILITIES - 0.0%

Just Energy Group 1

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|                       |                             |                                 |   |                             |             |                      |
|-----------------------|-----------------------------|---------------------------------|---|-----------------------------|-------------|----------------------|
| 20,600                | <b>146,672</b>              | <b>Total (Cost \$1,234,657)</b> | <b>1,237,230</b>  | <b>MISCELLANEOUS</b>        | <b>5.0%</b> | <b>Total (Cost</b>   |
| <b>\$56,093,347)</b>  | <b>53,074,549</b>           |                                 | <b>TOTAL COMMON STOCKS</b>  | <b>(Cost \$988,358,081)</b> |             | <b>1,127,445,453</b> |
|                       | <b>REPURCHASE AGREEMENT</b> | <b>1.0%</b>                     | Fixed Income Clearing Corporation, 0.03% dated 12/31/15, due 1/4/16, maturity value \$10,727,036 (collateralized by obligations of various U.S. Government Agencies, 1.625% due 7/31/20, valued at \$10,943,663) <b>(Cost \$10,727,000)</b> |                             |             |                      |
|                       | <b>10,727,000</b>           |                                 | <b>TOTAL INVESTMENTS</b>  | <b>106.2%</b>               |             | <b>(Cost</b>         |
| <b>\$999,085,081)</b> | <b>1,138,172,453</b>        |                                 | <b>LIABILITIES LESS CASH AND OTHER ASSETS</b>   | <b>(6.2)%</b>               |             | <b>(66,137,707 )</b> |
|                       | <b>NET ASSETS</b>           | <b>100.0%</b>                   | <b>\$ 1,072,034,746</b>   |                             |             |                      |

48 | 2015 Annual Report to Stockholders THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS  
December 31, 2015

New additions in 2015.

1

All or a portion of these securities were pledged as collateral in connection with the revolving credit agreement at December 31, 2015. Total market value of pledged securities at December 31, 2015, was \$116,154,894.

2

Non-income producing.

3

At December 31, 2015, a portion of these securities were rehypothecated in connection with the Fund's revolving credit agreement in the aggregate amount of \$55,161,255.

4

These securities are defined as Level 2 securities due to fair value being based on quoted prices for similar securities. See Notes to Financial Statements.

5

At December 31, 2015, the Fund owned 5% or more of the Company's outstanding voting securities thereby making the Company an Affiliated Company as that term is defined in the Investment Company Act of 1940. See Notes to Financial Statements.

6

A security for which market quotations are not readily available represents 0.0% of net assets. This security has been valued at its fair value under procedures approved by the Fund's Board of Directors. This security is defined as a Level 3 security due to the use of significant unobservable inputs in the determination of fair value. See Notes to Financial Statements.

7

Includes securities first acquired in 2015 and less than 1% of net assets.

**Bold indicates the Fund's 20 largest equity holdings in terms of December 31, 2015, market value.**

**TAX INFORMATION:** The cost of total investments for Federal income tax purposes was \$1,001,534,253. At December 31, 2015, net unrealized appreciation for all securities was \$136,638,200, consisting of aggregate gross unrealized appreciation of \$278,258,206 and aggregate gross unrealized depreciation of \$141,620,006. The primary difference between book and tax basis cost is the timing of the recognition of losses on securities sold, investments in publicly traded partnerships and Trusts and mark-to-market of Passive Foreign Investment Companies.



THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2015 Annual Report to Stockholders | 49

**Royce Value Trust** December 31, 2015

**Statement of Assets and Liabilities** ASSETS: Investments at value

Non-Affiliated Companies

\$ 1,119,108,795

Affiliated Companies

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8,336,658 Repurchase agreements (at cost and value) 10,727,000 Cash and foreign currency 214,267 Receivable for investments sold 3,210,183 Receivable for dividends and interest 1,307,487 Prepaid expenses and other assets 552,797 **Total Assets 1,143,457,187** LIABILITIES: Revolving credit agreement 70,000,000 Payable for investments purchased 562,307 Payable for investment advisory fee 493,311 Payable for directors fees 57,368 Payable for interest expense 6,054 Accrued expenses 252,267 Deferred capital gains tax 51,134 **Total Liabilities 71,422,441** **Net Assets \$ 1,072,034,746** ANALYSIS OF NET ASSETS: Paid-in capital - \$0.001 par value per share; 79,051,762 shares outstanding (150,000,000 shares authorized) \$ 929,036,835 Undistributed net investment income (loss) (1,047,919 ) Accumulated net realized gain (loss) on investments and foreign currency 5,044,187 Net unrealized appreciation (depreciation) on investments and foreign currency 139,001,643 **Net Assets (net asset value per share - \$13.56) \$ 1,072,034,746** Investments at identified cost \$ 988,358,081

50 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

## Royce Value Trust

**Statement of Changes in Net Assets**

| <b>YEAR ENDED 12/31/15</b> | <b>YEAR ENDED 12/31/14</b>    | <b>INVESTMENT OPERATIONS:</b>  |  | <b>Net investment</b>                                 |
|----------------------------|-------------------------------|--|--|---|
| income (loss) \$ 9,193,108 | \$ 9,123,977                  | Net realized gain (loss) on investments and foreign currency                             |  | 43,117,817  |
| 130,855,526                |                               | Net change in unrealized appreciation (depreciation) on investments and foreign currency |  | (157,435,228 )  |
| (140,388,974 )             |                               | <b>Net increase (decrease) in net assets from investment operations</b>                  | <b>(105,124,303 )</b>  | <b>(409,471 )</b>                                     |
| <b>DISTRIBUTIONS:</b>      |                               |  |  |   |
|                            | Net investment income         | (12,151,910 )  | (10,008,114 )  | Net realized gain on investments and foreign currency |
| (83,306,926 )              | (123,263,927 )                | <b>Total distributions</b>   | <b>(95,458,836 )</b>   | <b>(133,272,041 )</b>                                 |
| <b>TRANSACTIIONS:</b>      |                               |  |  |   |
|                            | Reinvestment of distributions | 40,663,247   | 57,806,861   | <b>Total capital stock transactions</b>               |
| <b>40,663,247</b>          | <b>57,806,861</b>             | <b>Net Increase (Decrease) In Net Assets</b>   | <b>(159,919,892 )</b>  | <b>(75,874,651 )</b>                                  |
| <b>NET ASSETS:</b>         |                               |  |  |   |
| <b>Beginning of year</b>   | <b>1,231,954,638</b>          | <b>1,307,829,289</b>   | <b>End of year (including undistributed net investment income (loss) of \$(1,047,919) at 12/31/15 and \$2,286,303 at 12/31/14) \$ 1,072,034,746 \$ 1,231,954,638</b> |   |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2015 Annual Report to Stockholders | 51

**Royce Value Trust** Year Ended December 31, 2015

**Statement of Operations**

**INVESTMENT INCOME:** INCOME: Dividends

Non-Affiliated Companies

\$ 17,125,813

Affiliated Companies

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137,702 Foreign withholding tax (398,966 ) Interest 44,593 Rehypothecation income 358,817 Securities lending  
668 **Total income 17,268,627** EXPENSES: Investment advisory fees 5,891,150 Interest expense 899,029  
Stockholder reports 430,339 Custody and transfer agent fees 233,579 Administrative and office facilities 190,523  
Directors fees 180,221 Professional fees 113,995 Other expenses 136,775 **Total expenses 8,075,611**  
Compensating balance credits (92 ) **Net expenses 8,075,519 Net investment income (loss) 9,193,108 REALIZED  
AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:** NET REALIZED GAIN (LOSS):  
Investments 42,996,570 Foreign currency transactions 121,247 NET CHANGE IN UNREALIZED APPRECIATION  
(DEPRECIATION): Investments and foreign currency translations (157,609,448 ) Other assets and liabilities  
denominated in foreign currency 174,220 **Net realized and unrealized gain (loss) on investments and foreign currency  
(114,317,411 ) NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS \$ (105,124,303 )**  
52 | 2015 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

## Royce Value Trust Year Ended December 31, 2015

### Statement of Cash Flows

CASH FLOWS FROM OPERATING ACTIVITIES: Net increase (decrease) in net assets from investment operations \$  
(105,124,303 ) Adjustments to reconcile net increase (decrease) in net assets from investment operations to net cash provided by  
operating activities:

Purchases of long-term investments

(421,650,687 )

Proceeds from sales and maturities of long-term investments

448,806,816

Net purchases, sales and maturities of short-term investments

18,828,000

Net (increase) decrease in dividends and interest receivable and other assets

(321,915 )

Net increase (decrease) in interest expense payable, accrued expenses and other liabilities

(145,507 )

Net change in unrealized appreciation (depreciation) on investments

157,609,448

Net realized gain (loss) on investments and foreign currency

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(43,117,817) **Net cash provided by operating activities** **54,884,035** CASH FLOWS FROM FINANCING ACTIVITIES:  
 Distributions (95,458,836) Reinvestment of distributions 40,663,247 **Net cash used for financing activities**  
**(54,795,589) INCREASE (DECREASE) IN CASH: 88,446** **Cash and foreign currency at beginning of year 125,821**  
**Cash and foreign currency at end of year \$ 214,267**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2015 Annual Report to Stockholders | 53

## Royce Value Trust

### Financial Highlights

This table is presented to show selected data for a share of Common Stock outstanding throughout each period, and to assist stockholders in evaluating the Fund's performance for the periods presented.

| YEARS ENDED                                    | 12/31/15                                 | 12/31/14        | 12/31/13  | 12/31/12        | 12/31/11               | Net Asset Value, Beginning of Period                               |  |  |                |               |               |             |             |
|--|--|-----------------|---|-----------------|------------------------|--|--|--|----------------|---------------|---------------|-------------|-------------|
| <b>\$ 16.24</b>                                | <b>\$ 18.17</b>                          | <b>\$ 15.40</b> | <b>\$ 14.18</b>                                       | <b>\$ 16.73</b> | INVESTMENT OPERATIONS: |  |  |  | Net investment |               |               |             |             |
| income (loss)                                  | 0.12                                     | 0.12            | 0.12  | 0.23            | 0.10                   | Net realized and unrealized gain (loss) on investments and foreign |  |  |                | currency      |               |             |             |
|  | (1.48)                                   | (0.13)          | 4.89  | 2.02            | (1.62)                 | <b>Total investment operations</b>                                 |  |  |                | <b>(1.36)</b> | <b>(0.01)</b> | <b>5.01</b> | <b>2.25</b> |
| <b>(1.52)</b>                                  | DISTRIBUTIONS TO PREFERRED STOCKHOLDERS: |                 |   |                 | Net investment income  |  |  |  |                |               |               |             |             |
|  | (0.04)                                   | (0.03)          | Net realized gain on investments and foreign currency |                 |                        |  |  |  | (0.13)         | (0.16)        | <b>Total</b>  |             |             |
| <b>distributions to Preferred Stockholders</b> |  |                 |   | <b>(0.17)</b>   |                        | <b>(0.19)</b>  |  |  |                |               |               |             |             |

### Net Increase (Decrease) in Net Assets Applicable to Common Stockholders from Investment Operations

|                                   |  |                 |                 |                                    |                                       |   |                 |                 |                 |                 |           |
|-----------------------------------|--|-----------------|-----------------|------------------------------------|---------------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----------|
| <b>(1.36)</b>                     | <b>(0.01)</b>  | <b>5.01</b>     | <b>2.08</b>     | <b>(1.71)</b>                      | DISTRIBUTIONS TO COMMON STOCKHOLDERS: |   |                 |                 |                 |                 |           |
| Net investment income             | (0.16)   | (0.14)          | (0.11)          | (0.17)                             | (0.08)                                | Net realized gain on investments and foreign currency |                 |                 |                 |                 |           |
|                                   | (1.08)   | (1.68)          | (2.08)          | (0.63)                             | (0.43)                                | Return of capital                                     |                 |                 |                 |                 |           |
|                                   |  |                 |                 |                                    | (0.27)                                | <b>Total distributions to</b>                         |                 |                 |                 |                 |           |
| <b>Common Stockholders</b>        | <b>(1.24)</b>  | <b>(1.82)</b>   | <b>(2.19)</b>   | <b>(0.80)</b>                      | <b>(0.78)</b>                         | CAPITAL STOCK TRANSACTIONS:                           |                 |                 |                 |                 |           |
|                                   | Effect of reinvestment of distributions by Common Stockholders |                 |                 |                                    | (0.08)                                | (0.10)  | (0.05)          | (0.06)          | (0.06)          | <b>Total</b>    |           |
| <b>capital stock transactions</b> | <b>(0.08)</b>  | <b>(0.10)</b>   | <b>(0.05)</b>   | <b>(0.06)</b>                      | <b>(0.06)</b>                         | <b>Net Asset Value, End of Period</b>                 |                 |                 |                 | <b>\$ 13.56</b> | <b>\$</b> |
| <b>16.24</b>                      | <b>\$ 18.17</b>  | <b>\$ 15.40</b> | <b>\$ 14.18</b> | <b>Market Value, End of Period</b> |                                       | <b>\$ 11.77</b>                                       | <b>\$ 14.33</b> | <b>\$ 16.01</b> | <b>\$ 13.42</b> | <b>\$ 12.27</b> |           |
| TOTAL RETURN:1                    |  | Net Asset Value |                 | (8.09)%                            | 0.78%                                 | 34.14%  | 15.41%          | (10.06)%        | Market          |                 |           |
| Value                             | (9.59)%  | 0.93%           | 35.63%          | 16.22%                             | (10.46)%                              |   |                 |                 |                 |                 |           |

### RATIOS BASED ON AVERAGE NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:

|  |   |              |              |                          |                                       |  |     |           |           |           |
|--|---|--------------|--------------|--------------------------|---------------------------------------|--|-----|-----------|-----------|-----------|
| Investment advisory fee expense <sup>2</sup> | 0.50%   | 0.46%        | 0.54%        | 0.56%                    | 0.86%                                 | Other operating  |     |           |           |           |
| expenses                                     | 0.18%   | 0.15%        | 0.25%        | 0.15%                    | 0.12%                                 | Total expenses (net) <sup>3</sup>                          |     |           |           |           |
|  | 0.68%   | 0.61%        | 0.79%        | 0.71%                    | 0.98%                                 | Expenses net of fee waivers and excluding interest expense |     |           |           |           |
|  | 0.61%   | 0.55%        | 0.65%        | 0.68%                    | 0.98%                                 | Expenses prior to fee                                      |     |           |           |           |
|  | 0.68%   | 0.61%        | 0.79%        | 0.71%                    | 0.98%                                 | waivers  |     |           |           |           |
|  | 0.68%   | 0.61%        | 0.79%        | 0.71%                    | 0.98%                                 | Net investment income (loss)                               |     |           |           |           |
|  | 0.78%   | 0.72%        | 0.70%        | 1.57%                    | 0.63%                                 | SUPPLEMENTAL DATA:   |     |           |           |           |
|  | Net Assets Applicable to Common Stockholders, End of Period |              |              |                          | Liquidation Value of Preferred Stock, |  |     |           |           |           |
| (in thousands)                               | \$ 1,072,035  | \$ 1,231,955 | \$ 1,307,829 | \$ 1,082,426             | \$ 966,640                            | Portfolio Turnover Rate                                    |     |           |           |           |
| End of Period (in thousands)                 | \$ 220,000  |              |              |                          | 35%                                   | 40%  | 33% | 25%       | 26%       |           |
| PREFERRED STOCK:                             |   |              |              | Total shares outstanding |                                       |  |     | 8,800,000 | Asset     |           |
| coverage per share                           | \$ 134.88   |              |              |                          | Liquidation preference per share      |  |     |           | \$ 25.00  | Average   |
| month-end market value per share             | \$ 25.37  |              |              |                          | REVOLVING CREDIT AGREEMENT:           |  |     |           |           |           |
| Asset coverage                               | 1631%   | 1860%        | 1289%        | 822%                     | Asset coverage per \$1,000            |  |     |           | \$ 16,315 | \$ 18,599 |
| 12,889                                       | \$ 8,216  |              |              |                          |                                       |  |     |           |           |           |

1

The Market Value Total Return is calculated assuming a purchase of Common Stock on the opening of the first business day and a sale on the closing of the last business day of each period. Dividends and distributions are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund's Distribution Reinvestment and Cash Purchase Plan. Net Asset Value Total Return is calculated on the same

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basis, except that the Fund's net asset value is used on the purchase and sale dates instead of market value.

2

The investment advisory fee is calculated based on average net assets over a rolling 60-month basis, while the above ratios of investment advisory fee expenses are based on the average net assets applicable to Common Stockholders over a 12-month basis.

3

Expense ratios based on total average net assets including liquidation value of Preferred Stock were 0.60% and 0.82% for the years ended December 31, 2012 and 2011, respectively.

## Royce Value Trust

### Notes to Financial Statements

#### Summary of Significant Accounting Policies:

Royce Value Trust, Inc. (the Fund), is a diversified closed-end investment company that was incorporated under the laws of the State of Maryland on July 1, 1986. The Fund commenced operations on November 26, 1986.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 Financial Services-Investment Companies.

#### VALUATION OF INVESTMENTS:

Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq's Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their highest bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price, except in the case of some bonds and other fixed income securities which may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. The Fund values its non-U.S. dollar denominated securities in U.S. dollars daily at the prevailing foreign currency exchange rates as quoted by a major bank. Securities for which market quotations are not readily available are valued at their fair value in accordance with the provisions of the 1940 Act, under procedures approved by the Fund's Board of Directors, and are reported as Level 3 securities. As a general principle, the fair value of a security is the amount which the Fund might reasonably expect to receive for the security upon its current sale. However, in light of the judgment involved in fair valuations, there can be no assurance that a fair value assigned to a particular security will be the amount which the Fund might be able to receive upon its current sale. In addition, if, between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and may make the closing price unreliable, the Fund may fair value the security. The Fund uses an independent pricing service to provide fair value estimates for relevant non-U.S. equity securities on days when the U.S. market volatility exceeds a certain threshold. This pricing service uses proprietary correlations it has developed between the movement of prices of non-U.S. equity securities and indices of U.S.-traded securities, futures contracts and other indications to estimate the fair value of relevant non-U.S. securities. When fair value pricing is employed, the prices of securities used by the Fund may differ from quoted or published prices for the same security. Investments in money market funds are valued at net asset value per share.

Various inputs are used in determining the value of the Fund's investments, as noted above. These inputs are summarized in the three broad levels below:

#### Level 1

quoted prices in active markets for identical securities.

#### Level 2

other significant observable inputs (including quoted prices for similar securities, foreign securities that may be fair valued and repurchase agreements). The table below includes all Level 2 securities. Level 2 securities with values based on quoted prices for similar securities are noted in the Schedule of Investments.

#### Level 3

significant unobservable inputs (including last trade price before trading was suspended, or at a discount thereto for lack of marketability or otherwise, market price information regarding other securities, information received from the company and/or published documents, including SEC filings and financial statements, or other publicly available information).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's investments as of December 31, 2015. For a detailed breakout of common stocks by sector classification, please refer to the Schedule of Investments.

| LEVEL 1 | LEVEL 2          | LEVEL 3    | TOTAL             | Common Stocks | \$ 1,007,975,908 | \$ 119,301,916 | \$ 167,629 | \$ 1,127,445,453 |
|---------|------------------|------------|-------------------|---------------|------------------|----------------|------------|------------------|
|         | Cash Equivalents | 10,727,000 | <b>10,727,000</b> |               |                  |                |            |                  |

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For the year ended December 31, 2015, certain securities have transferred in and out of Level 1 and Level 2 measurements. The Fund recognizes transfers between levels as of the end of the reporting period. At December 31, 2015, securities valued at \$267,690 were transferred from Level 2 to Level 1 within the fair value hierarchy.



## Royce Value Trust

### Notes to Financial Statements (continued)

#### VALUATION OF INVESTMENTS (continued):

##### Level 3 Reconciliation:

|                                | BALANCE AS OF 12/31/14        | SALES   | REALIZED AND UNREALIZED |            |    |   |             |           |           |
|--------------------------------|-------------------------------|---------|-------------------------|------------|----|---|-------------|-----------|-----------|
| <b>GAIN (LOSS)<sup>1</sup></b> | <b>BALANCE AS OF 12/31/15</b> |         | Common Stocks           | \$ 270,001 | \$ | 1 | \$(102,371) | \$167,629 | Preferred |
| Stocks                         | 1,216,350                     | 724,062 | (492,288)               |            |    |   |             |           |           |

<sup>1</sup> The net change in unrealized appreciation (depreciation) is included in the accompanying Statement of Operations. Change in unrealized appreciation (depreciation) includes net unrealized appreciation (depreciation) resulting from changes in investment values during the reporting period and the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized. Net realized gain (loss) from investments and foreign currency transactions is included in the accompanying Statement of Operations.

#### REPURCHASE AGREEMENTS:

The Fund may enter into repurchase agreements with institutions that the Fund's investment adviser has determined are creditworthy. The Fund restricts repurchase agreements to maturities of no more than seven days. Securities pledged as collateral for repurchase agreements, which are held until maturity of the repurchase agreements, are marked-to-market daily and maintained at a value at least equal to the principal amount of the repurchase agreement (including accrued interest). Repurchase agreements could involve certain risks in the event of default or insolvency of the counter-party, including possible delays or restrictions upon the ability of the Fund to dispose of its underlying securities. The remaining contractual maturity of the repurchase agreement held by the Fund at December 31, 2015 is overnight and continuous.

#### FOREIGN CURRENCY:

Net realized foreign exchange gains or losses arise from sales and maturities of short-term securities, sales of foreign currencies, expiration of currency forward contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, including investments in securities at the end of the reporting period, as a result of changes in foreign currency exchange rates.

#### SECURITIES LENDING:

The Fund loans securities through a lending agent to qualified institutional investors for the purpose of realizing additional income. Collateral for the Fund on all securities loaned is accepted in cash and cash equivalents and invested temporarily by the custodian. The collateral maintained is at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund retains the risk of any loss on the securities on loan as well as incurring the potential loss on investments purchased with cash collateral received for securities lending. The Fund's securities lending income consists of the income earned on investing cash collateral, plus any premium payments received for lending certain securities, less any rebates paid to borrowers and lending agent fees associated with the loan. The lending agent is not affiliated with Royce. No securities were on loan at December 31, 2015.

#### TAXES:

As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the Fund is not subject to income taxes to the extent that it distributes substantially all of its taxable income for its fiscal year. The Schedule of Investments includes information regarding income taxes under the caption "Tax Information".

#### CAPITAL GAINS TAXES:

The Fund is subject to a tax imposed on short-term capital gains on securities of issuers domiciled in certain countries. The Fund records an estimated deferred tax liability for these securities that have been held for less than one year. This amount, if any, is reported as deferred capital gains tax in the accompanying Statement of Assets and Liabilities, assuming those positions were disposed of at the end of the period, and accounted for as a reduction in the market value of the security.

#### DISTRIBUTIONS:

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The Fund pays quarterly distributions on the Fund's Common Stock at the annual rate of 7% of the rolling average of the prior four calendar quarter-end NAVs of the Fund's Common Stock, with the fourth quarter distribution being the greater of 1.75% of the rolling average or the distribution required by IRS regulations. Prior to November 15, 2012, distributions to Preferred Stockholders were accrued daily and paid quarterly. Distributions to Common Stockholders are recorded on ex-dividend date. Distributable capital gains and/or net investment income were first allocated to Preferred Stockholder distributions, with any excess allocable to Common Stockholders. If capital gains and/or net investment income were allocated to both Preferred and Common Stockholders, the tax character of such allocations was proportional. To the extent that distributions are not paid from long-term capital gains, net investment income or net short-term capital gains, they will represent a return of capital. Distributions are determined in accordance with income tax regulations that may

## Royce Value Trust

### Notes to Financial Statements (continued)

#### DISTRIBUTIONS (continued):

differ from accounting principles generally accepted in the United States of America. Permanent book and tax differences relating to stockholder distributions will result in reclassifications within the capital accounts. Undistributed net investment income may include temporary book and tax basis differences, which will reverse in a subsequent period. Any taxable income or gain remaining undistributed at fiscal year end is distributed in the following year.

#### INVESTMENT TRANSACTIONS AND RELATED INVESTMENT INCOME:

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Non-cash dividend income is recorded at the fair market value of the securities received. Interest income is recorded on an accrual basis. Premium and discounts on debt securities are amortized using the effective yield-to-maturity method. Realized gains and losses from investment transactions are determined on the basis of identified cost for book and tax purposes.

#### EXPENSES:

The Fund incurs direct and indirect expenses. Expenses directly attributable to the Fund are charged to the Fund's operations, while expenses applicable to more than one of the Royce Funds are allocated equitably. Certain personnel, occupancy costs and other administrative expenses related to the Funds are allocated by Royce & Associates, LLC ( Royce ) under an administration agreement and are included in administrative and office facilities and professional fees. The Fund has adopted a deferred fee agreement that allows the Directors to defer the receipt of all or a portion of directors' fees otherwise payable. The deferred fees are invested in certain Royce Funds until distributed in accordance with the agreement.

#### COMPENSATING BALANCE CREDITS:

The Fund has an arrangement with its custodian bank, whereby a portion of the custodian's fee is paid indirectly by credits earned on the Fund's cash on deposit with the bank. This deposit arrangement is an alternative to purchasing overnight investments. Conversely, the Fund pays interest to the custodian on any cash overdrafts, to the extent they are not offset by credits earned on positive cash balances.

#### Capital Stock:

The Fund issued 3,183,214 and 3,894,284 shares of Common Stock as reinvestment of distributions for the years ended December 31, 2015 and December 31, 2014, respectively.

#### Borrowings:

The Fund has entered into a revolving credit agreement (the credit agreement) with BNP Paribas Prime Brokerage Inc. (BNPP). The Fund pays a commitment fee of 0.50% per annum on the unused portion of the credit agreement. The credit agreement has a 360-day rolling term that resets daily; however, if the Fund exceeds certain net asset value triggers, the credit agreement may convert to a 60-day rolling term that resets daily. The Fund is required to pledge portfolio securities as collateral in an amount up to two times the loan balance outstanding and has granted a security interest in the securities pledged to, and in favor of, BNPP as security for the loan balance outstanding. If the Fund fails to meet certain requirements, or maintain other financial covenants required under the credit agreement, the Fund may be required to repay immediately, in part or in full, the loan balance outstanding under the credit agreement necessitating the sale of portfolio securities at potentially inopportune times. The credit agreement also permits, subject to certain conditions, BNPP to rehypothecate portfolio securities pledged by the Fund up to the amount of the loan balance outstanding. The Fund continues to receive payments in lieu of dividends and interest on rehypothecated securities. The Fund also has the right under the credit agreement to recall the rehypothecated securities from BNPP on demand. If BNPP fails to deliver the recalled security in a timely manner, the Fund is compensated by BNPP for any fees or losses related to the failed delivery or, in the event a recalled security is not returned by BNPP, the Fund, upon notice to BNPP, may reduce the loan balance outstanding by the amount of the recalled security failed to be returned. The Fund receives a portion of the fees earned by BNPP in connection with the rehypothecation of portfolio securities.

As of December 31, 2015, the Fund has outstanding borrowings of \$70,000,000. During the year ended December 31, 2015, the Fund borrowed an average daily balance of \$70,000,000 at a weighted average borrowing cost of 1.27%. The maximum amount outstanding during the year ended December 31, 2015 was \$70,000,000. As of December 31, 2015, the aggregate value of rehypothecated securities was \$55,161,255. During the year ended December 31, 2015, the Fund earned \$358,817 in fees from

rehypothecated securities.

**Investment Advisory Agreement:**

As compensation for its services under the Investment Advisory Agreement, Royce receives a fee comprised of a Basic Fee ( Basic Fee ) and an adjustment to the Basic Fee based on the investment performance of the Fund in relation to the investment record of the S&P SmallCap 600 Index ( S&P 600 ).

The Basic Fee is a monthly fee equal to 1/12 of 1% (1% on an annualized basis) of the average of the Fund's month-end net assets applicable to Common Stockholders, plus the liquidation value of outstanding Preferred Stock, for the rolling 60-month period ending with

## Royce Value Trust

### Notes to Financial Statements (continued)

#### Investment Advisory Agreement (continued):

such month (the performance period). The Basic Fee for each month is increased or decreased at the rate of 1/12 of .05% for each percentage point that the investment performance of the Fund exceeds, or is exceeded by, the percentage change in the investment record of the S&P 600 for the performance period by more than two percentage points. The performance period for each such month is a rolling 60-month period ending with such month. The maximum increase or decrease in the Basic Fee for any month may not exceed 1/12 of .5%. Accordingly, for each month, the maximum monthly fee rate as adjusted for performance is 1/12 of 1.5% and is payable if the investment performance of the Fund exceeds the percentage change in the investment record of the S&P 600 by 12 or more percentage points for the performance period, and the minimum monthly fee rate as adjusted for performance is 1/12 of .5% and is payable if the percentage change in the investment record of the S&P 600 exceeds the investment performance of the Fund by 12 or more percentage points for the performance period.

Notwithstanding the foregoing, Royce is not entitled to receive any fee for any month when the investment performance of the Fund for the rolling 36-month period ending with such month is negative. In the event that the Fund's investment performance for such a performance period is less than zero, Royce will not be required to refund to the Fund any fee earned in respect of any prior performance period.

For the twelve rolling 60-month periods in 2015, the Fund's investment performance ranged from 37% to 52% below the investment performance of the S&P 600. Accordingly, the net investment advisory fee consisted of a Basic Fee of \$11,782,299 and a net downward adjustment of \$5,891,149 for the performance of the Fund relative to that of the S&P 600. For the year ended December 31, 2015, the Fund accrued and paid Royce investment advisory fees totaling \$5,891,150.

#### Purchases and Sales of Investment Securities:

For the year ended December 31, 2015, the costs of purchases and proceeds from sales of investment securities, other than short-term securities, amounted to \$416,979,288 and \$441,694,010, respectively.

Cross trades were executed by the Fund pursuant to Rule 17a-7 under the 1940 Act. Cross trading is the buying or selling of portfolio securities between funds to which R&A serves as investment adviser. At its regularly scheduled quarterly meetings, the Board reviews such transactions as of the most recent calendar quarter for compliance with the requirements and restrictions set forth by Rule 17a-7. Cross trades for the year ended December 31, 2015, were as follows:

|                  |              |                             |              |              |              |
|------------------|--------------|-----------------------------|--------------|--------------|--------------|
| <b>PURCHASES</b> | <b>SALES</b> | <b>REALIZED GAIN (LOSS)</b> | \$85,028,140 | \$44,242,674 | \$17,998,274 |
|------------------|--------------|-----------------------------|--------------|--------------|--------------|

#### Tax Information:

Distributions during the years ended December 31, 2015 and 2014, were characterized as follows for tax purposes:

|                        |                                |               |             |             |             |              |              |              |
|------------------------|--------------------------------|---------------|-------------|-------------|-------------|--------------|--------------|--------------|
| <b>ORDINARY INCOME</b> | <b>LONG-TERM CAPITAL GAINS</b> | <b>2015</b>   | <b>2014</b> | <b>2015</b> | <b>2014</b> | \$16,352,099 | \$29,761,905 | \$79,106,737 |
|                        |                                | \$103,510,136 |             |             |             |              |              |              |

The tax basis components of distributable earnings at December 31, 2015, were as follows:

#### UNDISTRIBUTED

#### ORDINARY

#### INCOME UNDISTRIBUTED LONG-TERM

#### CAPITAL GAINS OR

#### (CAPITAL LOSSES

#### NOT SUBJECT TO EXPIRATION) NET UNREALIZED

#### APPRECIATION

#### (DEPRECIATION)<sup>1</sup> QUALIFIED LATE YEAR

#### ORDINARY AND

#### POST-OCTOBER LOSS

#### DEFERRALS<sup>2</sup> TOTAL

#### DISTRIBUTABLE

|                 |         |             |               |             |               |  |
|-----------------|---------|-------------|---------------|-------------|---------------|--|
| <b>EARNINGS</b> | \$8,993 | \$7,183,938 | \$136,552,471 | \$(747,491) | \$142,997,911 | 1 Includes timing differences on foreign currency, |
|-----------------|---------|-------------|---------------|-------------|---------------|--|

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recognition of losses on securities sold, investments in publicly traded partnerships and Trusts and mark-to-market of Passive Foreign Investment Companies. 2 Under the current tax law, capital losses and qualified late year ordinary losses incurred after October 31 may be deferred and treated as occurring on the first day of the following fiscal year.

For financial reporting purposes, capital accounts and distributions to stockholders are adjusted to reflect the tax character of permanent book/tax differences. For the year ended December 31, 2015, the Fund recorded the following permanent reclassifications, which relate primarily to current Real Estate Investment Trusts, publicly traded partnerships and Trusts, foreign currency transactions, foreign capital gains tax, dividend redesignations and gains from the sale of Passive Foreign Investment Companies. Results of operations and net assets were not affected by these reclassifications.

### **UNDISTRIBUTED NET**

#### **INVESTMENT INCOME    ACCUMULATED NET**

|                             |                        |              |             |            |
|-----------------------------|------------------------|--------------|-------------|------------|
| <b>REALIZED GAIN (LOSS)</b> | <b>PAID-IN CAPITAL</b> | \$ (375,420) | \$ (18,688) | \$ 394,108 |
|-----------------------------|------------------------|--------------|-------------|------------|

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years (2012-2015) and has concluded that as of December 31, 2015, no provision for income tax is required in the Fund's financial statements.

## Royce Value Trust

### Notes to Financial Statements (continued)

#### **Transactions in Affiliated Companies:**

An Affiliated Company as defined in the Investment Company Act of 1940, is a company in which a fund owns 5% or more of the company's outstanding voting securities at any time during the period. The Fund effected the following transactions in shares of such companies for the year ended December 31, 2015:

**AFFILIATED COMPANY SHARES**

12/31/14 MARKET VALUE

12/31/14 COST OF

PURCHASES COST OF

SALES REALIZED

GAIN (LOSS) DIVIDEND

INCOME SHARES

12/31/15 MARKET VALUE

|                            |           |             |         |           |                    |                    |                    |
|----------------------------|-----------|-------------|---------|-----------|--------------------|--------------------|--------------------|
| 12/31/15 Stanley Furniture | 1,012,235 | \$2,773,524 |         | 1,012,235 | \$2,824,136        | Timberland Bancorp | 444,200            |
|                            | 4,708,520 | \$137,702   | 444,200 | 5,512,522 | <b>\$7,482,044</b> | <b>\$137,702</b>   | <b>\$8,336,658</b> |

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## Royce Value Trust

### Report of Independent Registered Public Accounting Firm

#### To the Board of Directors and Stockholders of Royce Value Trust, Inc.:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statement of operations, of changes in net assets, and of cash flows and the financial highlights present fairly, in all material respects, the financial position of Royce Value Trust, Inc. (the Fund ) at December 31, 2015, the results of its operations, the changes in its net assets, its cash flows and its financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements ) are the responsibility of the Funds management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of securities at December 31, 2015 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The statement of changes in net assets for the year ended December 31, 2014 and the financial highlights for each of the fiscal periods presented in the period ended December 31, 2014 were audited by other independent accountants whose report dated February 23, 2015 expressed an unqualified opinion on those statements.

PricewaterhouseCoopers LLP  
 Baltimore, Maryland  
 February 23, 2016



## Directors and Officers

All Directors and Officers may be reached c/o The Royce Funds, 745 Fifth Avenue, New York, NY 10151

### **Charles M. Royce, Director<sup>1</sup>**

Age: 76 | Number of Funds Overseen: 25 | Tenure: Since 1982

**Non-Royce Directorships:** Director of TICC Capital Corp.

**Principal Occupation(s) During Past Five Years:** Chief Executive Officer and a Member of the Board of Managers of Royce & Associates, LLC ( Royce ), the Trust s investment adviser.

### **Christopher D. Clark, Trustee<sup>1</sup>, President**

Age: 50 | Number of Funds Overseen: 25 | Tenure: Since 2014

**Principal Occupation(s) During Past Five Years:** President (since July 2014), Co-Chief Investment Officer (since January 2014), Managing Director and, since June 2015, a Member of the Board of Managers of Royce, having been employed by Royce since May 2007.

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### **Patricia W. Chadwick, Director**

Age: 67 | Number of Funds Overseen: 25 | Tenure: Since 2009

**Non-Royce Directorships:** Trustee of ING Mutual Funds and Director of Wisconsin Energy Corp.

**Principal Occupation(s) During Past 5 Years:** Consultant and President of Ravengate Partners LLC (since 2000).

### **Richard M. Galkin, Director**

Age: 77 | Number of Funds Overseen: 25 | Tenure: Since 1982

**Non-Royce Directorships:** None

**Principal Occupation(s) During Past Five Years:** Private investor. Mr. Galkin s prior business experience includes having served as President of Richard M. Galkin Associates, Inc., telecommunications consultants, President of Manhattan Cable Television (a subsidiary of Time, Inc.), President of Haverhills Inc. (another Time, Inc. subsidiary), President of Rhode Island Cable Television, and Senior Vice President of Satellite Television Corp. (a subsidiary of Comsat).

### **Stephen L. Isaacs, Director**

Age: 76 | Number of Funds Overseen: 25 | Tenure: Since 1989

**Non-Royce Directorships:** None

**Principal Occupation(s) During Past Five Years:** Attorney and President of Health Policy Associates, Inc., consultants. Mr. Isaacs s prior business experience includes having served as President of the Center for Health and Social Policy (from 1996 to 2012); Director of Columbia University Development Law and Policy Program and Professor at Columbia University (until August 1996).

### **Arthur S. Mehlman, Director**

Age: 73 | Number of Funds Overseen: 46 | Tenure: Since 2004

**Non-Royce Directorships:** Director/Trustee of registered investment companies constituting the 18 Legg Mason Funds.

**Principal Occupation(s) During Past Five Years:** Director of The League for People with Disabilities, Inc.; Director of University of Maryland Foundation (non-profits). Formerly: Director of Municipal Mortgage & Equity, LLC (from October 2004 to April 1, 2011); Director of University of Maryland College Park Foundation (non-profit) (from 1998 to 2005); Partner, KPMG LLP (international accounting firm) (from 1972 to 2002); Director of Maryland Business Roundtable for Education (from July 1984 to June 2002).

### **David L. Meister, Director**

Age: 76 | Number of Funds Overseen: 25 | Tenure: Since 1982

**Non-Royce Directorships:** None

**Principal Occupation(s) During Past Five Years:** Consultant. Chairman and Chief Executive Officer of The Tennis Channel (from June 2000 to March 2005). Mr. Meister s prior business experience includes having served as Chief Executive Officer of Seniorlife.com, a consultant to the communications industry, President of Financial News Network, Senior Vice President of HBO, President of Time-Life Films, and Head of Broadcasting for Major League Baseball.

### **G. Peter O Brien, Director**

Age: 70 | Number of Funds Overseen: 46 | Tenure: Since 2001

**Non-Royce Directorships:** Director/Trustee of registered investment companies constituting the 18 Legg Mason Funds; Director

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of TICC Capital Corp.

**Principal Occupation(s) During Past Five Years:** Trustee Emeritus of Colgate University (since 2005); Board Member of Hill House, Inc. (since 1999); Formerly: Trustee of Colgate University (from 1996 to 2005), President of Hill House, Inc. (from 2001 to 2005) and Managing Director/Equity Capital Markets Group of Merrill Lynch & Co. (from 1971 to 1999).

**Michael K. Shields, Director**

Age: 57 | Number of Funds Overseen: 25 | Tenure: Since 2015

**Principal Occupation(s) During Past Five Years:** President and Chief Executive Officer of Piedmont Trust Company, a private North Carolina trust company (since May 2012). Mr. Shields' s prior business experience includes owning Shields Advisors, an investment consulting firm (from April 2010 to June 2012).

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**Francis D. Gannon, Vice President**

Age: 48 | Tenure: Since 2014

**Principal Occupation(s) During Past Five Years:** Co-Chief Investment Officer (since January 2014) and Managing Director of Royce, having been employed by Royce since September 2006.

**Daniel A. O Byrne, Vice President**

Age: 53 | Tenure: Since 1994

**Principal Occupation(s) During Past Five Years:** Principal and Vice President of Royce, having been employed by Royce since October 1986.

**Peter K. Hoglund, Treasurer**

Age: 49 | Tenure: Since 2015

**Principal Occupation(s) During Past Five Years:** Principal, Chief Financial Officer, and Chief Administrative Officer of Royce, having been employed by Royce since December 2014. Prior to joining Royce, Mr. Hoglund spent more than 20 years with Munder Capital Management in Birmingham, MI, serving as Managing Director and Chief Financial Officer and overseeing all financial aspects of the firm. He began his career at Munder as a portfolio manager.

**John E. Denneen, Secretary and Chief Legal Officer**

Age: 48 | Tenure: 1996-2001 and Since 2002

**Principal Occupation(s) During Past Five Years:** General Counsel and, since June 2015, a Member of the Board of Managers of Royce; Chief Legal and Compliance Officer and Secretary of Royce; Secretary and Chief Legal Officer of The Royce Funds.

**Lisa Curcio, Chief Compliance Officer**

Age: 56 | Tenure: Since 2004

**Principal Occupation(s) During Past Five Years:** Chief Compliance Officer of The Royce Funds (since October 2004) and Compliance Officer of Royce (since June 2004).

1 Interested Director.

Director will hold office until their successors have been duly elected and qualified or until their earlier resignation or removal.

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## Notes to Performance and Other Important Information

The thoughts expressed in this *Review and Report* concerning recent market movements and future prospects for small company stocks are solely the opinion of Royce at December 31, 2015, and, of course, historical market trends are not necessarily indicative of future market movements. Statements regarding the future prospects for particular securities held in the Funds' portfolios and Royce's investment intentions with respect to those securities reflect Royce's opinions as of December 31, 2015 and are subject to change at any time without notice. There can be no assurance that securities mentioned in this *Review and Report* will be included in any Royce-managed portfolio in the future. Investments in securities of micro-cap, small-cap and/or mid-cap companies may involve considerably more risk than investments in securities of larger-cap companies. All publicly released material information is always disclosed by the Funds on the website at [www.roycefunds.com](http://www.roycefunds.com).

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.

All indexes referred to are unmanaged and capitalization weighted. Each index's returns include net reinvested dividends and/or interest income. 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 Index is an 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 and Growth indexes consist of the respective value and growth stocks within the Russell 2000 as determined by Russell Investments. The Russell Microcap Index includes 1,000 of the smallest securities in the Russell 2000 Index along with the next smallest eligible securities as determined by Russell. The Russell 1000 Index is an index of domestic large-cap stocks. It measures the performance of the 1,000 largest publicly traded companies in the Russell 3000 Index. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. It includes approximately 800 of the smallest securities in the Russell 1000 Index. The Russell Global Small Cap Index is an unmanaged, capitalization-weighted index of global small-cap stocks. The Russell Global ex-U.S. Large Cap Index is an index of global large-cap stocks, excluding the United States. The Russell Global ex-U.S. Small Cap Index is an index of global small-cap stocks, excluding the United States. The S&P 500 and SmallCap 600 are indexes of U.S. large- and small-cap stocks, respectively, selected by Standard & Poor's based on market size, liquidity, and industry grouping, among other factors. The Nasdaq Composite is an index of the more than 3,000 common equities listed on the Nasdaq stock exchange. The performance of an index does not represent exactly any particular investment, as you cannot invest directly in an index. Returns for the market indexes used in this report were based on information supplied to Royce by Russell Investments.

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. 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 Royce Funds is a service mark of The Royce Funds. Distributor: Royce Fund Services, Inc.

### Forward-Looking Statements

This material contains forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended (the Exchange Act), that involve risks and uncertainties, including, among others, statements as to:

the Funds' future operating results; the prospects of the Funds' portfolio companies; the impact of investments that the Funds have made or may make; the dependence of the Funds' future success on the general economy and its impact on the companies and industries in which the Funds invest, and the ability of the Funds' portfolio companies to achieve their objectives.

This *Review and Report* uses words such as anticipates, believes, expects, future, intends, and similar expressions to identify forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements for any reason.

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The Royce Funds have based the forward-looking statements included in this *Review and Report* on information available to us on the date of the report, and we assume no obligation to update any such forward-looking statements. Although The Royce Funds undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make through future stockholder communications or reports.

### **Authorized Share Transactions**

Royce Value Trust, Royce Micro-Cap Trust, and Royce Global Value Trust may each repurchase up to 5% of the issued and outstanding shares of its respective common stock during the year ending December 31, 2015. Any such repurchases would take place at then prevailing prices in the open market or in other transactions. Common stock repurchases would be effected at a price per share that is less than the share's then current net asset value.

Royce Value Trust, Royce Micro-Cap Trust, and Royce Global Value Trust are also authorized to offer their common stockholders an opportunity to subscribe for additional shares of their common stock through rights offerings at a price per share that may be less than the share's then current net asset value. The timing and terms of any such offerings are within each Board's discretion.

### **Annual Certifications**

As required, the Funds have submitted to the New York Stock Exchange ( NYSE ) for the annual certification of the Funds' Chief Executive Officer that he is not aware of any violation of the NYSE's listing standards. The Funds also have included the certification of the Funds' Chief Executive Officer and Chief Financial Officer required by section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to the Funds' form N-CSR for the period ended December 31, 2015, filed with the Securities and Exchange Commission.

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## Notes to Performance and Other Important Information (continued)

### **Proxy Voting**

A copy of the policies and procedures that The Royce Funds use to determine how to vote proxies relating to portfolio securities and information regarding how each of The Royce Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available, without charge, on The Royce Funds' website at [www.roycefunds.com](http://www.roycefunds.com), by calling (800) 221-4268 (toll-free) and on the website of the Securities and Exchange Commission (SEC), at [www.sec.gov](http://www.sec.gov).

### **Form N-Q Filing**

The Funds file their complete schedules of investments with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov). The Royce Funds' holdings are also on the Funds' website approximately 15 to 20 days after each calendar quarter end and remain available until the next quarter's holdings are posted. The Funds' Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. To find out more about this public service, call the SEC at (800) 732-0330. The Funds' complete schedules of investments are updated quarterly, and are available at [www.roycefunds.com](http://www.roycefunds.com).

## Results of Stockholders Meetings

### **Royce Value Trust, Inc.**

At the 2015 Annual Meeting of Stockholders held on September 24, 2015, the Fund's stockholders elected three Directors, consisting of:

|                  | <b>VOTES FOR</b> | <b>VOTES WITHHELD</b> |                  |            |           |  |  |
|------------------|------------------|-----------------------|------------------|------------|-----------|--|--|
| Charles M. Royce | 60,125,642       | 5,450,793             | G. Peter O'Brien | 60,024,887 | 5,551,548 |  |  |
| David L. Meister | 59,781,734       | 5,794,701             |                  |            |           |  |  |

### **Royce Micro-Cap Trust, Inc.**

At the 2015 Annual Meeting of Stockholders held on September 24, 2015, the Fund's stockholders elected three Directors, consisting of:

|                  | <b>VOTES FOR</b> | <b>VOTES WITHHELD</b> |                  |            |         |                  |            |
|------------------|------------------|-----------------------|------------------|------------|---------|------------------|------------|
| Charles M. Royce | 30,149,093       | 405,166               | G. Peter O'Brien | 30,006,654 | 547,605 | David L. Meister | 29,990,136 |
|                  |                  | 564,123               |                  |            |         |                  |            |

### **Royce Global Value Trust, Inc.**

At the 2015 Annual Meeting of Stockholders held on September 24, 2015, the Fund's stockholders elected three Directors, consisting of:



| VOTES FOR | VOTES WITHHELD | Charles M. Royce | 8,639,282 | 466,513 | G. Peter O Brien | 8,635,385 | 470,410 | David L. Meister | 8,576,649 | 529,146 |
|-----------|----------------|------------------|-----------|---------|------------------|-----------|---------|------------------|-----------|---------|
|-----------|----------------|------------------|-----------|---------|------------------|-----------|---------|------------------|-----------|---------|

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## About The

### Royce Funds Contact Us

#### **Wealth of Experience**

With approximately \$19 billion in total assets under management, Royce & Associates is committed to the same investment principles that have served us well for more than 40 years. Chuck Royce, our Chief Executive Officer, enjoys one of the longest tenures of any active mutual fund manager. Royce's investment staff also includes 24 portfolio managers and analysts and seven traders.

#### **GENERAL INFORMATION**

General Royce Funds information including an overview of our firm and Funds

**(800) 221-4268**

#### **Multiple Funds, Common Focus**

Our goal is to offer both individual and institutional investors the best available micro-cap, small-cap, and/or mid-cap portfolios. We have chosen to concentrate on smaller-company investing by providing investors with a range of funds that take full advantage of this large and diverse sector.



**COMPUTERSHARE**

**Transfer Agent and Registrar**

Speak with a representative about:

Your account, transactions, and forms

**(800) 426-5523**

**Consistent Discipline**

Our approach emphasizes paying close attention to risk and maintaining the same discipline, regardless of market movements and trends. The price we pay for a security must be below our appraisal of its current worth. This requires a thorough analysis of the financial and business dynamics of an enterprise, as though we were purchasing the entire company.

**FINANCIAL ADVISORS AND BROKER-DEALERS**

Speak with your regional Royce contact regarding:

Information about our firm, strategies, and Funds

Fund Materials

**(800) 337-6923**

**Co-Ownership of Funds**

It is important that our employees and shareholders share a common financial goal. Our officers, employees, and their families currently have approximately \$111 million invested in The Royce Funds and are often among the largest individual shareholders.

[roycefunds.com](http://roycefunds.com)

**Item 2. Code(s) of Ethics.** As of the end of the period covered by this report, the Registrant had adopted a code of ethics, as defined in Item 2 of Form N-CSR, applicable to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of this code of ethics is filed as an exhibit to this Form N-CSR. No substantive amendments were approved or waivers were granted to this code of ethics during the period covered by this report.

**Item 3. Audit Committee Financial Expert.**

(a)(1)

The Board of Directors of the Registrant has determined that it has an audit committee financial expert.

(a)(2)

Arthur S. Mehlman and Patricia W. Chadwick were designated by the Board of Directors as the Registrant's Audit Committee Financial Experts, effective April 15, 2004 and April 8, 2010, respectively. Mr. Mehlman and Ms. Chadwick are independent as defined under Item 3 of Form N-CSR.

**Item 4. Principal Accountant Fees and Services.**

(a) Audit Fees: Year ended December 31, 2015 - \$43,500 Year ended December 31, 2014 - \$43,500 (b) Audit-Related Fees: Year ended December 31, 2015 - \$0 Year ended December 31, 2014 - \$0 (c) Tax Fees: Year ended December 31, 2015 - \$7,200 - Preparation of tax returns Year ended December 31, 2014 - \$7,200 - Preparation of tax returns (d) All Other Fees: Year ended December 31, 2015 - \$0 Year ended December 31, 2014 - \$0

(e)(1) Annual Pre-Approval: On an annual basis, the Registrant's independent auditor submits to the Audit Committee a schedule of proposed audit, audit-related, tax and other non-audit services to be rendered to the Registrant and/or investment adviser(s) for the following year that require pre-approval by the Audit Committee. This schedule provides a description of each type of service that is expected to require pre-approval and the maximum fees that can be paid for each such service without further Audit Committee approval. The Audit Committee then reviews and determines whether to approve the types of scheduled services and the projected fees for them. Any subsequent revision to already pre-approved services or fees (including fee increases) are presented for consideration at the next regularly scheduled Audit Committee meeting, as needed.

If subsequent to the annual pre-approval of services and fees by the Audit Committee, the Registrant or one of its affiliates determines that it would like to engage the Registrant's independent auditor to perform a service not already pre-approved, the request is to be submitted to the Registrant's Chief Financial Officer, and if he or she determines that the service fits within the independence guidelines (e.g., it is not a prohibited service), he or she will then arrange for a discussion of the proposed service and fee to be included on the agenda for the next regularly scheduled Audit Committee meeting so that pre-approval can be considered.

Interim Pre-Approval: If, in the judgment of the Registrant's Chief Financial Officer, a proposed engagement needs to commence before the next regularly scheduled Audit Committee meeting, he or she shall submit a written summary of the proposed engagement to all members of the Audit Committee, outlining the services, the estimated maximum cost, the category of the services (e.g., audit, audit-related, tax or other) and the rationale for engaging the Registrant's independent auditor to perform the services. To the extent the proposed engagement involves audit, audit-related or tax services, any individual member of the Audit Committee who is an independent Board member is authorized to pre-approve the engagement. To the extent the proposed engagement involves non-audit services other than audit-related or tax, the Chairman of the Audit Committee is authorized to pre-approve the engagement. The Registrant's Chief Financial Officer will arrange for this interim review and

coordinate with the appropriate member(s) of the Committee. The independent auditor may not commence the engagement under consideration until the Registrant's Chief Financial Officer has informed the auditor in writing that pre-approval has been obtained from the Audit Committee or an individual member who is an independent Board member. The member of the Audit Committee who pre-approves any engagements in between regularly scheduled Audit Committee meetings is to report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next regularly scheduled meeting.

- (e)(2) Not Applicable    (f) Not Applicable    (g) Year ended December 31, 2015 - \$7,200    Year ended December 31, 2014 - \$7,200  
(h) No such services were rendered during 2015 or 2014.

**Item 5. Audit Committee of Listed Registrants.** The Registrant has a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. Patricia W. Chadwick, Richard M. Galkin, Stephen L. Isaacs, Arthur S. Mehlman, David L. Meister and G. Peter O'Brien are members of the Registrant's audit committee.

**Item 6. Investments.**

(a) See Item 1.

(b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

June 5, 2003, as amended  
Through November 6, 2015

Royce & Associates Proxy Voting Guidelines and Procedures

These procedures apply to Royce & Associates, LLC ( Royce ) and all funds and other client accounts for which it is responsible for voting proxies, including all open and closed-end registered investment companies ( The Royce Funds ), limited partnerships, limited liability companies, separate accounts, other accounts for which it acts as investment adviser and any accounts for which it acts as sub-adviser that have delegated proxy voting authority to Royce. Such authority is determined at the inception of each client account and generally: (i) is specifically authorized in the applicable investment management agreement or other written instrument or (ii) where not specifically authorized, is granted to Royce where general investment discretion is given to it in the applicable investment management agreement. The Boards of Trustees/Directors of The Royce Funds (the Boards ) have delegated all proxy voting decisions to Royce subject to these policies and procedures. Notwithstanding the above, from time to time the Boards may reserve voting authority for specific securities.

Receipt of Proxy Material. Under the oversight of the Head of Administration, a Trade Processing Assistant designated by him is responsible for monitoring receipt of all proxies and

seeking to ensure that proxies are received for all securities for which Royce has proxy voting responsibility. Royce is not responsible for voting proxies it does not receive. The Head of Administration or his designee use Glass Lewis ballot reconciliation tool that is directly tied to the daily holdings provided to them by Royce. Proxies are voted electronically and hard copies of any research notes made on the proxy material are stored.

Voting of Proxies. Once proxy material has been received, it is then promptly reviewed by the designated Trade Processing Assistant to evaluate the issues presented. The Head of Administration or his designee, in consultation with a Co-Chief Investment Officer, develops and updates a list of matters Royce treats as regularly recurring and is responsible for ensuring that the designated Trade Processing Assistant has an up-to-date list of these matters at all times, including instructions from a Royce Co-Chief Investment Officer on how to vote on those matters on behalf of Royce clients. Examples of regularly recurring matters include non-contested elections of directors and non-contested approval of independent auditors. Non-regularly recurring matters are brought to the attention of the portfolio manager(s) for the account(s) involved by the designated Administrative Assistant, and, after giving some consideration to advisories from Glass Lewis & Co., an independent third party research firm, the portfolio manager directs that such matters be voted in a way that he or she believes should better protect or enhance the value of the investment. Portfolio Managers may instruct the Head of Administration that they do not want the regularly recurring matters to be voted in accordance with the standing instructions for their accounts and individual voting instructions on all votes, both regularly recurring and non-regularly recurring, will be obtained from such Portfolio Managers.

a.

From time to time, it is possible that one Royce portfolio manager will decide (i) to vote shares held in client accounts he or she manages differently from the vote of another Royce portfolio manager whose client accounts hold the same security or (ii) to abstain from voting on behalf of client accounts he or she manages when another Royce portfolio manager is casting votes on behalf of other Royce client accounts.

The designated Trade Processing Assistant reviews all proxy votes collected from Royce's portfolio managers prior to such votes being cast. If any difference exists among the voting instructions given by Royce's portfolio managers, as described above, the designated Trade Processing Assistant then presents these proposed votes to the Head of Administration, or his designee, and a Co-Chief Investment Officer. A Co-Chief Investment Officer, after consulting with the relevant portfolio managers, either reconciles the votes or authorizes the casting of differing votes by different portfolio managers. The Head of Administration, or his designee, maintains a log of all votes including when different portfolio managers have cast differing votes, that describes the rationale for allowing such differing votes and contains the initials of both a Co-Chief Investment Officer and Head of Administration, or his designee, allowing such differing votes. The Head of Administration, or his designee, performs a weekly review of all votes cast by Royce to confirm that any conflicting votes were properly handled in accordance with the above-described procedures.

b.

There are many circumstances that might cause Royce to vote against an issuer's board of directors or management proposal. These would include, among others, excessive compensation, unusual management stock options, preferential voting and poison pills. The portfolio managers decide these issues on a case-by-case basis as described above.

c.

A portfolio manager may, on occasion, determine to take no action on a proxy or a specific proxy item and not submit a vote when he or she concludes that the potential benefit of voting is outweighed by the cost, when it is not in the client account's best interest to vote.

d.

When a client has authorized Royce to vote proxies on its behalf, Royce will generally not accept instructions from the clients regarding how to vote proxies.

e.

If a security is on loan under The Royce Funds' Securities Lending Program with State Street Bank and Trust Company ( Loaned Securities ), the Head of Administration, or his designee, will recall the Loaned Securities and request that they be delivered within the customary settlement period after the notice, to permit the exercise of their voting rights if the number of shares of the security on loan would have a material effect on The Royce Funds' voting power at the up-coming stockholder meeting. A material effect is defined for this purpose as any case where the Loaned Securities are 1% or more of a class of a company's outstanding equity securities. A quarterly report detailing any exceptions that occur in recalling Loaned Securities will be given to the Boards.

Custodian banks are authorized to release all proxy ballots held for Royce client account portfolios to Glass Lewis & Co. for voting, utilizing the Viewpoint proxy voting platform. Substantially all portfolio companies utilize Broadridge to collect their proxy votes.

Under the oversight of the Head of Administration, or his designee, the designated Trade Processing Assistant is responsible for voting all proxies in a timely manner. Votes are returned to Broadridge using Viewpoint as ballots are received, generally two weeks before the scheduled meeting date. The issuer can thus see that the shares were voted, but the actual vote cast is not released to the company until 4:00 pm on the day before the meeting. If proxies must be mailed, they go out at least ten business days before the meeting date.

Conflicts of Interest. The designated Trade Processing Assistant reviews reports generated by Royce's portfolio management system ( Quest PMS ) that set forth by record date, any security held in a Royce client account which is issued by a (i) public company that is, or a known affiliate of which is, a separate account client of Royce (including sub-advisory relationships), (ii) public company, or a known affiliate of a public company, that has invested in a privately-offered pooled vehicle managed by Royce or (iii) public company, or a known affiliate of a public company, by which the spouse of a Royce employee or an immediate family member of a Royce employee living in the household of such employee is employed, for the purpose of identifying any potential proxy votes that could present a conflict of interest for Royce. The Compliance Department develops and updates the list of such public companies or their known

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affiliates and this list is used by Quest PMS to generate these daily reports. This list also contains information regarding the source of any potential conflict relating to such companies. Potential conflicts identified on the conflicts reports are brought to the attention of the Compliance Department by the designated Trade Processing Assistant. An R&A Compliance Officer then reviews them to determine if business or personal relationships exist between Royce, its officers, managers or employees and the company that could present a material conflict of interest. Any such identified material conflicts are voted by Royce in accordance with the recommendation given by an independent third party research firm (Glass Lewis & Co.). The Trade Processing Assistant under the supervision of the Head of Administration, maintains a log of all such conflicts identified, the analysis of the conflict and the vote ultimately cast. Each entry in this log is signed by a Co-Chief Investment Officer before the relevant votes are cast.

**Recordkeeping.** A record of the issues and how they are voted is stored in the Viewpoint system for 7 years. Copies of all physically executed proxy cards, all proxy statements (with it being permissible to rely on proxy statements filed and available on Edgar) and any other documents created or reviewed that are material to making a decision on how to vote proxies are retained by the Trade Processing Assistant in an easily accessible place for a period of not less than six years from the end of the fiscal year during which the last entry was made on such record, the first two years at Royce's office. In addition, copies of each written client request for information on how Royce voted proxies on behalf of that client, and a copy of any written response by Royce to any (written or oral) client request for information on how Royce voted proxies on behalf of that client will be maintained by Royce's Head of Administration and/or Royce's Director of Alternative Investments, or their designee (depending on who received such request) for a period of not less than six years from the end of the fiscal year during which the last entry was made on such record, the first two years at Royce's office. Royce's Compliance Department shall maintain a copy of any proxy voting policies and procedures in effect at any time within the last five years.

**Disclosure.** Royce's proxy voting procedures will be disclosed to clients upon commencement of a client account. Thereafter, proxy voting records and procedures are generally disclosed to those clients for which Royce has authority to vote proxies as set forth below:

-  
The Royce Funds' proxy voting records are disclosed annually on Form N-PX (with such voting records also available at [www.roycefunds.com](http://www.roycefunds.com)). Proxy voting procedures are available in the Statement of Additional Information for the open-end funds, in the annual report on Form N-CSR for the closed-end funds and at [www.roycefunds.com](http://www.roycefunds.com).

-  
Limited Liability Company and Limited Partnership Accounts' proxy voting records are disclosed to members/partners upon request and proxy voting procedures (along with a summary thereof) are provided to members/partners annually (and are available at [www.roycefunds.com](http://www.roycefunds.com)).

-  
Separate Accounts' proxy voting records and procedures are disclosed to separate account clients annually.

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Royce & Associates, LLC

**PROXY VOTING GUIDELINES ON REGULARLY RECURRING MATTERS (revised 4/30/2015)**

Initialed by Co-Chief Investment Officer Elect Directors For Limit Number of Directors For Directors Fees,  
 General (Foreign) For Ratify or appoint Accountants or Auditors For **On positions we own less than  
 5% of the outstanding shares of the issuer Where Management and the Proxy Advisor have both voted For**  
 Employee/Non-employee/Director stock option (Incentive) Plans For Say on Pay1 For Frequency of Say on Pay Abstain  
**Differing Recommendations from Management and Proxy Advisor on positions less than 5% of the outstanding  
 shares of the issuer** Employee/Non-employee/Director stock option (Incentive) Plans Abstain Say on Pay  
 Abstain Frequency of Say on Pay Abstain Limit Directors Liability Abstain \* Eliminate Directors Liability  
 Abstain \* Reduce Par Value of Stock For Increase Authorized Shares or Shares Outstanding For  
 Classified (Tiered) Board Against Eliminate/Declassify classified (Tiered) Board For Deferred Compensation Plan For  
 Name Change of Company For Profit Sharing Plan For CERES (Coalition for Environmentally  
 Responsible Economies) or Valdez/McBride Principles Abstain Any Other Business Against Adjourn  
 Meeting to Solicit Additional Proxies For Approve Profits/Dividends (Foreigns) For Issue Accounts & Reports  
 (Foreigns) For Approve Auditors Fees For

**\*except if we own 5% or more of the outstanding shares of the issuer, look at each proposal and ask PM to provide voting instructions.**



**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

(a)(1) Portfolio Managers of Closed-End Management Investment Companies (information as of December 31, 2015)

**Name Title Length of Service Principal Occupation(s) During Past 5 Years** Charles M. Royce President and member of the Board of Directors of the Registrant Since 1986 Chief Executive Officer and member of the Board of Managers of Royce & Associates, LLC ( Royce ), investment adviser to the Registrant, Member of the boards of directors/trustees of the Registrant, Royce Micro-Cap Trust, Inc. ( RMT ), Royce Global Value Trust, Inc., The Royce Fund, and Royce Capital Fund (collectively, The Royce Funds) Chris E. Flynn Assistant Portfolio Manager\* Since April 1, 2007 Assistant Portfolio Manager of the Registrant (since April 1, 2007); and Principal, Portfolio Manager and Senior Analyst at Royce (since 1993). David A. Nadel Assistant Portfolio Manager\* Since April 1, 2007 Assistant Portfolio Manager of the Registrant (since April 1, 2007); Director of International Research at Royce (since 2010); Portfolio Manager and Senior Analyst at Royce (since 2006); Senior Portfolio Manager at Neuberger Berman Inc. (2004-2006); and Senior Analyst at Pequot Capital Management, Inc. (2001-2003). Lauren A. Romeo Assistant Portfolio Manager\* Since May 1, 2009 Assistant Portfolio of the Registrant (since May 1, 2009); Portfolio Manager and Analyst at Royce (since 2004); Portfolio Manager at Dalton, Grenier, Hartman & Maher (since 2001); an Analyst with Legg Mason Funds Management (2000-2001); and an Analyst with T. Rowe Price Group (1996-2000).

\* Assistant Portfolio Managers may have investment discretion over a portion of the Registrant's portfolio subject to the supervision of Registrant's Portfolio Manager.

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(a)(2) Other Accounts Managed by Portfolio Manager and Potential Conflicts of Interest (information as of December 31, 2015)

**Other Accounts**

**Name of**

**Portfolio**

**Manager Type of Account Number of**

**Accounts**

**Managed Total**

**Assets**

**Managed Number of**

**Accounts**

**Managed for which**

**Advisory Fee is**

**Performance-Based Value of**

**Managed Accounts for**

**which Advisory Fee is Performance**

|                                      |                                 |                                    |                 |                 |                                    |                                    |                                    |
|--------------------------------------|---------------------------------|------------------------------------|-----------------|-----------------|------------------------------------|------------------------------------|------------------------------------|
| <b><u>Based</u></b> Charles M. Royce | Registered investment companies | 10                                 | 10,590,228,257  | 2               | 1,384,441,392                      | Private pooled investment vehicles | 1                                  |
| 23,017,789                           | 1                               | 23,017,789                         | Other accounts* | 12              | 46,735,901                         | --                                 | Chris E. Flynn                     |
|                                      |                                 |                                    |                 |                 |                                    |                                    | Registered investment companies    |
| 2                                    | 1,384,441,392                   | Private pooled investment vehicles | ----            | Other accounts* | ----                               | David A. Nadel                     | Registered investment              |
| companies                            | 5                               | 1,259,741,902                      | 1               | 1,072,034,600   | Private pooled investment vehicles | ----                               | Other accounts*                    |
|                                      |                                 |                                    |                 |                 |                                    |                                    | Lauren A. Romeo                    |
|                                      |                                 |                                    |                 |                 |                                    |                                    | Registered investment              |
|                                      |                                 |                                    |                 |                 |                                    |                                    | companies                          |
|                                      |                                 |                                    |                 |                 |                                    |                                    | 4                                  |
|                                      |                                 |                                    |                 |                 |                                    |                                    | 6,765,070,708                      |
|                                      |                                 |                                    |                 |                 |                                    |                                    | 1                                  |
|                                      |                                 |                                    |                 |                 |                                    |                                    | 1,072,034,600                      |
|                                      |                                 |                                    |                 |                 |                                    |                                    | Private pooled investment vehicles |
|                                      |                                 |                                    |                 |                 |                                    |                                    | 2                                  |
|                                      |                                 |                                    |                 |                 |                                    |                                    | 457,744,973                        |
|                                      |                                 |                                    |                 |                 |                                    |                                    | --                                 |
|                                      |                                 |                                    |                 |                 |                                    |                                    | Other                              |
|                                      |                                 |                                    |                 |                 |                                    |                                    | accounts*                          |
|                                      |                                 |                                    |                 |                 |                                    |                                    | ----                               |

\*Other accounts include all other accounts managed by the Portfolio Manager in either a professional or personal capacity except for personal accounts subject to pre-approval and reporting requirements under the Registrant's Rule 17j-1 Code of Ethics.

**Conflicts of Interest**

The fact that a Portfolio Manager has day-to-day management responsibility for more than one client account may create actual, potential or only apparent conflicts of interest. For example, the Portfolio Manager may have an opportunity to purchase securities of limited availability. In this circumstance, the Portfolio Manager is expected to review each account's investment guidelines, restrictions, tax considerations, cash balances, liquidity needs and other factors to determine the suitability of the investment for each account and to ensure that his or her managed accounts are treated equitably. The Portfolio Manager may also decide to purchase or sell the same security for multiple managed accounts at approximately the same time. To address any conflicts that this situation may create, the Portfolio Manager will generally combine managed account orders (i.e., enter a "bunched" order) in an effort to obtain best execution or a more favorable commission rate. In addition, if orders to buy or sell a security for multiple accounts managed by common Portfolio Managers on the same day are executed at different prices or commission rates, the transactions will generally be allocated by Royce & Associates, LLC ( "Royce" ) to each of such managed accounts at the weighted average execution price and commission. In circumstances where a pre-allocated bunched order is not completely filled, each account will normally receive a pro-rated portion of the securities based upon the account's level of participation in the order. Royce may under certain circumstances allocate securities in a manner other than pro-rata if it determines that the allocation is fair and equitable under the circumstances and does not discriminate against any account.

As described below, there is a revenue-based component of each Portfolio Manager's Performance-Related Variable Compensation and the Portfolio Managers also receive Firm-Related Variable Compensation based on revenues (adjusted for certain imputed expenses) generated by Royce. In addition, Charles M. Royce receives variable compensation based on Royce's retained pre-tax profits from operations. As a result, the Portfolio Managers may receive a greater relative benefit from activities that increase the value to Royce of The Royce Funds and/or other Royce client accounts, including, but not limited to, increases in sales of Registrant's shares and assets under management.

Also, as described above, the Portfolio Managers generally manage more than one client account, including, among others, registered investment company accounts, separate accounts and private pooled accounts managed on behalf of institutions (e.g., pension funds, endowments and foundations) and for high-net-worth individuals. The appearance of a conflict of interest may arise where Royce has an incentive, such as a performance-based management fee (or any other variation in the level of fees payable by the Registrant or other Royce client accounts to Royce), which relates to the management of one or more of The Royce Funds or accounts with respect to which the same Portfolio Manager has day-to-day management responsibilities. Except as described below, no Royce Portfolio Manager's compensation is tied to performance fees earned by Royce for the management of any one client account. Although variable and other compensation derived from Royce revenues or profits is impacted to some extent, the impact is relatively minor given the small percentage of Royce firm assets under management for which Royce receives performance-measured revenue. Notwithstanding the above, the Performance-Related Variable Compensation paid to Charles M. Royce as Portfolio Manager of two registered investment company accounts (the Registrant and RMT) is based, in part, on performance-based fee revenues. The Registrant and RMT pay Royce a fulcrum fee that is adjusted up or down depending on the performance of the Fund relative to its benchmark index.

Finally, conflicts of interest may arise when a Portfolio Manager personally buys, holds or sells securities held or to be purchased or sold for the Registrant or other Royce client account or personally buys, holds or sells the shares of one or more of The Royce Funds. To address this, Royce has adopted a written Code of Ethics designed to prevent and detect personal trading activities that may interfere or conflict with client interests (including Registrant's stockholders' interests). Royce generally does not permit its Portfolio Managers to purchase small- or micro-cap securities for their personal investment portfolios.

Royce and The Royce Funds have adopted certain compliance procedures which are designed to address the above-described types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

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### (a)(3) Description of Portfolio Manager Compensation Structure (information as of December 31, 2014)

Royce seeks to maintain a compensation program that is competitively positioned to attract and retain high-caliber investment professionals. All Portfolio Managers, receive from Royce a base salary, Performance-Related Variable Compensation (generally the largest element of each Portfolio Manager's compensation with the exception of Charles M. Royce), Firm-Related Variable Compensation based primarily on registered investment company and other client account revenues generated by Royce and a benefits package. Portfolio Manager compensation is reviewed and may be modified from time to time as appropriate to reflect changes in the market, as well as to adjust the factors used to determine variable compensation. Except as described below, each Portfolio Manager's compensation consists of the following elements:

**BASE SALARY.** Each Portfolio Manager is paid a base salary. In setting the base salary, Royce seeks to be competitive in light of the particular Portfolio Manager's experience and responsibilities.

**PERFORMANCE-RELATED VARIABLE COMPENSATION.** Each Portfolio Manager receives quarterly Performance-Related Variable Compensation that is either asset-based, or revenue-based and therefore in part based on the value of the net assets of the account for which he or she is being compensated, determined with reference to each of the registered investment company and other client accounts they are managing. The revenue used to determine the quarterly Performance-Related Variable Compensation received by Charles M. Royce that relates to each of the Registrant and RMT is performance-based fee revenue. For all Portfolio Managers, the Performance-Related Variable Compensation applicable to the registered investment company accounts managed by the Portfolio Manager is subject to downward adjustment or elimination based on a combination of 3-year, 5-year risk and 10-year risk-adjusted pre-tax returns of such accounts relative to all small-cap objective funds with three years of history tracked by Morningstar (as of December 31, 2015 there were 425 such funds tracked by Morningstar), the 5-year absolute returns of such accounts relative to 5-year U.S. Treasury Notes and absolute returns over the prior full market cycle and current cycle to date vs. the accounts' benchmark. The Performance-Related Variable Compensation applicable to non-registered investment company accounts managed by a Portfolio Manager is not subject to performance-related adjustment.

Payment of the Performance-Related Variable Compensation may be deferred, and any amounts deferred are forfeitable, if the Portfolio Manager is terminated by Royce with or without cause or resigns. The amount of the deferred Performance-Related Variable Compensation will appreciate or depreciate during the deferral period, based on the total return performance of one or more Royce-managed registered investment company accounts selected by the Portfolio Manager at the beginning of the deferral period. The amount deferred will depend on the Portfolio Manager's total direct, indirect beneficial and deferred unvested investments in the Royce registered investment company account for which he or she is receiving portfolio management compensation.

**FIRM-RELATED VARIABLE COMPENSATION.** Each Portfolio Manager receives quarterly variable compensation based on Royce's net revenues.

**BENEFIT PACKAGE.** Each Portfolio Manager also receives benefits standard for all Royce employees, including health care and other insurance benefits, and participation in Royce's 401(k) Plan and Money Purchase Pension Plan. From time to time, on a purely discretionary basis, Portfolio Managers may also receive options to acquire stock in Royce's parent company, Legg Mason, Inc. Those options typically represent a relatively small portion of a Portfolio Manager's overall compensation.

Charles M. Royce, in addition to the above-described compensation, also receive variable compensation based on Royce's retained pre-tax operating profit. This variable compensation, along with the Performance-Related Variable Compensation and Firm-Related Variable Compensation, generally represents the most significant element of Mr. Royce's compensation. A portion of the above-described compensation payable to Mr. Royce relates to his responsibilities as Royce's Chief Executive Officer and President of The Royce Funds.

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(a)(4) Dollar Range of Equity Securities in Registrant Beneficially Owned by Portfolio Manager (information as of December 31, 2015)

The following table shows the dollar range of the Registrant's shares owned beneficially and of record by the Portfolio Managers, including investments by his immediate family members sharing the same household and amounts invested through retirement and deferred compensation plans.

| <b>Portfolio Manager</b> | <b>Dollar Range of Registrant's Shares Beneficially Owned</b> |
|--------------------------|---|
| Charles M. Royce         | Over \$1,000,000  |
| Chris E. Flynn           | \$100,001 to \$500,000  |
| David A. Nadel           | None  |
| Lauren A. Romeo          | \$100,001 to \$500,000  |

(b) Not Applicable

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.** Not Applicable

**Item 10. Submission of Matters to a Vote of Security Holders.** Not Applicable.

**Item 11. Controls and Procedures.**

(a) Disclosure Controls and Procedures. The Principal Executive and Financial Officers concluded that the Registrant's Disclosure Controls and Procedures are effective based on their evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) Internal Control over Financial Reporting. There were no significant changes in Registrant's internal control over financial reporting or in other factors that could significantly affect this control subsequent to the date of the evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses during the second fiscal quarter of the period covered by this report.

**Item 12. Exhibits.** Attached hereto.

(a)(1) The Registrant's code of ethics pursuant to Item 2 of Form N-CSR.

(a)(2) Separate certifications by the Registrant's Principal Executive Officer and Principal Financial Officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.

(a)(3) Not Applicable

(b) Separate certifications by the Registrant's Principal Executive Officer and Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and required by Rule 30a-2(b) under the Investment Company Act of 1940.

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**ROYCE VALUE TRUST, INC.**

BY: /s/ Christopher D. Clark      **Christopher D. Clark**    **President**      Date: March 2, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

**ROYCE VALUE TRUST, INC. ROYCE VALUE TRUST, INC.**  
**Christopher D. Clark    Peter K. Hoglund    President    Treasurer**

BY: /s/ Christopher D. Clark    BY: /s/ Peter K. Hoglund  
Date: March 2, 2016    Date: March 2, 2016