

ROYCE VALUE TRUST INC  
Form N-CSR  
March 03, 2017

**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:

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Registrant's telephone number, including area code: (212)  
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Date of  
fiscal year end: December 31

Date of  
reporting period: January 1, 2016 - December 31, 2016

**Item 1. Reports to Shareholders.**

DECEMBER 31, 2016  
Report to Stockholders

## 2016 Annual Review and

### A Few Words on Closed-End Funds

**Royce & Associates, LP manages three closed-end funds: Royce Global Value Trust, which invests primarily in companies with headquarters outside of the United States, Royce Micro-Cap Trust, which invests primarily in micro-cap securities; and Royce Value Trust, which invests primarily in small-cap securities.** 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, with significant investments 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 Micro-Cap Trust and Royce Value Trust distribute capital gains, if any, 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 Micro-Cap Trust and Royce Value Trust has authorized a managed distribution policy (MDP). Under the MDP, Royce Micro-Cap Trust and Royce Value 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 2016 Annual Report to Stockholders

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## Letter to Our Stockholders

### **A MOST WONDERFUL YEAR FOR SMALL-CAPS, VALUE, AND CYCLICALS**

By any measure, 2016 was a terrific year for domestic small-cap stocks, one that featured a double-digit positive return for the Russell 2000 Index, which advanced 21.3%, and a solid advantage over their large-cap counterparts. It was an even better year for small-cap value stocks and a highly rewarding one for cyclical sectors. These last two factors were critical in boosting results for certain active management approaches within the asset class, including a number of our own. Arguably even more important was what these developments may be telling us about the subsequent direction of small-cap equity returns. We flesh out the details later in this letter, but these three reversals – positive results for small-caps, leadership for value over growth, and outperformance for cyclicals – should be key in setting the tone for the direction of small-caps going forward. They coalesced around the central, normalizing force of rising interest rates.

The major impact of these reversals was both highly welcome and long overdue. **We saw 2015 – a year in which large-cap beat small-cap, the Russell 2000 had a negative return, and market leadership was extremely narrow – as a hinge year. It marked the transition out of the period that began in 2011, when an unprecedented amount of monetary intervention into the global economy had the unintended effect of stoking an intense appetite for yield and safety at one extreme of the U.S. equity markets and a hunger for high risk at the other.** The bottom of a commodity super cycle, with the attendant slowdowns in the world’s largest developing markets, only exacerbated the challenges then faced by value stocks and active management approaches.

As has usually been the case historically, the longer market trends last, the more regularly they are mistaken for permanent realignments. In this most recent instance, the consensus lined up around the perpetuation of near-zero rates, growth stock dominance, and the futility of active management. **Whether in good times or bad for our own approaches, however, we have always stayed mindful of the fact that trends do not last forever – they persist, then, more often than not, they reverse.** This investment truism should serve as a corrective for those who would take the example of a highly anomalous period for the markets and economy to validate an implacable bias against active management.

### **THE POWER OF RATES AND THE IMPACT OF THE PARADIGM SHIFT**

Even as small-cap specialists, we recognize that few forces act as powerfully on the value of investments as interest rates. The effects can be as obvious as they are subtle. We think three conditions matter most: the level of rates, the spread between short- and long-term rates, and the disparity in borrowing rates between better-run companies and worse ones. Capitalism tends to best foster economic growth when short rates hover a bit above inflation; when long rates are high enough to encourage lenders but not so high as to discourage borrowers; and when there is a premium for fiscal prudence and a commensurate penalty for profligate debtors. During the era of zero (or near-zero) rates – roughly 2011-2015 – these historically – normal – conditions were largely absent. Yet we believe they began to manifest themselves again in 2016, marking a paradigm shift to a period of higher rates and a consequent reassessment of the relative values of financial assets. **More normalized rates have historically been better for stocks than**

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## LETTER TO OUR STOCKHOLDERS

**bonds. More important for our purposes, they have also supported small-caps over large, value over growth stocks, and cyclicals over defensive areas. In many ways, 2016's results exemplified exactly this shift and we think it is just the beginning of what could be a steady, though not linear, multi-year run.**

With 2016's stellar results fresh in the mind, it may be difficult to recall just how poorly the year started and how fatalistic the expectations were for equities. Small-cap stocks plunged from the first peal of 2016's opening bell. The downdraft exacerbated a trend that had begun the previous summer following the small-cap peak on June 23, 2015. By the time it was all over with the small-cap bottom on February 11, 2016, the Russell 2000 had fallen 25.7%. The last leg of the downdraft included many of the signs of a classic bottoming-out process—panic selling in a number of sectors (most notably within the biopharma complex), small-caps losing more than large-caps, and more resilience from value stocks to us, the most significant development in the down phase. **As unpleasant as any bear market is, we noted that the leadership shift, because it was nearly concomitant with the rate hike, was likely to last.**

Moreover, these signs also gave us some assurance that this was a historically conventional decline, making us confident that the small-cap market was undergoing its own important and familiar shift. The depths plumbed by this bear market were comparable to previous downturns—and that encouraged our belief that the worst was over just before the Russell 2000 rebounded sharply from its February low through the end of the year. **These small-cap bear and bull markets received so little comment beyond our own and that of fellow small-cap specialists that we refer to them as stealth markets. They also reinforced our contention that this small-cap rally has room to run.** Despite its strong showing in 2016, the Russell 2000 finished the year only 7.2% above its June 2015 peak. For additional context, it is worth noting that small-cap upswings usually extend well beyond the

Equity Indexes as of December 31, 2016 (%)				1-YR	3-YR	5-YR	10-YR	Russell 2000	21.31	6.74	
14.46	7.07	Russell 2000 Value	31.74	8.31	15.07	6.26	Russell 2000 Growth	11.32	5.05	13.74	
7.76	S&P 500	11.96	8.87	14.66	6.95	Russell 1000	12.05	8.59	14.69	7.08	Nasdaq Composite
7.50	8.83	15.62	8.34	Russell Midcap	13.80	7.92	14.72	7.86	Russell Microcap	20.37	5.77
15.59	5.47	Russell Global ex-U.S. Small Cap	5.04	0.57	7.22	2.65	Russell Global ex-U.S. Large Cap	4.30			
-1.51	5.35	1.24	For details on The Royce Funds' performance in the period, please turn to the Managers' Discussions that begin on page 8.								

47.4% advance the small-cap index made from its February bottom through the end of 2016. **There have been 12 declines of 15% or more for the Russell 2000 since its 1979 inception. The median return for the subsequent recovery period was 98.8%. So both history and the currently hospitable economic environment suggest to us that there may well be plenty of life left in the small-cap rally.**

## VALUE'S TURN?

**The recent extended run of small-cap growth leadership makes it worth recalling that it is actually small-cap value stocks that own the pronounced long-term historical edge in relative performance.** Of course, it makes sense that many investors were not conscious of this history at the beginning of the year. Prior to resuming leadership, the Russell 2000 Value Index trailed the Russell 2000 Growth Index in six out of seven years between 2009 and 2015. Based on their long-term performance and leadership history, this was an inordinately lengthy span. Is it now value's turn, then? We think so. Prolonged periods of leadership for small-cap growth have historically been followed by long tenures at the helm for value. **Multi-year trends typically do not have brief reversals before reappearing. Based on this pattern, we think the current leadership status of small-cap value is likely to last. Further, value stocks have historically outpaced growth issues when the economy is expanding—growth companies generally being most highly valued when growth is scarce in the economy.** Rising interest rates have also historically provided a relative headwind for growth stocks because their valuations typically have a long-duration bond aspect to them that is highly sensitive to changes in rates.

**We saw the post-election rally and the sudden shift in investor perspective that came with it as more symptom than cause of an overall improved environment for both the economy and stocks.** After all, some had forecast the pickup in GDP growth prior to any votes being cast just as many investors realized that the era of "lower forever" interest rates had reached its conclusion before the Fed officially announced the hike in December. There were also encouraging pickups in employment and incremental growth in wages. Along with the added certainty that comes after nearly every election, especially a contentious one, all of this stoked bullishness. So while the election was undoubtedly an accelerant, it seemed to us that many investors' and management teams' simply needed the experience of a tangible event before they felt comfortable enough to embrace the good news that had been accumulating prior to November.

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## LETTER TO OUR STOCKHOLDERS

**The aftermath of the election has set the stage for changes that could benefit small-cap companies, beginning with a lower corporate tax rate. With the bulk of their money coming from domestic sources, many small-cap businesses would receive a disproportionate benefit from any rate reduction.** Also encouraging are the prospects for repatriation. It was not surprising, then, that the postelection period also witnessed a dramatic rotation away from safety bonds and defensive stocks most notably. Investors are bullish on the potential for accelerated economic growth and the policy shift from monetary to fiscal chiefly in the form of tax cuts and projected spending increases on infrastructure and defense. The critical question going forward is, how much of this has already been priced in?

## TURN THE PAGE

**All of this has convinced us that we have turned the page on that 2011-2015 period in which financial markets behaved in such odd and unprecedented ways.** We firmly believe that we are back on the road to a more historically normal market environment. We expect a multi-year run for the current environment of increased return dispersion, declining correlation, and a steepening yield curve, such as we saw in 2016, and think this will also lead to more historically normal relative return patterns for equity asset classes.

Only time will tell, of course. However, we do not think a significant correction that is, a decline of 15% or more is in the offing. We see no signs of a recession or financial crisis. Still, a downdraft of anywhere from 8-10% would not be at all unexpected, and arguably healthy, given the strength of small-cap's 2016 run. When one does occur, we are prepared to act opportunistically by trying to turn any volatility to our investors' long-term advantage. In any event, we see ongoing leadership not only for small-cap value but for many cyclical sectors as well. **Cyclicals lagged for so long that, as with value stocks (with which there is substantial overlap), we were anticipating a shift, which is precisely what we are seeing in the current cycle. Financials are benefiting from the steepening yield curve, which should help to lift bank profits, while the potential for accelerated economic growth is boosting Industrials and many Materials stocks. The latter are also benefiting from rebounding commodity prices that ignited energy stocks as well. In addition, the U.S. consumer continues to spend. We see all of these as potentially ongoing trends.** And although the global outlook is admittedly less certain, any rebound in worldwide industrial activity would be an additional, and significant, positive.

## A NEW DAY FOR ACTIVE MANAGEMENT

Ongoing leadership for value and the related strength of cyclicals could produce distinct advantages for small-cap active management. As rates continue to rise and access to capital begins to contract more consistently, the number of bankruptcies should escalate, restoring the healthy, Darwinian force that generally ensures survival for the best-run, most prudently managed enterprises while putting others at potentially greater risk. It creates challenges for more debt-dependent, long-duration growth while offering potential benefits for companies that are conservatively capitalized. If we are correct in our argument that a multi-year period of value leadership is just beginning, then we also expect it to be a strong period for thoughtful and disciplined small-cap active management.

To be sure, this was the case for domestic small-caps in 2016. Royce Micro-Cap Trust and Royce Value Trust increased more than 20% (and bested their respective benchmarks in the process). These performances were largely rooted in our dogged commitment to disciplined approaches to small-cap stock investing. They support the confidence we have going forward, which is also bolstered by the fact that our analysis of the dynamics in our asset class was sound. We felt validated not only by the high returns for our two domestically oriented portfolios but also that performance took place against the backdrop of a gradually growing economy. **Historically, value-led periods have been good for many Royce Funds, and we remain committed to the effort of delivering strong results for our investors in the years to come.**

You have our great thanks and deep appreciation for the commitment you have shown to us and our approaches over the years.

Sincerely,



Charles M. Royce Christopher D. Clark Francis D. Gannon  
*Chairman, Chief Executive Officer and Co-Chief Investment Officer, Royce & Associates, LP Co-Chief Investment Officer,*  
*Royce & Associates, LP Royce & Associates, LP* January 31, 2017  
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## Performance

### NAV Average Annual Total Returns

As of December 31, 2016 (%)

1-YR 3-YR 5-YR 10-YR 15-YR 20-YR 25-YR 30-YR

SINCE  
INCEPTION INCEPTION

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**DATE** Royce Global Value Trust 11.12 0.20 N/A N/A N/A N/A N/A N/A 1.05 10/17/13 Royce Micro-Cap Trust  
 21.98 3.70 13.59 6.07 9.22 10.26 N/A N/A 10.81 12/14/93 Royce Value Trust 26.79 5.50 12.70 5.81 8.26 9.81  
 10.73 10.58 10.55 11/26/86

**INDEX** Russell 2000 Index 21.31 6.74 14.46 7.07 8.49 8.25 9.69 9.62 N/A N/A Russell  
 Microcap Index 20.37 5.77 15.59 5.47 8.16 N/A N/A N/A N/A N/A Russell Global Small Cap Index 11.50 2.98  
 9.92 4.17 8.87 6.82 N/A N/A N/A N/A

1 Not Annualized

### Important Performance and Risk Information

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 and of Royce Value Trust at 12/31/16, 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 files certain material 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 advanced 11.1% on a net asset value (NAV) basis and 9.8% on a market price basis compared to a gain of 11.5% for its unleveraged benchmark, the Russell Global Small Cap Index, for the same period.** This was a solid absolute result, though it disappointed on a relative basis. U.S. small-caps were very strong in 2016, in contrast to their international cousins. The Fund's lower exposure to U.S. companies than the index, therefore, was a factor in its slight relative disadvantage for the calendar year. Investors in non-U.S. small-caps generally showed more favor to commodity-based international small-cap companies (oil & gas as well as metals & mining) were among the top performers than they did to the kind of businesses that we seek: small- and mid-cap stocks (those with market caps up to \$10 billion) with high returns on invested capital or those with strong fundamentals and/or prospects trading at what Royce believes are attractive valuations.

During the first half of 2016, the Fund was up 3.9% on an NAV basis and 2.0% based on market price versus a 1.4% gain for the global small-cap index. Both the Fund and its benchmark showed even more life in the third quarter as many stocks bounced back or stabilized following Brexit-bred volatility. RGT was up 6.3% in the third quarter (while increasing 6.9% based on its market price) compared to a gain of 8.3% for the Russell Global Small Cap Index. During the fourth quarter, however, many international small-caps declined, which had a larger impact on RGT. The Fund increased 0.6% based on its NAV (and 0.7% based on market price) in the year's final quarter compared to a 1.5% advance for the benchmark. A portion of RGT's second-half lag can be traced to currency effects. The rising U.S. dollar was particularly strong against the British pound, which declined significantly in the wake of the Brexit vote, making things difficult for the Fund's sizable investments in the U.K.

**WHAT WORKED... AND WHAT DIDN'T** Eight of the portfolio's 10 equity sectors finished 2016 in the black. The most significant contributions came from Materials, Financials, Information Technology, and Industrials, which made a much larger impact than the remaining four contributing sectors. Health Care detracted—it was the only sector in the Russell Global Small Cap with a negative return in 2016 while Telecommunication Services was basically flat. Four industries had a substantial positive impact in 2016: metals & mining (Materials), electronic equipment, instruments & components (Information Technology), capital markets (Financials), and machinery (Industrials). The effect of detracting industries was comparatively modest. Pharmaceuticals (Health Care) detracted most by a sizable margin, followed by technology hardware, storage & peripherals (Information Technology), and oil, gas & consumable fuels (Energy).

The Fund's top contributor at the position level was Genworth MI Canada, one of that country's leading residential mortgage insurance providers. Its stock first began to rebound with consecutive quarters of improved operating results. The recovery of energy prices also helped as about 20% of Genworth's policies are written in resource-rich Alberta. The company then announced solid results for its fiscal third quarter in November. We reduced our position in 2016. Pan American Silver was part of a group of both precious and industrial metals companies that came back strong in 2016 as commodity prices rose. The portfolio's top detractor at the position level was Virbac, a French firm that makes vaccines, antibiotics, and other veterinary medications. Its shares suffered mostly from the negative results of a 2014 FDA investigation of its U.S. plant in St. Louis that were released earlier this year. In December 2016, however, the FDA rescinded the warning letter, leaving the status of Virbac's U.S. operations where they were at the beginning of the year, which allowed its shares to begin to recover. It was a top-40 holding in the Fund at the end of 2016. Value Partners Group is a Hong Kong-based asset manager that emphasizes value approaches. Subpar short-term performance, net outflows, and a CEO resignation all contributed to investors' concerns. Because we remain confident in its long-term prospects, particularly in China, as well as in its Chairman, who has assumed CEO responsibilities, we were comfortable holding our stake.

Relative to the Russell Global Small Cap, the Fund was hurt most by ineffective stock picking in the Industrials sector, most meaningfully in the machinery and commercial services & supplies industries. Stock selection was also an issue in Financials. Conversely, both our overweight and savvy stock picking gave us a relative edge in Materials while stock selection also helped in Information Technology.

#### Top Contributors to Performance

For 2016 (%) <sup>1</sup>	Genworth MI Canada	0.65	Pan American Silver	0.63	CETIP - Mercados Organizados
0.50	Quaker Chemical	0.46	Nanometrics	0.44	1 Includes dividends

#### Top Detractors from Performance

For 2016 (%) <sup>2</sup>	Virbac	-0.54	Value Partners Group	-0.46	Santen Pharmaceutical	-0.40	Consort
Medical	-0.35	Clarkson	-0.31	2 Net of dividends			

**CURRENT POSITIONING AND OUTLOOK** At the end of 2016, the Fund's largest country weights were the U.S., the U.K., Japan, and Canada. We think the global markets continue to offer terrific potential in a number of sectors and regions to find the kind of underappreciated, fundamentally solid companies that have long been our focus here at Royce. In our view cyclical both in and outside the U.S. look well-positioned for ongoing leadership. In addition to our usual cyclical tilt, we are looking in some defensive areas such as healthcare. It is very much on a stock-by-stock basis, with a focus on individual companies that combine attractive valuations with strong fundamentals.

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PERFORMANCE AND PORTFOLIO REVIEW SYMBOLS MARKET PRICE RGT NAV XRGTX

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**Performance** Average Annual Total Return (%) Through 12/31/16    **JUL-DEC 2016**    **1-YR**    **3-YR**    **SINCE INCEPTION (10/17/13)**  
 RGT (NAV) 6.99 11.12 0.20 1.05 1 Not Annualized

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

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

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 and, prior to 12/1/03, on the Nasdaq.

The **Morningstar Style Map** is the **Morningstar Style Box** with the center 75% of fund holdings plotted as the **Morningstar Ownership Zone**. The Morningstar Style Box is designed to reveal a fund's investment strategy. The Morningstar Ownership Zone provides detail about a portfolio's investment style by showing the range of stock sizes and styles. The Ownership Zone is derived by plotting each stock in the portfolio within the proprietary Morningstar Style Box. Over time, the shape and location of a fund's ownership zone may vary. See page 61 for additional information.

**Top 10 Positions**    % of Net Assets    Kirby Corporation 2.2    SEI Investments 2.0    SEACOR Holdings 1.4    Meitec Corporation 1.4    Lazard Cl. A 1.3    VZ Holding 1.3    Raven Industries 1.3    KBR 1.2    Virtu Financial Cl. A 1.2    Nanometrics 1.1

**Portfolio Sector Breakdown**    % of Net Assets    Industrials 28.8    Financials 18.1    Information Technology 17.3    Materials 11.4    Health Care 10.0    Consumer Discretionary 7.2    Energy 3.4    Consumer Staples 2.8    Real Estate 2.5    Telecommunication Services 0.2    Outstanding Line of Credit, Net of Cash and Cash Equivalents -1.7

**Calendar Year Total Returns (%)**    **YEAR**    **RGT**    2016 11.1    2015 -3.4    2014 -6.2

### Portfolio Country Breakdown 1,2

% of Net Assets    United States 32.7    United Kingdom 13.0    Japan 9.7    Canada 8.4    Germany 4.6    France 4.3    Switzerland 4.3    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 \$100 million    Number of Holdings 274    Turnover Rate 59%    Net Asset Value \$9.62    Market Price \$8.04    Net Leverage<sup>1</sup> 1.7%    Average Market Capitalization<sup>2</sup> \$1,558 million    Weighted Average P/E Ratio<sup>3, 4</sup> 20.5x    Weighted Average P/B Ratio<sup>3</sup> 2.6x    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 (10% of portfolio holdings as of 12/31/16).

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 mid-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 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 2016.

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

Chuck Royce

**FUND PERFORMANCE**

**Royce Micro-Cap Trust ( RMT ) advanced 22.0% on a net asset value ( NAV ) basis and 22.3% on a market price basis in 2016, ahead of both of its unleveraged benchmarks: the small-cap Russell 2000 Index was up 21.3% while the Russell Microcap Index increased 20.4% for the same period.** We were very pleased with the Fund's results on both an absolute and relative basis, particularly in a year in which small-cap stocks held a slight edge over their micro-cap siblings. RMT's multi-strategy core approach was well-positioned for a market that rewarded factors such as low valuation, liquidity, low volatility, and quality, all of which outperformed within the Russell 2000 and provided some validation for our approach.

The two halves of 2016 were mirror images of one another. The first was stronger on a relative basis while the second was better on an absolute scale. During the first half of 2016, the Fund was up 5.4% on an NAV basis (and 5.8% on a relative basis) versus a gain of 2.2% for the Russell 2000 and a decline of 1.7% for the Russell Microcap for the same period. In the second half, RMT increased 15.7% on an NAV basis and 15.6% based on market price basis. This compared to respective gains of 18.7% and 22.4% for the small-cap and micro-cap indexes. On an NAV basis, RMT outpaced the Russell Microcap for the one-, 10-, and 15-year periods ended December 31, 2016 while also beating the Russell 2000 for the one-, 15-, 20-year, and since inception (12/14/93) periods. (Returns for the Russell Microcap Index only go back to 2000.) **RMT's average annual NAV total return for the since inception period ended December 31, 2016 was 10.8%. WHAT WORKED... AND**

**WHAT DIDN'T** Each of the portfolio's 11 equity sectors made a contribution to calendar-year results. The largest positive impact by far came from Information Technology and Industrials, RMT's two largest sectors, followed by noteworthy net gains from Materials and Financials. Some of the smallest contributions came from those sectors with the smallest weightings: Real Estate, Consumer Staples, Telecommunication Services, and Utilities. At the industry level, the top-contributors by a sizable margin were electronic equipment, instruments & components (Information Technology), metals & mining (Materials), and machinery (Industrials). Detractors made a very modest negative impact, led by software (Information Technology), distributors (Consumer Discretionary), and IT services (Information Technology).

RMT's top-contributing position was IES Holdings, which provides electrical contracting and maintenance services to the commercial, industrial, residential, and power line markets. The firm also engages in data communication services, including the installation of fiber optic telecommunications systems. Very healthy earnings and a strong outlook, both of which were boosted by five acquisitions the firm made between mid-2015 and the end of 2016, attracted investors. Top-five position Major Drilling Group International performs contract drilling for companies involved in mining and mineral exploration. In a challenging environment for miners early in 2016, the company was able to increase revenues and margins. Revenue growth continued throughout the year as business conditions, while remaining competitive, began to improve. Newport Corporation is a photonics technology specialist whose shares climbed in February after the company agreed to be acquired by MKS Instruments.

As for those holdings that detracted from performance, we held the bulk of our position in ZAIS Group Holdings, an investment manager focused on specialized credit strategies—an asset management segment with what we think is ample long-term potential. Its shares fell with a quarterly loss reported in March and were mostly down through the end of June. A falling stock price in the first half and our confidence in its long-term prospects led us to add shares of Fenix Parts, which recycles and resells original equipment manufacturer automotive parts and products. Consecutive quarterly losses drove investors away before its shares rallied a bit only to fall again when accounting and regulatory issues surfaced. However, we like its core business and were hopeful that the company could resolve these issues in 2017.

Relative to the Russell 2000, the Fund derived the bulk of its advantage from savvy stock selection in Health Care, the only sector in the Russell 2000 with a negative return in 2016. Stock picking offered a more modest advantage in Information Technology. Conversely, our underweight in banks and ineffective stock picks caused Financials to lag, as did poor stock selection in Consumer Discretionary.

**Top Contributors to Performance**

For 2016 (%)<sup>1</sup> IES Holdings 0.88 Major Drilling Group International 0.68 Newport Corporation 0.57 Era Group 0.47 Surmodics 0.47 <sup>1</sup> Includes dividends

**Top Detractors from Performance**

For 2016 (%)<sup>2</sup> ZAIS Group Holdings Cl. A -0.71 Fenix Parts -0.52 SeaChange International -0.43 Sangamo BioSciences -0.39 Zealand Pharma -0.37 <sup>2</sup> Net of dividends

**CURRENT POSITIONING AND OUTLOOK** We are grateful to have been able to deliver such strong absolute and relative results for our investors and firmly believe that we have turned the page on the anomalous 2011-2015 period, in which extraordinary monetary accommodations caused financial markets to behave in odd and unprecedented ways. In our view, we are on the road back to a more historically normal market environment. We think this bodes well for micro-cap and small-cap stocks. In our view cyclicals look well-positioned for ongoing leadership. In addition to our usual cyclical tilt, we are looking in some defensive areas such as healthcare. It is very much on a stock-by-stock basis, with a focus on individual companies that combine attractive valuations with strong fundamentals.

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PERFORMANCE AND PORTFOLIO REVIEW SYMBOLS MARKET PRICE RMT NAV XOTCX

Performance		Average Annual Total Return (%) Through 12/31/16					JUL-DEC 2016				1-YR			
3-YR	5-YR	10-YR	15-YR	20-YR	SINCE INCEPTION (12/14/93)	RMT	NAV	15.74	21.98	3.70	13.59	6.07	9.22	10.26
10.81														

<sup>1</sup> Not Annualized

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

1

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.

2

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** with the center 75% of fund holdings plotted as the **Morningstar Ownership Zone**. The Morningstar Style Box is designed to reveal a fund's investment strategy. The Morningstar Ownership Zone provides detail about a portfolio's investment style by showing the range of stock sizes and styles. The Ownership Zone is derived by plotting each stock in the portfolio within the proprietary Morningstar Style Box. Over time, the shape and location of a fund's ownership zone may vary. See page 61 for additional information.

Top 10 Positions	% of Net Assets
Era Group	1.4
IES Holdings	1.2
Seneca Foods	1.1
Heritage-Crystal Clean	1.0
Major Drilling Group International	1.0
Atrion Corporation	1.0
Sun Hydraulics	1.0
Orbotech	0.9
Kadant	0.9
Quaker Chemical	0.9

Portfolio Sector Breakdown	% of Net Assets
Information Technology	19.0
Industrials	18.4
Consumer Discretionary	14.2
Health Care	13.4
Financials	11.9
Materials	6.2
Energy	5.7
Real Estate	3.7
Consumer Staples	2.7
Telecommunication Services	0.1
Utilities	0.1
Miscellaneous	4.7
Preferred Stock	0.3
Outstanding Line of Credit, Net of Cash and Cash Equivalents	-0.4

Calendar Year Total Returns (%)	YEAR	RMT
2016	22.0	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	



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**Portfolio Diagnostics** Fund Net Assets \$364 million Number of Holdings 338 Turnover Rate 26% Net Asset Value \$9.63 Market Price \$8.16 Net Leverage<sup>1</sup> 0.4% Average Market Capitalization<sup>2</sup> \$384 million Weighted Average P/B Ratio<sup>3</sup> 1.7x Active Share<sup>4</sup> 95% U.S. Investments (% of Net Assets) 81.2% Non-U.S. Investments (% of Net Assets) 19.2%

<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> **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. <sup>4</sup> **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 2016.

MANAGER'S DISCUSSION **Royce Value Trust (RVT)****Chuck Royce****FUND PERFORMANCE**

**Royce Value Trust Fund advanced 26.8% on a net asset value ( NAV ) basis and 23.5% on a market price basis in 2016, compared to respective increases of 21.3% and 26.5% for its unleveraged small-cap benchmarks, the Russell 2000 and S&P SmallCap 600 Indexes, for the same period.** In such a strong year for small-cap stocks, we were pleased with the Fund's terrific absolute and relative NAV showing. RVT's multi-themed core approach served investors well during a year in which factors such as low valuation, liquidity, low volatility, and quality all outperformed within the Russell 2000. Calendar-year performance was even more gratifying in light of the questions both active management and value-oriented approaches were facing between 2011 and 2015, which made the year feel very much like a validation for our approach.

The Fund outperformed during the first half of 2016, gaining 8.2% on an NAV basis and 4.4% based on market price versus respective gains of 2.2% and 6.2% for the Russell 2000 and S&P SmallCap 600. The second half was stronger on an absolute basis but less so on a relative scale. During this period, RVT rose 17.3% based on NAV and 18.3% based on its market price compared to 18.7% for the Russell 2000 and 19.1% for the S&P SmallCap 600. Looking at longer-term periods, we were pleased that RVT outpaced the Russell 2000 for the one-, 20-, 25-, 30-year, and since inception (11/26/86) periods ended December 31, 2016. **The Fund's average annual NAV total return since inception was 10.6%, all under the management of Chuck Royce. WHAT WORKED... AND WHAT DIDN'T** All of the portfolio's 11 equity sectors finished 2016 with net gains. Industrials led by a considerable margin, followed by a strong contribution from Information Technology that was considerably higher than the meaningfully positive impact of Materials, the Fund's third-highest contributor. Notable net gains also came from the Consumer Discretionary and Financials sectors. This widespread cyclical strength was consistent with trends in the overall small-cap market. Within Industrials, the best-performing industries were machinery (our largest industry weighting in the sector), commercial services & supplies, and construction & engineering. The portfolio's top-performing industry, however, came from the Information Technology sector—electronic equipment, instruments & components. Coherent, which manufactures laser diodes and equipment, owned the top spot by position. Its shares skyrocketed in 2016, lifted by a combination of strong profits, a record backlog, and a robust order pipeline. Cognex Corporation is the market leader in machine vision technology that captures and analyzes visual information to automate tasks that previously relied on human eyesight. This technology is a major driver of industrial and process automation. Sales to the auto industry accelerated, its consumer electronics segment proved better than expected, and it gained share among logistics services providers. All of these factors produced an impressive performance for the stock.

Even in a good year there are a few disappointments. ZAIS Group Holdings is an investment manager focused primarily on structured credits. Recent credit market turmoil has caused investment performance to fall below various "high-water" marks, meaningfully dampening profitability and future growth opportunities. We chose to hold our shares in 2016 in light of its highly discounted valuation. We also chose to hold our position in The Advisory Board. Its shares fell most precipitously during the fall as this specialist in performance improvement software and solutions to the health care and higher education industries reported disappointing fiscal third-quarter revenues. We like its niche business and think its long-term prospects remain promising. We also held on to most of our shares of Zealand Pharma, a Danish firm whose share price decline was mostly driven by the sell-off in its industry. We remain optimistic about its long-term growth potential. Relative results in 2016 were driven by our underweight in the lagging Health Care sector, as well as positive stock selection in the sector. Also aiding relative performance was savvy stock selection in Information Technology. The two largest relative detractors had a similar theme—our underweight in banks caused the Fund to lag in Financials and our underweighting in REITs led to underperformance in the Real Estate sector. The Fund is typically underweight in these interest rate sensitive areas.

**Top Contributors to Performance**

For 2016 (%)<sup>1</sup> Coherent 0.95 Cognex Corporation 0.60 Thor Industries 0.53 Quaker Chemical 0.53 Newport Corporation 0.50 <sup>1</sup> Includes dividends

**Top Detractors from Performance**

For 2016 (%)<sup>2</sup> ZAIS Group Holdings Cl. A -0.42 Advisory Board (The) -0.32 Zealand Pharma -0.29 Value Partners Group -0.22 Citadel Capital -0.18 <sup>2</sup> Net of dividends

**CURRENT POSITIONING AND OUTLOOK** We are grateful to have been able to deliver such strong absolute and relative NAV results for our investors and firmly believe that we have turned the page on the anomalous 2011-2015 period, in which extraordinary monetary accommodations caused financial markets to behave in odd and unprecedented ways. In our view, we are on the road back to a more historically normal market environment. We think this bodes well for small-cap stocks. In our view cyclicals look well-positioned for ongoing leadership. In addition to our usual cyclical tilt, we are looking in some defensive areas such as healthcare. It is very much on a stock-by-stock basis, with a focus on individual companies that combine attractive valuations with strong fundamentals.

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

Performance		Average Annual Total Return (%) Through 12/31/16					JUL-DEC 2016		1-YR	3-YR			
5-YR	10-YR	15-YR	20-YR	25-YR	30-YR	SINCE INCEPTION (11/26/86)	RVT (NAV)	17.21	26.79	5.50	12.70	5.81	8.26
9.81	10.73	10.58	10.55	<sup>1</sup> Not Annualized									

**Market Price Performance History Since Inception (11/26/86)** Cumulative Performance of Investment through 12/31/161

1

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** with the center 75% of fund holdings plotted as the **Morningstar Ownership Zone**. The Morningstar Style Box is designed to reveal a fund's investment strategy. The Morningstar Ownership Zone provides detail about a portfolio's investment style by showing the range of stock sizes and styles. The Ownership Zone is derived by plotting each stock in the portfolio within the proprietary Morningstar Style Box. Over time, the shape and location of a fund's ownership zone may vary. See page 61 for additional information.

**Top 10 Positions** % of Net Assets

HEICO Corporation	1.3	Coherent	1.2	Quaker Chemical	1.1	Cognex Corporation	1.0	Ash Grove Cement Cl. B	1.0	Copart	0.9	E-L Financial	0.9	RBC Bearings	0.9	FLIR Systems	0.9	Sun Hydraulics	0.9
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**Portfolio Sector Breakdown** % of Net Assets

Industrials	29.2	Information Technology	16.8	Financials	14.9	Consumer Discretionary	10.3	Materials	7.3	Energy	5.2	Health Care	4.2	Real Estate	2.8	Consumer Staples	2.2	Telecommunication Services	0.5	Utilities	0.1	Miscellaneous	4.3	Cash and Cash Equivalents, Net of Outstanding Line of Credit	2.2
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**Calendar Year Total Returns (%)**

YEAR	RVT	2016	26.8	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
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## Edgar Filing: ROYCE VALUE TRUST INC - Form N-CSR

**Portfolio Diagnostics** Fund Net Assets \$1,296 million Number of Holdings 424 Turnover Rate 28% Net Asset Value \$15.84 Market Price \$13.39 Average Market Capitalization<sup>1</sup> \$1,477 million Weighted Average P/E Ratio<sup>2,3</sup> 20.3x Weighted Average P/B Ratio<sup>2</sup> 2.1x Active Share<sup>4</sup> 89% U.S. Investments (% of Net Assets) 82.6% Non-U.S. Investments (% of Net Assets) 15.2%

<sup>1</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>2</sup> **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. <sup>3</sup> The Fund's P/E ratio calculation excludes companies with zero or negative earnings (17% of portfolio holdings as of 12/31/16). <sup>4</sup> **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 Value Trust at 12/31/16 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 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 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.

## 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.

HISTORY	AMOUNT INVESTED	PURCHASE PRICE <sup>1</sup>	SHARES	NAV VALUE <sup>2</sup>	MARKET VALUE <sup>2</sup>	Royce
<b>Global Value Trust</b>						
		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 9,101
7,696	12/9/16 Distribution \$0.14	7.940	18			<b>12/31/16 \$ 8,975 1,051 \$ 10,111 \$ 8,446</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	12/7/95 Distribution \$0.36	7.500	58	11,264 10,136 12/6/96 Distribution \$0.80
7.625	133	13,132	11,550	12/5/97 Distribution \$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 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
41,788	2005 Annual distribution total \$1.85	13.848	383	41,969	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 45,802
2008 Annual distribution total \$1.193	8.237	578	28,205	24,807	3/11/09 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
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	86,071	76,507	2015 Annual distribution total \$1.26	7.974	1,256 75,987 64,222
2016 Annual distribution total \$0.64	7.513	779		<b>12/31/16 \$ 8,900</b>	<b>9,625</b>	<b>\$ 92,689 \$ 78,540</b>

<sup>1</sup> The purchase price used for annual distribution totals is a weighted average of the distribution reinvestment prices for the year. <sup>2</sup> Values are stated as of December 31 of the year indicated, after reinvestment of distributions, other than for initial purchase. <sup>3</sup> 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
<b>Value Trust</b>		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	46,814	1998	Annual distribution total \$1.54 14.311
347	54,313 47,506 1999	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	81,478 73,994 2002	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	139,094 2005
total	\$1.61 18.739	604	139,808	148,773	2006	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
distribution total	\$1.723 12.307	1,294	95,415	85,435	3/11/09	Distribution \$0.323 6.071 537
137,966	115,669 12/2/10	Distribution \$0.03	13.850	23	179,730	156,203 2011
total	\$0.783 13.043	656	161,638	139,866	2012	Annual distribution total \$0.80 13.063 714
186,540	162,556 2013	Annual distribution total \$2.194	16.647	1,658	250,219	220,474 2014
distribution total	\$1.82 14.840	1,757	252,175	222,516	2015	Annual distribution total \$1.24 12.725
1,565	231,781 201,185 2016	Annual distribution total \$1.02	12.334	1,460		<b>12/31/16 \$</b>
<b>21,922</b>	<b>18,533</b>	<b>\$ 293,880</b>	<b>\$ 248,425</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.



## 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 your 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, 2016. **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, 2016. 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, 2016

**Schedule of Investments** Common Stocks 101.7% **SHARES** **VALUE** **AUSTRALIA** **2.2%**

ALS

88,176 \$ 383,315

Austal

95,500 119,804

Cochlear

5,000 441,394

Imdex 1

130,600 54,101

IPH

140,000 516,390



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NetComm Wireless 1

26,700 41,279

Seeing Machines 1

1,676,800 87,782

Spotless Group Holdings

500,000 356,515

TFS Corporation

137,045 164,100 **Total (Cost \$2,157,377)** 2,164,680 **AUSTRIA 0.9%**

Mayr-Melnhof Karton

8,000 847,939

UBM Development

1,800 58,731 **Total (Cost \$994,664)** 906,670 **BELGIUM 0.1%**

Barco

1,100 **92,599 Total (Cost \$91,797)** 92,599 **BERMUDA 1.3%**

**Lazard Cl. A**

32,600 **1,339,534 Total (Cost \$1,010,334)** 1,339,534 **BRAZIL 1.8%**

Brasil Brokers Participacoes 1

205,000 100,087

CETIP - Mercados Organizados

35,000 478,665

Minerva 1

52,500 195,952

OdontoPrev

200,000 774,704

T4F Entretenimento

61,100 105,090

TOTVS

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23,000	169,042	<b>Total (Cost \$1,884,557)</b>	<b>1,823,540</b>	<b>CANADA</b>	<b>8.4%</b>
Agnico Eagle Mines 2					
5,000	210,000				
AGT Food and Ingredients					
5,200	141,904				
Altus Group					
5,900	136,047				
Cameco Corporation 2					
24,500	256,515				
Canaccord Genuity Group 1					
92,000	326,846				
Canfor Corporation 1					
18,900	214,950				
Computer Modelling Group					
108,000	732,790				
Dream Global Real Estate Investment Trust					
14,700	103,463				
Dundee Corporation Cl. A 1					
80,000	354,523				
E-L Financial					
1,200	652,441				
Exco Technologies					
23,500	188,679				
FirstService Corporation					
10,300	489,044				
Franco-Nevada Corporation 2,3					
10,200	609,552				

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Genworth MI Canada

13,000 325,908

Gluskin Sheff + Associates

23,000 298,752

Magellan Aerospace

19,400 259,794

Major Drilling Group International 1

110,500 577,746

Morneau Shepell

35,000 500,242

Pan American Silver 2

31,800 479,226

Questor Technology 1

90,600 47,910

RDM Corporation

30,400 108,681

Sandstorm Gold 1

29,400 114,660

Solium Capital 1

24,800 155,895

Sprott

280,600 524,564

Western Forest Products

123,100 173,283

Winpak

13,500 456,686 **Total (Cost \$10,238,840)** 8,440,101 **CHINA 0.9%**

China Communications Services

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134,500 85,598

Haichang Ocean Park Holdings 1

321,000 75,586

TravelSky Technology

310,000 649,062

Xtep International Holdings

191,600 80,093 **Total (Cost \$655,485)** **890,339** **CYPRUS** **0.3%**

Globaltrans Investment GDR

42,000 **265,818** **Total (Cost \$212,014)** **265,818** **DENMARK** **2.0%**

Chr. Hansen Holding

9,000 497,840

Coloplast Cl. B

7,000 471,046

SimCorp

14,000 681,612

Zealand Pharma 1

24,000 361,360 **Total (Cost \$1,846,468)** **2,011,858** **FINLAND** **0.1%**

BasWare 1

1,600 **61,114** **Total (Cost \$80,466)** **61,114** **FRANCE** **4.3%**

Chargeurs

4,400 73,894

Groupe Crit

700 50,095

HighCo

16,200 109,621

Interparfums

15,000 432,539

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Manutan International

900 66,025

Neurones

22,250 524,266

Rothschild & Co

33,000 892,439

Thermador Groupe

10,500 922,863

Vetoquinol

10,000 479,013

Virbac 1

4,500 790,977 **Total (Cost \$3,996,446)** 4,341,732 **GEORGIA 0.1%**

BGEO Group

2,200 **81,052** **Total (Cost \$63,649)** 81,052 **GERMANY 4.6%**

ADLER Real Estate 1

9,400 143,323

Allgeier

3,700 67,090

Bertrandt

2,500 254,107

CANCOM

3,700 174,573

Carl Zeiss Meditec

17,500 644,746

CompuGroup Medical

12,500 512,412

Fielmann

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10,000 659,347

HolidayCheck Group 1

25,100 62,009

KWS Saat

2,500 741,903

MorphoSys 1

6,000 307,301

msg life 1

22,100 67,409

mutares

5,000 60,074

PNE Wind

56,600 129,909

STRATEC Biomedical

15,000 722,193

VIB Vermoegen

4,900 101,329 **Total (Cost \$4,609,813)** 4,647,725

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2016 Annual Report to Stockholders | 15

## Royce Global Value Trust

Schedule of Investments (continued)	SHARES	VALUE	GREECE	0.2%
<p>Agean Marine Petroleum Network</p> <p>5,000 \$ 50,750</p> <p>Hellenic Exchanges - Athens Stock Exchange</p> <p>28,000 144,119 <b>Total (Cost \$184,327)</b></p> <p>Anxin-China Holdings 1,4</p> <p>2,500,000 9,349</p> <p>China Metal International Holdings</p> <p>430,000 135,545</p> <p>First Pacific</p> <p>180,000 125,721</p> <p>HKBN</p> <p>126,000 137,857</p> <p>I.T</p> <p>365,800 145,323</p> <p>Oriental Watch Holdings</p> <p>465,900 89,778</p> <p>Pico Far East Holdings</p> <p>470,500 144,244</p> <p>Television Broadcasts</p> <p>54,000 177,557</p> <p><b>Value Partners Group</b></p> <p>1,325,000 1,054,025</p> <p>VST Holdings</p> <p>232,400 81,231 <b>Total (Cost \$2,646,499)</b></p>	<p>194,869</p> <p>HONG KONG</p> <p>2.1%</p>			
			INDIA	1.6%

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Bajaj Finance

77,500 963,017

IIFL Holdings

18,500 70,558

Kewal Kiran Clothing

6,500 170,393

Quess Corporation 1

7,200 69,481

SH Kelkar & Company

72,000 326,883 **Total (Cost \$1,290,842)** 1,600,332 **INDONESIA 0.6%**

Selamat Sempurna

8,000,000 **580,455 Total (Cost \$716,411)** 580,455 **IRELAND 0.7%**

Ardmore Shipping 2

12,300 91,020

Irish Continental Group

43,700 206,824

Irish Residential Properties REIT

148,481 182,800

Keywords Studios

37,500 244,408 **Total (Cost \$629,762)** 725,052 **ISRAEL 0.3%**

Nova Measuring Instruments 1,2

12,400 162,936

Sapiens International

5,300 76,002

Sarine Technologies

86,800 107,821 **Total (Cost \$304,789)** 346,759 **ITALY 0.8%**

Banca Sistema



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72,800	168,493				
DiaSorin					
11,000	651,183	<b>Total (Cost \$697,808)</b>	<b>819,676</b>	<b>JAPAN</b>	<b>9.7%</b>
Ai Holdings					
27,500	546,017				
BML					
2,600	61,867				
C. Uyemura & Co.					
1,300	56,632				
EM Systems					
4,500	61,855				
en-japan					
3,100	55,247				
GCA					
8,900	62,487				
G-Tekt					
3,100	59,979				
Horiba					
16,000	738,921				
Inabata & Co.					
6,500	71,471				
Itochu Techno-Solutions					
2,300	59,738				
Kakaku.com					
3,200	52,907				
Kenedix					
16,900	59,954				

Kenko Mayonnaise

2,300 64,891

Kintetsu World Express

4,000 55,339

Leopalace21

10,600 58,496

Mandom Corporation

1,600 68,892

Maruwa Unyu Kikan

1,900 46,949

**Meitec Corporation**

36,600 1,398,814

Miraca Holdings

1,400 62,703

MISUMI Group

50,800 833,715

Nabtesco

2,400 55,717

Nifco

1,300 68,427

Nihon Kohden

27,500 606,863

NS Solutions

3,800 68,173

Obara Group

1,300 57,888

Open House

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2,900	68,882
Outsourcing	
2,200	68,404
Pressance	
3,700	45,881
Relo Group	
5,900	842,512
Ryobi	
16,100	63,085
Sangetsu	
3,600	62,299
Santen Pharmaceutical	
80,000	976,999
Shimano	
3,500	547,831
SPARX Group	
55,100	106,752
Sugi Holdings	
6,000	284,313
Sun Frontier Fudousan	
7,300	64,216
Takara Leben	
9,400	54,679
Tokai Corporation	
1,800	61,251
Tokai Tokyo Financial Holdings	
11,000	58,355

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Trancom

1,200 58,641

**USS**

62,500 993,607 **Total (Cost \$8,526,307)** 9,691,649 **MEXICO 0.4%**

Bolsa Mexicana de Valores

250,000 328,756

Rassini

23,400 88,037 **Total (Cost \$559,325)** 416,793 **NETHERLANDS 0.1%**

Constellium Cl. A 1

15,600 **92,040 Total (Cost \$77,927)** 92,040 **NEW ZEALAND 0.7%**

Fisher & Paykel Healthcare

100,891 595,472

New Zealand Refining

43,100 77,809 **Total (Cost \$643,367)** 673,281 **NORWAY 1.1%**

Nordic Semiconductor 1

28,300 115,044

NRC Group 1

8,800 69,307

TGS-NOPEC Geophysical

42,200 935,894 **Total (Cost \$968,480)** 1,120,245 **PHILIPPINES 0.2%**

Integrated Micro-Electronics

756,900 92,331

Universal Robina

22,500 73,884 **Total (Cost \$155,675)** 166,215 **POLAND 0.3%**

Warsaw Stock Exchange



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AcadeMedia 1

18,200 99,657

Addtech Cl. B

53,960 843,812

Bravida Holding

100,000 605,362

Byggmax Group

16,600 114,630

Dustin Group

27,500 192,951

Hoist Finance

8,000 74,317

Knowit

6,200 61,069

Proact IT Group

7,600 121,784 **Total (Cost \$2,060,081)** 2,113,582 **SWITZERLAND 4.3%**

**Burckhardt Compression Holding**

4,000 1,051,796

dormakaba Holding

800 594,793

LEM Holding

700 654,463

Partners Group Holding

1,600 748,809

**VZ Holding**

4,300 1,290,092 **Total (Cost \$3,696,122)** 4,339,953 **TAIWAN 1.1%**

Chipbond Technology

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50,700	71,996		
Egis Technology 1			
11,600	94,978		
Flytech Technology			
32,780	95,483		
Gourmet Master			
8,500	64,445		
Posiflex Technology			
12,804	70,133		
Realtek Semiconductor			
28,800	90,559		
Shih Her Technologies			
85,600	79,131		
Sitronix Technology			
32,100	101,724		
Sporton International			
26,997	142,744		
Taiwan Paiho			
38,700	113,931		
TCI			
26,800	136,103		
<b>Total (Cost \$1,162,767)</b>			
<b>1,061,227</b>		<b>TURKEY</b>	<b>0.1%</b>
Tat Gida Sanayi			
74,700	<b>121,245</b>	<b>Total (Cost \$148,678)</b>	<b>121,245 UNITED KINGDOM 13.0%</b>
Abcam			
30,000	283,379		

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Ashmore Group

274,000 956,076

AVEVA Group

17,500 403,291

Avon Rubber

8,700 111,454

Berendsen

50,000 534,116

BrainJuicer Group

9,400 63,686

Character Group

11,400 71,657

**Clarkson**

41,300 1,105,920

Computacenter

15,600 152,921

Connect Group

68,500 128,828

Consort Medical

64,800 845,439

Conviviality

75,500 200,051

Diploma

30,000 384,035

dotdigital group

206,200 146,117

Elementis



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175,000 596,748

Epwin Group

47,500 59,794

Equiniti Group

200,000 481,047

Exova Group

175,000 410,624

FDM Group Holdings

30,000 208,818

Ferroglobe

41,100 445,113

Ferroglobe (Warranty Insurance Trust) 1,4

41,100 0

Finsbury Food Group

76,000 112,377

Hilton Food Group

24,800 189,943

Inspired Energy

515,300 87,341

ITE Group

325,000 616,567

Jupiter Fund Management

36,000 196,172

Micro Focus International

6,100 163,644

Norcros

64,360 142,304

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Pendragon

258,000 99,053

Polypipe Group

60,000 239,163

Rank Group

31,500 75,673

Real Estate Investors

99,300 68,005

Rotork

160,000 473,134

Spirax-Sarco Engineering

18,000 924,418

Stallergenes Greer 1

10,800 351,022

Trifast

29,000 73,303

Vertu Motors

164,300 88,059

Victrex

40,000 948,070

Xaar

115,000 564,789 **Total (Cost \$15,103,056) 13,002,151 UNITED STATES 32.7%**

**Air Lease Cl. A**

30,700 1,053,931

Brooks Automation 2

18,100 308,967

Century Casinos 1

21,400 176,122

CIRCOR International

12,800 830,464

**Cognex Corporation**

17,100 1,087,902

Coherent 1

5,000 686,925

Commercial Metals

42,000 914,760

**Copart 1**

18,600 1,030,626

Diebold Nixdorf 2

28,800 724,320

Diodes 1

20,500 526,235

DST Systems

5,800 621,470

EnerSys 2,3

11,000 859,100

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2016 Annual Report to Stockholders | 17

**Royce Global Value Trust** December 31, 2016

<b>Schedule of Investments (continued)</b>	<b>SHARES</b>	<b>VALUE</b>	<b>UNITED STATES (continued)</b>
Expeditors International of Washington 2			
	13,300	\$ 704,368	
FLIR Systems 2			
	14,100	510,279	
Greif Cl. A 2			
	8,700	446,397	
Innospec 2,3			
	12,457	853,304	
Kadant			
	7,800	477,360	
<b>KBR 2,3</b>			
	73,400	1,225,046	
<b>Kirby Corporation 1,2,3</b>			
	32,900	2,187,850	
<b>Lindsay Corporation</b>			
	13,700	1,022,157	
Littelfuse			
	5,000	758,850	
<b>ManpowerGroup</b>			
	11,000	977,570	
MBIA 1			
	80,300	859,210	
<b>Nanometrics 1,2,3</b>			

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44,500 1,115,170

National Instruments 2

19,000 585,580

Oaktree Capital Group LLC Cl. A

10,400 390,000

Popular

13,100 574,042

**Quaker Chemical 2**

8,400 1,074,696

**Raven Industries**

50,000 1,260,000

Rogers Corporation 1,2

6,000 460,860

Schnitzer Steel Industries Cl. A 2

19,100 490,870

**SEACOR Holdings 1**

20,200 1,439,856

**SEI Investments 2**

40,600 2,004,016

Sensient Technologies 2,3

9,500 746,510

Standard Motor Products

11,200 596,064

Sun Hydraulics 2

15,139 605,106

Tennant Company 2

11,600 825,920

**Virtu Financial Cl. A**

74,300 1,185,085

World Fuel Services

12,000	550,920	<b>Total (Cost \$27,774,093)</b>	<b>32,747,908</b>	<b>TOTAL COMMON STOCKS</b>	<b>(Cost</b>
<b>\$98,353,705)</b>	<b>102,001,114</b>	<b>REPURCHASE AGREEMENT</b>	<b>6.8%</b>	Fixed Income Clearing Corporation, 0.03%	
		dated 12/30/16, due 1/3/17, maturity value \$6,790,023 (collateralized by obligations of various U.S. Government Agencies, 2.25%			
		due 11/15/24, valued at \$6,927,235) <b>(Cost \$6,790,000)</b>	<b>6,790,000</b>	<b>TOTAL INVESTMENTS</b>	<b>108.5%</b>
<b>\$105,143,705)</b>	<b>108,791,114</b>			<b>LIABILITIES LESS CASH AND OTHER ASSETS</b>	<b>(8.5%)</b>
					<b>(8,563,327 )</b>
		<b>NET ASSETS</b>	<b>100.0%</b>	<b>\$ 100,227,787</b>	

New additions in 2016. 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, 2016. Total market value of pledged securities at December 31, 2016, was \$13,345,249.

3

At December 31, 2016, a portion of these securities were rehypothecated in connection with the Fund s revolving credit agreement in the aggregate amount of \$5,535,180.

4

Securities for which market quotations are not readily available represent 0.0% of net assets. These securities have been valued at their fair value under procedures approved by the Fund s Board of Directors. These securities are defined as Level 3 securities due to the use of significant unobservable inputs in the determination of fair value. See Notes to Financial Statements.

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, 2016, market value.**

**TAX INFORMATION:**

The cost of total investments for Federal income tax purposes was \$105,661,885. At December 31, 2016, net unrealized appreciation for all securities was \$3,129,229, consisting of aggregate gross unrealized appreciation of \$12,156,709 and aggregate gross unrealized depreciation of \$9,027,480. The primary causes of the differences between book and tax basis cost are the timing of the recognition of losses on securities sold, investments in publicly traded partnerships and mark-to-market of Passive Foreign Investment Companies.









18 | 2016 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS****Royce Global Value Trust** December 31, 2016 **Statement of Assets and Liabilities**

<b>ASSETS:</b>	Investments at value	\$ 102,001,114	Repurchase agreements (at cost and value)	6,790,000	Cash and foreign currency	199,158	Receivable for investments sold	191,757	Receivable for dividends and interest	182,620		
	Prepaid expenses and other assets	32,564	<b>Total Assets</b>	<b>109,397,213</b>	<b>LIABILITIES:</b>	Revolving credit agreement	8,000,000	Payable for investments purchased	920,079	Payable for investment advisory fee	105,686	
	Payable for directors fees	7,170	Payable for interest expense	1,299	Accrued expenses	65,575	Deferred capital gains tax	69,617	<b>Total Liabilities</b>	<b>9,169,426</b>	<b>Net Assets</b>	<b>\$ 100,227,787</b>

**ANALYSIS OF NET ASSETS:**  
Paid-in capital - \$0.001 par value per share; 10,415,421 shares outstanding (150,000,000 shares authorized) \$ 117,477,118  
Undistributed net investment income (loss) (672,740 ) Accumulated net realized gain (loss) on investments and foreign currency (20,145,698 ) Net unrealized appreciation (depreciation) on investments and foreign currency 3,569,107 **Net Assets (net asset value per share - \$9.62) \$ 100,227,787**

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS** 2016 Annual Report to Stockholders | 19**Royce Global Value Trust** **Statement of Changes in Net Assets**

YEAR ENDED 12/31/16	YEAR ENDED 12/31/15	INVESTMENT OPERATIONS:	Net
investment income (loss)	\$ 651,129	\$ 985,324	Net realized gain (loss) on investments and foreign currency
(1,449,508 )	(11,820,601 )		Net change in unrealized appreciation (depreciation) on investments and foreign currency
10,740,946	7,399,963	<b>Net increase (decrease) in net assets from investment operations</b>	<b>9,942,567</b>
<b>(3,435,314 )</b>	<b>DISTRIBUTIONS:</b>	Net investment income	(1,435,789 )
		Return of capital	(12,497 )
		<b>Total distributions</b>	<b>(1,448,286 )</b>
<b>(1,029,597 )</b>	<b>CAPITAL STOCK TRANSACTIONS:</b>	Reinvestment of distributions	559,946
			353,733
<b>Total capital stock transactions</b>	<b>559,946</b>	<b>353,733</b>	<b>Net Increase (Decrease) In Net Assets</b>
			<b>9,054,227</b>
<b>NET ASSETS:</b>	<b>Beginning of year</b>	<b>91,173,560</b>	<b>95,284,738</b>
<b>investment income (loss) of \$(672,740) at 12/31/16 and \$(224,615) at 12/31/15</b>			<b>End of year (including undistributed net investment income (loss) of \$(672,740) at 12/31/16 and \$(224,615) at 12/31/15)</b>
			<b>\$ 100,227,787</b>
			<b>\$ 91,173,560</b>

20 | 2016 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS****Royce Global Value Trust** Year Ended December 31, 2016 **Statement of Operations**

<b>INVESTMENT INCOME:</b>	<b>INCOME:</b>	Dividends	\$ 2,444,670	Foreign withholding tax	(180,561 )	Interest	1,406
		Rehypothecation income	2,462	<b>Total income</b>	<b>2,267,977</b>	<b>EXPENSES:</b>	Investment advisory fees
		Interest expense	137,802	Custody and transfer agent fees	101,314	Stockholder reports	68,472
		Professional fees	37,193	Directors fees	27,769	Administrative and office facilities	23,307
		<b>Total expenses</b>	<b>1,616,889</b>	Compensating balance credits	(41 )	<b>Net expenses</b>	<b>1,616,848</b>
		<b>Net investment income (loss)</b>	<b>651,129</b>	<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:</b>		<b>NET REALIZED GAIN (LOSS):</b>	Investments
							(1,409,168 )
						<b>NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION):</b>	Investments and foreign currency
							translations
							10,791,065
							Other assets and liabilities denominated in foreign currency
							(50,119 )
							<b>Net realized and unrealized gain (loss) on investments and foreign currency</b>
							<b>9,291,438</b>
							<b>NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS</b>
							<b>\$ 9,942,567</b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS** 2016 Annual Report to Stockholders | 21**Royce Global Value Trust** Year Ended December 31, 2016 **Statement of Cash Flows**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	Net increase (decrease) in net assets from investment operations	\$ 9,942,567
	Adjustments to reconcile net increase (decrease) in net assets from investment operations to net cash provided by operating activities:	

Purchases of long-term investments

(57,799,439 )

Proceeds from sales and maturities of long-term investments

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63,325,760

Net purchases, sales and maturities of short-term investments

(5,087,000 )

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

(11,777 )

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

54,782

Net change in unrealized appreciation (depreciation) on investments

(10,791,065 )

Net realized gain (loss) on investments and foreign currency

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1,449,508 **Net cash provided by operating activities** **1,083,336** CASH FLOWS FROM FINANCING ACTIVITIES:  
 Net increase (decrease) in revolving credit agreement - Distributions (1,448,286) Reinvestment of distributions  
 559,946 **Net cash used for financing activities** **(888,340)** **INCREASE (DECREASE) IN CASH:** **194,996** **Cash**  
**and foreign currency at beginning of year** **4,162** **Cash and foreign currency at end of year** **\$ 199,158**

22 | 2016 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	12/31/16	12/31/15	12/31/14	12/31/13	Net Asset Value, Beginning		
of Period	\$ 8.81	\$ 9.25	\$ 10.05	\$ 9.78				
INVESTMENT OPERATIONS:								
income (loss)	0.06	0.10	0.13	(0.00)	Net investment			
	0.90	(0.43)	(0.77)	0.27	Net realized and unrealized gain (loss) on investments and foreign currency			
	(0.64)	0.27			<b>Net increase (decrease) in net assets from investment operations</b> <b>0.96</b> <b>(0.33)</b>			
DISTRIBUTIONS:								
					Net investment income (0.14) (0.10) (0.15)			
					<b>Total distributions</b> <b>(0.14)</b> <b>(0.10)</b>			
CAPITAL STOCK TRANSACTIONS:								
					Effect of reinvestment of distributions by Common			
Stockholders	(0.01)	(0.01)	(0.01)		<b>Total capital stock transactions</b> <b>(0.01)</b> <b>(0.01)</b> <b>(0.01)</b>			
<b>Net Asset Value, End of Period</b>	<b>\$ 9.62</b>	<b>\$ 8.81</b>	<b>\$ 9.25</b>	<b>\$ 10.05</b>	<b>Market Value, End of Period</b> <b>\$ 8.04</b> <b>\$ 7.45</b>			
<b>\$ 8.04</b>	<b>\$ 8.89</b>	TOTAL RETURN:2			Net Asset Value 11.12% (3.44)% (6.23)% 2.76%3			
Market Value	9.77%	(6.06)%	(7.86)%	(0.95)%3	RATIOS BASED ON AVERAGE NET ASSETS:			
	Investment advisory fee expense	1.25%	1.25%	1.25%	1.25%	Other operating expenses 0.46%		
0.43%	0.24%	0.37%	1.71%	1.68%	1.49%	1.62%4 Expenses excluding interest		
expense	1.57%	1.58%	1.49%	1.62%	1.71%		1.68%	
1.62%	Net investment income (loss)		0.69%	1.03%	1.30%	(0.13)%4		
	Net Assets End of Period (in thousands)				\$ 100,228	\$ 91,174	\$ 95,285	\$ 102,684
59%	65%	43%	7%	REVOLVING CREDIT AGREEMENT:				
1240%	Asset coverage per \$1,000		13,528	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 2016 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, 2016. For a detailed breakout of common stocks by country, please refer to the Schedule of Investments.

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	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>	<b>TOTAL</b>	Common Stocks	\$ 44,107,378	\$ 57,884,387	\$ 9,349
<b>\$ 102,001,114</b>	Cash Equivalents	6,790,000		<b>6,790,000</b>				
<b>Level 3 Reconciliation:</b>					<b>REALIZED AND UNREALIZED</b>		<b>BALANCE AS OF 12/31/15</b>	
	<b>PURCHASES</b>	<b>GAIN (LOSS)<sup>1</sup></b>	<b>BALANCE AS OF 12/31/16</b>	Common Stocks	\$18,710	\$0	\$(9,361)	
\$9,349	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.

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## Royce Global Value Trust **Notes to Financial Statements (continued)**

### 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, 2016 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.

### 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. Premiums 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

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other administrative expenses related to the Funds are allocated by Royce & Associates ( 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 70,522 and 48,927 shares of Common Stock as reinvestment of distributions for the years ended December 31, 2016 and December 31, 2015, respectively.



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## Royce Global Value Trust **Notes to Financial Statements (continued)**

### **Borrowings:**

The Fund is party to a revolving credit agreement (the credit agreement) with BNP Paribas Prime Brokerage International, Limited (BNPPI). 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 or as otherwise required by applicable regulatory standards and has granted a security interest in the securities pledged to, and in favor of, BNPPI 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 which may necessitate the sale of portfolio securities at potentially inopportune times. BNPPI may terminate the credit agreement upon certain ratings downgrades of its corporate parent, which would result in the Fund's entire loan balance becoming immediately due and payable. The occurrence of such ratings downgrades may necessitate the sale of portfolio securities at potentially inopportune times. The credit agreement also permits, subject to certain conditions, BNPPI 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 BNPPI on demand. If BNPPI fails to deliver the recalled security in a timely manner, the Fund is compensated by BNPPI for any fees or losses related to the failed delivery or, in the event a recalled security is not returned by BNPPI, the Fund, upon notice to BNPPI, may reduce the loan balance outstanding by the value of the recalled security failed to be returned. The Fund receives a portion of the fees earned by BNPPI in connection with the rehypothecation of portfolio securities.

As of December 31, 2016, the Fund has outstanding borrowings of \$8,000,000. During the year ended December 31, 2016, the Fund borrowed an average daily balance of \$8,000,000 at a weighted average borrowing cost of 1.69%. The maximum amount outstanding during the year ended December 31, 2016 was \$8,000,000. As of December 31, 2016, the aggregate value of rehypothecated securities was \$5,535,180. During the year ended December 31, 2016, the Fund earned \$2,462 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, 2016, the Fund expensed Royce investment advisory fees totaling \$1,180,559.

### **Purchases and Sales of Investment Securities:**

For the year ended December 31, 2016, the costs of purchases and proceeds from sales of investment securities, other than short-term securities, amounted to \$57,964,353 and \$62,888,734, 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 Royce 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, 2016, were as follows:

<b>COST OF PURCHASES</b>	<b>PROCEEDS FROM SALES</b>	<b>REALIZED GAIN (LOSS)</b>	<b>\$5,938,615</b>	<b>\$314,870</b>	<b>\$131,420</b>
--------------------------	----------------------------	-----------------------------	--------------------	------------------	------------------

### **Tax Information:**

Distributions during the years ended December 31, 2016 and 2015, were characterized as follows for tax purposes:

<b>ORDINARY INCOME</b>	<b>LONG-TERM CAPITAL GAINS</b>	<b>RETURN OF CAPITAL</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
------------------------	--------------------------------	--------------------------	-------------	-------------	-------------	-------------	-------------	-------------

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\$1,435,789 \$1,029,597 \$ \$ \$12,497 \$

The tax basis components of distributable earnings at December 31, 2016, were as follows:

		QUALIFIED LATE YEAR		UNDISTRIBUTED	UNDISTRIBUTED LONG-TERM
NET UNREALIZED	ORDINARY AND	TOTAL	CAPITAL LOSS	ORDINARY	CAPITAL GAINS OR
APPRECIATION	POST-OCTOBER LOSS	DISTRIBUTABLE	EARNINGS	CARRYFORWARD	INCOME (CAPITAL LOSS
CARRYFORWARD)	(DEPRECIATION) <sup>1</sup>	DEFERRALS <sup>2</sup>		UTILIZED	\$
\$3,050,927	\$(581,585)	\$(17,249,331)	\$941,067	1	\$(19,718,673)

Includes timing differences on foreign currency, investments in publicly traded partnerships, recognition of losses on securities sold 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.

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## Royce Global Value Trust **Notes to Financial Statements (continued)**

### **Tax Information (continued):**

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, 2016, the Fund recorded the following permanent reclassifications, which relate primarily to current investments in 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.

<b>UNDISTRIBUTED NET</b>	<b>ACCUMULATED NET</b>	<b>INVESTMENT INCOME</b>	<b>REALIZED GAIN (LOSS)</b>	<b>PAID-IN CAPITAL</b>
\$336,535	\$(336,535)	\$		

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years (2013-2016) and has concluded that as of December 31, 2016, no provision for income tax is required in the Fund's financial statements.

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## Royce Global Value Trust **Report of Independent Registered Public Accounting Firm**

### **To the Board of Directors and the 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 ) as of December 31, 2016, the results of its operations, the changes in its net assets, its cash flows and the financial highlights for each of the periods presented, 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 Fund s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audits, which included confirmation of securities as of December 31, 2016 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The financial highlights for each of the 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 22, 2017  
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## Royce Micro-Cap Trust December 31, 2016

**Schedule of Investments**      Common Stocks 100.1%      **SHARES**      **VALUE**      **CONSUMER**  
**DISCRETIONARY 14.2%**      AUTO COMPONENTS - 2.6%

Fox Factory Holding 1

5,300 \$ 147,075

LCI Industries 2, 3

17,700 1,907,175

Motorcar Parts of America 1

88,700 2,387,804

Sebang Global Battery

50,500 1,563,010

**Standard Motor Products**

60,160 3,201,715

Unique Fabricating

6,800 99,280      **9,306,059**      DISTRIBUTORS - 0.8%

Fenix Parts 1

422,300 1,190,886

Weyco Group

56,600 1,771,580      **2,962,466**      DIVERSIFIED CONSUMER SERVICES - 1.9%

American Public Education 1

73,200 1,797,060

Collectors Universe

116,100 2,464,803

Liberty Tax Cl. A

148,900 1,995,260

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Universal Technical Institute

270,000 785,700 **7,042,823** HOTELS, RESTAURANTS & LEISURE - 1.1%

Century Casinos 1

222,500 1,831,175

Lindblad Expeditions Holdings 1

234,000 2,211,300 **4,042,475** HOUSEHOLD DURABLES - 2.6%

Cavco Industries 1, 2, 3

19,291 1,926,206

Ethan Allen Interiors 2

45,200 1,665,620

Flexsteel Industries 2

14,400 888,048

iRobot Corporation 1, 2

15,000 876,750

Lifetime Brands 2, 3

124,294 2,206,219

Stanley Furniture

193,468 174,160

Universal Electronics 1

15,100 974,705

ZAGG 1

119,700 849,870 **9,561,578** INTERNET & DIRECT MARKETING RETAIL - 0.7%

FTD Companies 1

67,200 1,602,048

Gaia Cl. A 1, 2

100,000 865,000 **2,467,048** LEISURE PRODUCTS - 1.0%

American Outdoor Brands 2

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22,400 472,192

Black Diamond 1

194,926 1,042,854

Nautilus 1

111,200 2,057,200 **3,572,246** MEDIA - 0.5%

McClatchy Company (The) Cl. A 1

69,313 913,545

New Media Investment Group

66,200 1,058,538 **1,972,083** SPECIALTY RETAIL - 1.6%

AutoCanada

115,200 1,983,707

Destination Maternity

212,000 1,096,040

Haverty Furniture

30,000 711,000

Kirkland s 1

11,000 170,610

MarineMax 1

7,600 147,060

Shoe Carnival 2

21,028 567,335

Stage Stores 2

15,000 65,550

TravelCenters of America LLC 1

5,400 38,340

West Marine 1

86,000 900,420 **5,680,062** TEXTILES, APPAREL & LUXURY GOODS - 1.4%

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Crown Crafts

104,059 806,457

Culp

32,900 1,222,235

J.G. Boswell Company 4

2,490 1,523,880

YGM Trading

1,482,000	1,398,790	<b>4,951,362</b>	<b>Total (Cost \$48,324,100)</b>	<b>51,558,202</b>	<b>CONSUMER STAPLES</b>
<b>2.7%</b>	BEVERAGES - 0.2%				

Crimson Wine Group 1, 4

58,124 **543,460** FOOD PRODUCTS - 2.5%

Farmer Bros. 1, 2

61,000 2,238,700

John B. Sanfilippo & Son 2

17,800 1,252,942

Landec Corporation 1

75,610 1,043,418

**Seneca Foods Cl. A 1**

29,701 1,189,525

**Seneca Foods Cl. B 1**

40,400 1,696,800

SunOpta 1

207,981 1,466,266

Waterloo Investment Holdings 1, 5

806,207	241,862	<b>9,129,513</b>	<b>Total (Cost \$5,670,338)</b>	<b>9,672,973</b>	<b>ENERGY 5.7%</b>
ENERGY EQUIPMENT & SERVICES - 2.7%					

Aspen Aerogels 1

94,985 392,288



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Canadian Energy Services & Technology

25,000 142,629

CARBO Ceramics 1

34,000 355,640

Dawson Geophysical 1

73,654 592,178

**Era Group 1**

307,409 5,216,731

Geospace Technologies 1, 2

9,500 193,420

Matrix Service 1, 2

53,700 1,218,990

Newpark Resources 1

11,200 84,000

North American Energy Partners

50,000 192,500

Pioneer Energy Services 1, 2

57,500 393,875

TerraVest Capital

84,000 556,809

Tesco Corporation 1, 2, 3

58,000 478,500

**9,817,560**

OIL, GAS & CONSUMABLE FUELS - 3.0%

Ardmore Shipping

182,700 1,351,980

Cross Timbers Royalty Trust

67,631 1,215,329

Dorchester Minerals L.P.

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106,127	1,862,529				
Dorian LPG 1					
50,000	410,500				
Hugoton Royalty Trust					
287,574	611,095				
Panhandle Oil and Gas Cl. A					
5,500	129,525				
Permian Basin Royalty Trust					
176,333	1,359,528				
Sabine Royalty Trust					
59,548	2,093,112				
San Juan Basin Royalty Trust					
143,407	949,354				
StealthGas 1					
229,664	776,264	<b>10,759,216</b>	<b>Total (Cost \$20,040,644)</b>	<b>20,576,776</b>	<b>FINANCIALS 11.9%</b>
BANKS - 2.2%					
Bank of N.T. Butterfield & Son					
43,810	1,377,387				
Blue Hills Bancorp					
50,000	937,500				
Bryn Mawr Bank					
25,000	1,053,750				
Caribbean Investment Holdings 1					
735,647	86,128				
Chemung Financial					
31,000	1,126,850				
Fauquier Bankshares					

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133,200 2,151,180

Live Oak Bancshares

30,900 571,650

Peapack-Gladstone Financial

20,606 636,313 7,940,758

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**Royce Micro-Cap Trust Schedule of Investments (continued)****SHARES VALUE FINANCIALS (continued) CAPITAL MARKETS - 7.6%**

## ASA Gold and Precious Metals

171,150 \$ 1,889,496

## Cowen Group 1

25,000 387,500

## Diamond Hill Investment Group 2

4,479 942,292

## Dundee Corporation Cl. A 1

413,200 1,831,110

## EQT Holdings

43,150 544,826

## Fiera Capital Cl. A

78,000 742,442

## GAIN Capital Holdings

25,000 164,500

## INTL FCStone 1, 2

41,727 1,652,389

## JZ Capital Partners

209,999 1,311,854

## Manning &amp; Napier Cl. A

136,600 1,031,330

## Medley Management Cl. A

153,400 1,518,660

**MVC Capital 2**

360,300 3,091,374

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OHA Investment

154,620 267,493

Queen City Investments 4

948 1,232,400

Silvercrest Asset Management Group Cl. A

203,300 2,673,395

Sprott

1,414,533 2,644,381

U.S. Global Investors Cl. A

646,254 878,905

Urbana Corporation

237,600 504,346

**Value Line**

144,774 2,823,093

Warsaw Stock Exchange

52,900 504,752

Westwood Holdings Group 2

12,400 743,876

ZAIS Group Holdings Cl. A 1, 2

262,960 386,551 **27,766,965** CONSUMER FINANCE - 0.6%

EZCORP Cl. A 1, 2, 3

201,000 2,140,650

J.G. Wentworth Company Cl. A 1, 4

135,000 49,950 **2,190,600** DIVERSIFIED FINANCIAL SERVICES - 0.7%

Banca Finnat Euramerica

568,000 222,196

PICO Holdings 1, 2, 3

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147,100	2,228,565	<b>2,450,761</b>	INSURANCE - 0.8%		
Hallmark Financial Services 1, 2					
114,000	1,325,820				
State Auto Financial					
59,264	1,588,868	<b>2,914,688</b>	<b>Total (Cost \$47,276,681)</b>	<b>43,263,772</b>	<b>HEALTH CARE 13.4%</b>
	BIOTECHNOLOGY - 4.1%				
Abeona Therapeutics 1					
312,221	1,514,272				
Aquinox Pharmaceuticals 1, 2					
159,497	2,633,295				
ARIAD Pharmaceuticals 1, 2					
25,802	320,977				
BioCryst Pharmaceuticals 1					
144,000	911,520				
Invitae Corporation 1					
156,412	1,241,911				
Keryx Biopharmaceuticals 1					
117,725	689,868				
Kindred Biosciences 1					
148,000	629,000				
Knight Therapeutics 1					
187,000	1,495,833				
Progenics Pharmaceuticals 1					
6,500	56,160				
Sangamo BioSciences 1					
281,785	859,444				
Zafgen 1					

504,075 1,602,959

**Zealand Pharma 1**

199,700 3,006,813

**14,962,052**

HEALTH CARE EQUIPMENT & SUPPLIES - 4.9%

Analogic Corporation

18,200 1,509,690

**Atrion Corporation 2, 3**

6,914 3,506,781

Cerus Corporation 1, 2, 3

140,000 609,000

Derma Sciences 1

177,100 920,920

**Exactech 1, 2, 3**

112,300 3,065,790

Inogen 1

5,400 362,718

Invacare Corporation 2

44,300 578,115

STRATEC Biomedical

14,000 674,047

**Surmodics 1**

130,492 3,314,497

Syneron Medical 1

69,200 581,280

TearLab Corporation 1

85,000 43,358

Trinity Biotech ADR Cl. A 1

6,200 42,904

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Utah Medical Products

36,200 2,633,550 **17,842,650** HEALTH CARE PROVIDERS & SERVICES - 2.8%

Aceto Corporation

79,600 1,748,812

BioTelemetry 1

49,700 1,110,795

Cross Country Healthcare 1

157,100 2,452,331

Landauer

30,400 1,462,240

National Research Cl. A

40,033 760,627

PharMerica Corporation 1

40,000 1,006,000

Psychemedics Corporation

37,500 925,500

U.S. Physical Therapy

10,000 702,000 **10,168,305** HEALTH CARE TECHNOLOGY - 0.2%

Connecture 1

20,000 33,600

Vocera Communications 1

33,100 612,019 **645,619** PHARMACEUTICALS - 1.4%

Agile Therapeutics 1, 2

80,000 456,000

Alcobra 1

645,055 1,354,615

Lipocine 1



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355,404 1,307,887

Theravance Biopharma 1

66,009 2,104,367 **5,222,869** **Total (Cost \$36,000,489)** **48,841,495** **INDUSTRIALS 18.4%**  
 AEROSPACE & DEFENSE - 0.6%

Astronics Corporation 1

4,400 148,896

Astronics Corporation Cl. B 1, 4

660 22,209

CPI Aerostructures 1

9,500 87,875

FLYHT Aerospace Solutions 1

1,916,800 321,216

Innovative Solutions and Support 1

142,828 475,617

Mercury Systems 1

29,700 897,534

SIFCO Industries 1

45,800 350,370 **2,303,717** BUILDING PRODUCTS - 1.4%

Burnham Holdings Cl. A 4

117,000 1,842,750

DIRTT Environmental Solutions 1

171,000 798,548

Insteel Industries

44,200 1,575,288

Patrick Industries 1

11,500 877,450 **5,094,036** COMMERCIAL SERVICES & SUPPLIES - 2.2%

Atento 1

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246,001 1,869,607

CompX International Cl. A

107,500 1,730,750

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

241,677 3,794,329

Team 1, 2

17,500 686,875 **8,081,561** CONSTRUCTION & ENGINEERING - 2.3%

Ameresco Cl. A 1

261,900 1,440,450

**IES Holdings 1**

234,000 4,481,100

Layne Christensen 1, 2

50,000 543,500

Northwest Pipe 1

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58,400 1,005,648

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December 31, 2016

**Schedule of Investments (continued)**

<b>SHARES</b>	<b>VALUE</b>	<b>INDUSTRIALS (continued)</b>	<b>CONSTRUCTION &amp; ENGINEERING (continued)</b>
NV5 Global 1			
27,400	\$ 915,160	<b>8,385,858</b>	ELECTRICAL EQUIPMENT - 1.1%
Encore Wire 2			
4,100	177,735		
LSI Industries			
144,212	1,404,625		
Orion Energy Systems 1			
170,000	368,900		
Powell Industries			
21,400	834,600		
Power Solutions International 1, 2			
7,100	53,250		
Preformed Line Products			
20,743	1,205,583	<b>4,044,693</b>	INDUSTRIAL CONGLOMERATES - 0.8%
<b>Raven Industries 2</b>			
117,159	<b>2,952,407</b>	MACHINERY - 6.8%	
Chart Industries 1			
1,100	39,622		
CIRCOR International 2			
26,100	1,693,368		
Columbus McKinnon			
1,500	40,560		
Eastern Company (The)			
39,750	830,775		

Foster (L.B.) Company 2

99,300 1,350,480

FreightCar America

81,000 1,209,330

Graham Corporation 2, 3

78,050 1,728,807

Hurco Companies

36,866 1,220,264

**Kadant**

54,600 3,341,520

Lindsay Corporation

29,400 2,193,534

Luxfer Holdings ADR

59,712 650,264

Lydall 1

1,800 111,330

**NN**

50,300 958,215

Pfeiffer Vacuum Technology

6,000 560,622

**Sun Hydraulics**

86,900 3,473,393

Tennant Company

36,600 2,605,920

Titan International

237,600 2,663,496

Twin Disc 1

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5,300	77,380	<b>24,748,880</b>	MARINE - 0.6%
Clarkson			
74,500	<b>1,994,940</b>		PROFESSIONAL SERVICES - 1.5%
Acacia Research 1, 2			
190,000	1,235,000		
CBIZ 1			
47,000	643,900		
Franklin Covey 1			
40,100	808,015		
GP Strategies 1			
7,600	217,360		
Heidrick & Struggles International			
46,300	1,118,145		
Kforce 2			
4,700	108,570		
Resources Connection			
8,800	169,400		
RPX Corporation 1			
100,000	1,080,000	<b>5,380,390</b>	ROAD & RAIL - 0.6%
Marten Transport			
3,300	76,890		
Patriot Transportation Holding 1, 2			
29,460	686,418		
Universal Logistics Holdings 2			
77,600	1,268,760	<b>2,032,068</b>	TRADING COMPANIES & DISTRIBUTORS - 0.5%
Central Steel & Wire 4			
788	346,523		

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Houston Wire & Cable

249,918	1,624,467	<b>1,970,990</b>	<b>Total (Cost \$53,738,212)</b>	<b>66,989,540</b>	<b>INFORMATION</b>
<b>TECHNOLOGY 19.0% COMMUNICATIONS EQUIPMENT - 1.6%</b>					

ADTRAN

23,300	520,755
--------	---------

Applied Optoelectronics 1, 2

7,000	164,080
-------	---------

Bel Fuse Cl. A

67,705	1,713,614
--------	-----------

CalAmp Corporation 1

3,100	44,950
-------	--------

Clearfield 1

61,300	1,268,910
--------	-----------

Harmonic 1

147,000	735,000
---------	---------

Oclaro 1

123,600	1,106,220
---------	-----------

PCTEL

34,100	183,458
--------	---------

Sandvine Corporation

35,200	73,669	<b>5,810,656</b>	<b>ELECTRONIC EQUIPMENT, INSTRUMENTS &amp; COMPONENTS - 5.4%</b>
--------	--------	------------------	--

Agilysys 1

170,587	1,767,281
---------	-----------

ePlus 1

2,100	241,920
-------	---------

Fabrinet 1

2,200	88,660
-------	--------

**FARO Technologies 1, 2, 3**

81,700 2,941,200

HollySys Automation Technologies

62,900 1,152,328

Inficon Holding

3,420 1,232,788

LRAD Corporation

853,456 1,459,410

Mesa Laboratories 2, 3

22,700 2,786,425

Netlist 1

63,600 64,872

Novanta 1

37,600 789,600

**Orbotech 1, 2, 3**

102,800 3,434,548

PC Connection

43,716 1,227,983

Perceptron 1

8,500 56,440

Richardson Electronics

316,900 1,996,470

Rogers Corporation 1, 2

600 46,086

Vishay Precision Group 1

10,000 189,000

**19,475,011**

INTERNET SOFTWARE & SERVICES - 3.3%

Actua Corporation 1

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46,876	656,264		
Care.com 1, 2, 3			
207,587	1,779,020		
comScore 1			
81,905	2,586,560		
IZEA 1			
81,770	368,783		
QuinStreet 1			
525,550	1,976,068		
RealNetworks 1			
135,362	657,859		
Reis			
25,000	556,250		
Solium Capital 1			
215,400	1,354,021		
Stamps.com 1			
14,500	1,662,425		
Support.com 1			
316,800	272,448	<b>11,869,698</b>	IT SERVICES - 1.1%
Computer Task Group 2			
140,838	592,928		
Hackett Group (The)			
55,500	980,130		
Innodata 1			
437,275	1,071,324		
MoneyGram International 1			
102,003	1,204,655		



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Virtusa Corporation 1

8,100 203,472 **4,052,509** SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT - 4.2%

Amtech Systems 1, 2

160,284 681,207

Brooks Automation

129,100 2,203,737

CyberOptics Corporation 1

16,200 422,820

Daqo New Energy ADR 1

20,000 386,000

FormFactor 1

22,869 256,133

Intermolecular 1

240,000 227,520

IXYS Corporation

18,800 223,720

Kopin Corporation 1

242,200 687,848

Kulicke & Soffa Industries 1

88,000 1,403,600

MoSys 1, 2

684,275 157,452

Nanometrics 1

67,300 1,686,538

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2016 Annual Report to Stockholders | 31

## Royce Micro-Cap Trust

### Schedule of Investments (continued)

SHARES	VALUE	INFORMATION TECHNOLOGY (continued)	SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT (continued)
--------	-------	------------------------------------	---

Nova Measuring Instruments 1

128,400 \$ 1,687,176

PDF Solutions 1

25,000 563,750

Photronics 1

189,700 2,143,610

Sigma Designs 1

89,000 534,000

Silicon Motion Technology ADR

34,100 1,448,568

Ultra Clean Holdings 1

49,900 484,030

Xcerra Corporation 1

20,900 159,676 **15,357,385** SOFTWARE - 2.1%

American Software Cl. A

120,352 1,243,236

BSQUARE Corporation 1

83,675 489,499

Computer Modelling Group

337,700 2,291,325

Model N 1

166,693 1,475,233

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Monotype Imaging Holdings

15,000 297,750

PSI

34,000 436,258

Rubicon Project 1

92,200 684,124

SeaChange International 1

284,200 653,660  
1.3%

**7,571,085**

TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS -

**Intevac 1**

379,300 3,243,015

Kortek

135,007 1,555,879  
**6.2%** CHEMICALS - 1.8%

**4,798,894**

**Total (Cost \$62,002,414)**

**68,935,238**

**MATERIALS**

Balchem Corporation

11,775 988,158

FutureFuel Corporation

85,262 1,185,142

**Quaker Chemical 2**

26,000 3,326,440

Trecora Resources 1

89,600 1,240,960

**6,740,700**

CONSTRUCTION MATERIALS - 0.8%

Ash Grove Cement 4

7,900 2,054,000

Monarch Cement 4

16,303 745,862

U.S. Concrete 1

3,400 222,700

**3,022,562**

CONTAINERS & PACKAGING - 0.3%

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UFP Technologies 1

36,445    **927,525**                      METALS & MINING - 3.3%

Alamos Gold Cl. A

186,044    1,283,110

Ampco-Pittsburgh

79,002    1,323,283

Comstock Mining 1

1,875,000    493,125

Exeter Resource 1

1,195,400    895,235

Haynes International 2

25,000    1,074,750

Imdex 1

525,666    217,758

MAG Silver 1

74,050    816,772

**Major Drilling Group International 1**

706,757    3,695,255

Olympic Steel

35,000    848,050

Pretium Resources 1

80,000    662,570

Universal Stainless & Alloy Products 1

11,600    156,716

Victoria Gold 1

890,000	371,206	<b>11,837,830</b>	<b>Total (Cost \$16,417,272)</b>	<b>22,528,617</b>	<b>REAL ESTATE</b>
<b>3.7%</b>	EQUITY REAL ESTATE INVESTMENT TRUSTS (REITS) - 0.5%				

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BRT Realty Trust 1

230,331 **1,886,411** REAL ESTATE MANAGEMENT & DEVELOPMENT - 3.2%

AV Homes 1

82,000 1,295,600

Forestar Group 1, 2

53,000 704,900

FRP Holdings 1, 2, 3

58,300 2,197,910

Griffin Industrial Realty

43,384 1,376,574

Hopefluent Group Holdings

1,400,000 387,169

Marcus & Millichap 1

49,567 1,324,430

RMR Group Cl. A

37,100 1,465,450

**Tejon Ranch 1, 2, 3**

115,162 2,928,570 **11,680,603** **Total (Cost \$11,153,885)** **13,567,014**

**TELECOMMUNICATION SERVICES** 0.1% **DIVERSIFIED TELECOMMUNICATION SERVICES** - 0.1%

ORBCOMM 1

67,100 **554,917** **Total (Cost \$570,215)** **554,917** **UTILITIES** 0.1% **GAS UTILITIES** - 0.1%

Shizuoka Gas

40,000 **281,180** **INDEPENDENT POWER & RENEWABLE ELECTRICITY PRODUCER** - 0.0%

Alterra Power

45,000 **174,617** **Total (Cost \$467,214)** **455,797** **MISCELLANEOUS 6** 4.7% **Total (Cost**  
**\$15,686,815)** **17,027,717** **TOTAL COMMON STOCKS** **(Cost \$317,348,279)** **363,972,058**  
**PREFERRED STOCK** 0.3%

**Seneca Foods Conv. 1, 4**

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45,409	<b>1,089,816</b>	<b>(Cost \$578,719)</b>	<b>1,089,816</b>	<b>REPURCHASE AGREEMENT</b>	<b>11.9%</b>	Fixed
Income Clearing Corporation, 0.03% dated 12/30/16, due 1/3/17, maturity value						
\$43,472,145 (collateralized by obligations of various U.S. Government Agencies, 2.25%						
due 11/15/24, valued at \$44,344,237) <b>(Cost \$43,472,000)</b>						
			<b>43,472,000</b>	<b>TOTAL INVESTMENTS</b>	<b>112.3%</b>	
<b>(Cost \$361,398,998)</b>	<b>408,533,874</b>			<b>LIABILITIES LESS CASH AND OTHER ASSETS</b>	<b>(12.3)%</b>	
<b>(44,833,121 )</b>	<b>NET ASSETS</b>	<b>100.0%</b>	<b>\$ 363,700,753</b>			

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December 31, 2016

New additions in 2016. 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, 2016. Total market value of pledged securities at December 31, 2016, was \$71,014,926.

3

At December 31, 2016, a portion of these securities were rehypothecated in connection with the Fund's revolving credit agreement in the aggregate amount of \$39,021,909.

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 2016 and less than 1% of net assets.

**Bold indicates the Fund's 20 largest equity holdings in terms of December 31, 2016, market value.**

**TAX INFORMATION:** The cost of total investments for Federal income tax purposes was \$364,689,765. At December 31, 2016, net unrealized appreciation for all securities was \$43,844,109, consisting of aggregate gross unrealized appreciation of \$90,607,363 and aggregate gross unrealized depreciation of \$46,763,254. The primary causes of the differences between book and tax basis cost are 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 2016 Annual Report to Stockholders | 33

## Royce Micro-Cap Trust December 31, 2016

### Statement of Assets and Liabilities

ASSETS: Investments at value \$ 365,061,874 Repurchase agreements (at cost and value) 43,472,000 Cash and foreign currency 639 Receivable for investments sold 177,818 Receivable for dividends and interest 519,587 Prepaid expenses and other assets 22,771 **Total Assets 409,254,689** LIABILITIES: Revolving credit agreement 45,000,000 Payable for investments purchased 274,464 Payable for investment advisory fee 152,896 Payable for directors fees 23,341 Payable for interest expense 7,305 Accrued expenses 95,930 **Total Liabilities 45,553,936** **Net Assets \$ 363,700,753** ANALYSIS OF NET ASSETS: Paid-in capital -\$0.001 par value per share; 37,780,330 shares outstanding (150,000,000 shares authorized) \$ 317,416,636 Undistributed net investment income (loss) (1,987,430) Accumulated net realized gain (loss) on investments and foreign currency 1,138,148 Net unrealized appreciation (depreciation) on investments and foreign currency 47,133,399 **Net Assets (net asset value per share - \$9.63) \$ 363,700,753** Investments at identified cost \$ 317,926,998

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## Royce Micro-Cap Trust

### Statement of Changes in Net Assets

YEAR ENDED 12/31/16	YEAR ENDED 12/31/15	INVESTMENT OPERATIONS:	Net investment income
(loss) \$ 1,040,381	\$ 917,928	Net realized gain (loss) on investments and foreign currency	17,298,523 21,372,239
		Net change in unrealized appreciation (depreciation) on investments and foreign currency	46,017,634 (71,062,194)
		<b>Net increase (decrease) in net assets from investment operations</b>	<b>64,356,538 (48,772,027)</b>
		DISTRIBUTIONS:	
		Net investment income	(2,974,373) (399,672)
		Net realized gain on investments and foreign currency	(20,650,513)
		<b>Total distributions</b>	<b>(23,624,886) (43,919,979)</b>
		CAPITAL STOCK TRANSACTIONS:	
		Reinvestment of distributions	10,562,009 17,611,123
		<b>Total capital stock transactions</b>	<b>10,562,009 17,611,123</b>
		<b>Net Increase (Decrease) In Net Assets</b>	<b>51,293,661 (75,080,883)</b>
		NET ASSETS:	<b>Beginning of year</b>
			<b>312,407,092 387,487,975</b>

End of year (including undistributed net investment income (loss) of \$(1,987,430) at 12/31/16 and \$(116,177) at 12/31/15)





\$ 363,700,753 \$ 312,407,092

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2016 Annual Report to Stockholders | 35

## Royce Micro-Cap Trust Year Ended December 31, 2016

### Statement of Operations

**INVESTMENT INCOME:** INCOME: Dividends \$ 5,148,607 Foreign withholding tax (90,286 ) Interest 9,197  
 Rehypothecation income 52,529 **Total income 5,120,047** EXPENSES: Investment advisory fees 2,811,209  
 Interest expense 775,138 Stockholder reports 125,590 Directors fees 87,305 Administrative and office facilities  
 78,686 Custody and transfer agent fees 78,184 Professional fees 56,507 Other expenses 67,125 **Total  
 expenses 4,079,744** Compensating balance credits (78 ) **Net expenses 4,079,666 Net investment income (loss)  
 1,040,381** **REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:** NET  
**REALIZED GAIN (LOSS):** Investments 17,310,170 Foreign currency transactions (11,647 ) **NET CHANGE IN  
 UNREALIZED APPRECIATION (DEPRECIATION):** Investments and foreign currency translations 46,016,376 Other  
 assets and liabilities denominated in foreign currency 1,258 **Net realized and unrealized gain (loss) on investments and  
 foreign currency 63,316,157 NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS \$  
 64,356,538**

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## Royce Micro-Cap Trust Year Ended December 31, 2016

### Statement of Cash Flows

**CASH FLOWS FROM OPERATING ACTIVITIES:** Net increase (decrease) in net assets from investment operations \$  
 64,356,538 Adjustments to reconcile net increase (decrease) in net assets from investment operations to net cash provided by  
 operating activities:

Purchases of long-term investments

(89,262,035 )

Proceeds from sales and maturities of long-term investments

130,287,242

Net purchases, sales and maturities of short-term investments

(29,054,000 )

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

55,414

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

(54,868 )

Net change in unrealized appreciation (depreciation) on investments

(46,016,376 )

Net realized gain (loss) on investments and foreign currency

(17,298,523 ) **Net cash provided by operating activities** **13,013,392** CASH FLOWS FROM FINANCING ACTIVITIES:  
 Net increase (decrease) in revolving credit agreement Distributions (23,624,886 ) Reinvestment of distributions  
 10,562,009 **Net cash used for financing activities** **(13,062,877 )** **INCREASE (DECREASE) IN CASH:** **(49,485 )** **Cash**  
**and foreign currency at beginning of year** **50,124** **Cash and foreign currency at end of year** **\$ 639**  
**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS** 2016 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	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	Net Asset Value, Beginning of Period					
<b>\$ 8.59</b>	<b>\$ 11.33</b>	<b>\$ 14.12</b>	<b>\$ 10.93</b>	<b>\$ 9.86</b>	INVESTMENT OPERATIONS:				Net investment		
income (loss)	0.03	0.03	(0.01)	0.01	0.15						
Net realized and unrealized gain (loss) on investments and foreign currency						1.70	(1.42)	0.25	4.64	1.58	<b>Total</b>
<b>investment operations</b>	<b>1.73</b>	<b>(1.39)</b>	<b>0.24</b>	<b>4.65</b>	<b>1.73</b>	DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:					
Net investment income						(0.02)				Net realized gain on investments and foreign	
currency						(0.09)				<b>Total distributions to Preferred Stockholders</b>	
										<b>(0.11)</b>	

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

<b>1.73</b>	<b>(1.39)</b>	<b>0.24</b>	<b>4.65</b>	<b>1.62</b>	DISTRIBUTIONS TO COMMON STOCKHOLDERS:				Net			
investment income	(0.08)	(0.01)	(0.04)	(0.03)	(0.08)	Net realized gain on investments and foreign currency						
(0.56)	(1.25)	(2.86)	(1.35)	(0.43)	<b>Total distributions to Common Stockholders</b>				<b>(0.64)</b>	<b>(1.26)</b>	<b>(2.90)</b>	
<b>(1.38)</b>	<b>(0.51)</b>	CAPITAL STOCK TRANSACTIONS:				Effect of reinvestment of distributions by						
Common Stockholders	(0.05)	(0.09)	(0.13)	(0.08)	(0.04)	<b>Total capital stock transactions</b>				<b>(0.05)</b>	<b>(0.09)</b>	
<b>(0.13)</b>	<b>(0.08)</b>	<b>(0.04)</b>	<b>Net Asset Value, End of Period</b>				<b>\$ 9.63</b>	<b>\$ 8.59</b>	<b>\$ 11.33</b>	<b>\$ 14.12</b>	<b>\$ 10.93</b>	<b>Market</b>
<b>Value, End of Period</b>	<b>\$ 8.16</b>	<b>\$ 7.26</b>	<b>\$ 10.08</b>	<b>\$ 12.61</b>	<b>\$ 9.45</b>	TOTAL RETURN:1				Net		
Asset Value	21.98 %	(11.64) %	3.46 %	44.66 %	17.23 %	Market Value	22.30 %	(16.06) %	3.06 %	49.42 %		
%	13.95 %											

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

Investment advisory fee expense <sup>2</sup>	0.87 %	0.93 %	0.93 %	0.82 %	1.12 %	Other operating expenses				0.39 %	
0.35 %	0.25 %	0.29 %	0.18 %	Total expenses (net) <sup>3</sup>		1.26 %	1.28 %	1.18 %	1.11 %	1.30 %	Expenses net
of fee waivers and excluding interest expense						1.02 %	1.08 %	1.05 %	0.96 %	1.27 %	Expenses prior to fee waivers
and balance credits						1.26 %	1.28 %	1.18 %	1.11 %	1.32 %	Expenses prior to fee waivers
						1.26 %	1.28 %				
1.18 %	1.11 %	1.32 %	Net investment income (loss)		0.32 %	0.26 %	(0.09) %	0.08 %	1.46 %		

### SUPPLEMENTAL DATA:

Net Assets Applicable to Common Stockholders, End of Period  
(in thousands)

\$ 363,701	\$ 312,407	\$ 387,488	\$ 433,121	\$ 318,545	Portfolio Turnover Rate	26 %	39 %	41 %	29 %
28 %	REVOLVING CREDIT AGREEMENT:				Asset coverage	908 %	794 %	746 %	1062 %
808 %	Asset coverage per \$1,000	\$ 9,082	\$ 7,942	\$ 7,458	\$ 10,625	\$ 8,079			

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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 ratio based on total average net assets including liquidation value of Preferred Stock was 1.10% for the year ended December 31, 2012.

## 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 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

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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, 2016. For a detailed breakout of common stocks by sector classification, please refer to the Schedule of Investments.

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL			
\$241,862	<b>\$363,972,058</b>	Preferred Stocks	1,089,816	<b>1,089,816</b>	Common Stocks	\$339,476,282	\$24,253,914
<b>43,472,000</b>					Cash Equivalents		43,472,000

Certain securities have transferred in and out of Level 1 and Level 2 measurements during the reporting period. The Fund recognizes transfers between levels as of the end of the reporting period. For the year ended December 31, 2016, securities valued at \$594,776 were transferred from Level 1 to Level 2 within the fair value hierarchy.

## Royce Micro-Cap Trust

### Notes to Financial Statements (continued)

#### VALUATION OF INVESTMENTS (continued):

Level 3 Reconciliation:	REALIZED AND UNREALIZED			BALANCE AS OF 12/31/15	GAIN (LOSS) <sup>1</sup>
<b>BALANCE AS OF 12/31/16</b>	Common Stocks	\$225,738	\$16,124	\$241,862	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 <sup>1</sup>	12/31/16	VALUATION TECHNIQUE(S)	UNOBSERVABLE
Balance Sheet Analysis	Liquidity Discount	30%-40%	Common Stocks Decrease 1	\$241,862	Discounted Present Value

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, 2016 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:

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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 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. Premiums 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 ( 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 1,405,544 and 2,189,322 shares of Common Stock as reinvestment of distributions for the years ended December 31, 2016 and December 31, 2015, respectively.

#### Borrowings:

The Fund is party to a revolving credit agreement (the credit agreement) with BNP Paribas Prime Brokerage International, Limited (BNPPI). 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 or as otherwise required by applicable regulatory standards and has granted a security interest in the securities pledged to, and in favor of, BNPPI 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 which may necessitate the sale of portfolio securities at potentially inopportune times. BNPPI may terminate the credit agreement upon certain ratings downgrades of its corporate parent, which would result in the Fund's entire loan balance becoming immediately due and payable. The occurrence of such ratings downgrades may necessitate the sale of portfolio securities at potentially inopportune times. The credit agreement also permits, subject to certain conditions, BNPPI 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 BNPPI on demand. If BNPPI fails to deliver the recalled security in a timely manner, the Fund is compensated by BNPPI for any fees or losses related to the failed delivery or, in the event a recalled security is not returned by BNPPI, the Fund, upon notice to BNPPI, may reduce the loan balance outstanding by the value of the recalled security failed to be returned. The Fund receives a portion of the fees earned by BNPPI in connection with the rehypothecation of portfolio securities.

As of December 31, 2016, the Fund has outstanding borrowings of \$45,000,000. During the year ended December 31, 2016, the Fund borrowed an average daily balance of \$45,000,000 at a weighted average borrowing cost of 1.69%. The maximum amount

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outstanding during the year ended December 31, 2016 was \$45,000,000. As of December 31, 2016, the aggregate value of rehypothecated securities was \$39,021,909. During the year ended December 31, 2016, the Fund earned \$52,529 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.

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## Royce Micro-Cap Trust

### Notes to Financial Statements (continued)

#### Investment Advisory Agreement (continued):

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 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 2016, the Fund's investment performance ranged from 2% to 14% below the investment performance of the Russell 2000. Accordingly, the net investment advisory fee consisted of a Basic Fee of \$3,761,473 and a net downward adjustment of \$950,264 for the performance of the Fund relative to that of the Russell 2000. For the year ended December 31, 2016, the Fund expensed Royce investment advisory fees totaling \$2,811,209.

#### Purchases and Sales of Investment Securities:

For the year ended December 31, 2016, the costs of purchases and proceeds from sales of investment securities, other than short-term securities, amounted to \$87,234,808 and \$125,680,183, 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 Royce 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, 2016, were as follows:

<b>COST OF PURCHASES</b>	<b>PROCEEDS FROM SALES</b>	<b>REALIZED GAIN (LOSS)</b>	\$6,527,654	\$1,716,500	\$683,950
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#### Tax Information:

Distributions during the years ended December 31, 2016 and 2015, were characterized as follows for tax purposes:

<b>ORDINARY INCOME</b>	<b>LONG-TERM CAPITAL GAINS</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	\$5,291,974	\$7,501,533	\$18,332,912
\$36,418,446								

The tax basis components of distributable earnings at December 31, 2016, were as follows:

<b>QUALIFIED LATE YEAR</b>	<b>UNDISTRIBUTED</b>	<b>UNDISTRIBUTED LONG-TERM</b>	<b>NET UNREALIZED</b>	<b>ORDINARY AND</b>
<b>TOTAL ORDINARY</b>	<b>CAPITAL GAINS OR</b>	<b>APPRECIATION</b>	<b>POST-OCTOBER</b>	<b>DISTRIBUTABLE INCOME</b>
<b>CARRYFORWARD)</b>	<b>(DEPRECIATION) 1</b>	<b>DEFERRALS 2</b>	<b>EARNINGS</b>	<b>(CAPITAL LOSS</b>
\$46,284,117	1		\$2,106,421	\$981,595
				\$43,842,633
				\$(646,532)

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

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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, 2016, the Fund recorded the following permanent reclassifications, which relate primarily to current investments in publicly traded partnerships and Trusts, foreign currency transactions, investments in Real Estate Investment Trusts 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>	<b>\$62,740</b>
\$(62,740)	\$				

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years (2013-2016) and has concluded that as of December 31, 2016, 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 the 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 ) as of December 31, 2016, the results of its operations, the changes in its net assets, its cash flows and the financial highlights for each of the periods presented, 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 Fund s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audits, which included confirmation of securities as of December 31, 2016 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The financial highlights for each of the 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 22, 2017

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## Royce Value Trust

<b>Schedule of Investments</b>	<b>Common Stocks</b>	<b>97.8%</b>	<b>SHARES</b>	<b>VALUE</b>	<b>CONSUMER DISCRETIONARY</b>
<b>10.3%</b>	<b>AUTO COMPONENTS</b>	<b>- 1.5%</b>			
Cooper Tire & Rubber					
64,500	\$ 2,505,825				
Gentex Corporation					
290,470	5,719,354				
LCI Industries					
61,616	6,639,124				
Motorcar Parts of America 1					
27,100	729,532				
Sebang Global Battery					
28,500	882,095				
Standard Motor Products					
50,391	2,681,809	<b>19,157,739</b>		<b>AUTOMOBILES</b>	<b>- 0.8%</b>
<b>Thor Industries 2</b>					
106,410	<b>10,646,320</b>			<b>DISTRIBUTORS</b>	<b>- 1.1%</b>
<b>Core-Mark Holding Company</b>					
245,400	10,569,378				
Fenix Parts 1					
255,000	719,100				
Weyco Group					
97,992	3,067,150	<b>14,355,628</b>		<b>DIVERSIFIED CONSUMER SERVICES</b>	<b>- 0.6%</b>
American Public Education 1					
42,400	1,040,920				
Collectors Universe					

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50,000	1,061,500		
DeVry Education Group			
52,054	1,624,085		
H&R Block			
8,000	183,920		
Liberty Tax Cl. A			
141,573	1,897,078		
Lincoln Educational Services 1			
430,600	826,752		
Universal Technical Institute			
504,032	1,466,733	<b>8,100,988</b>	HOTELS, RESTAURANTS & LEISURE - 0.3%
Century Casinos 1			
222,360	1,830,023		
Lindblad Expeditions Holdings 1			
178,300	1,684,935	<b>3,514,958</b>	HOUSEHOLD DURABLES - 1.6%
Cavco Industries 1			
14,700	1,467,795		
Ethan Allen Interiors			
231,000	8,512,350		
Flexsteel Industries			
12,400	764,708		
Mohawk Industries 1, 2			
22,400	4,472,832		
Natuzzi ADR 1			
2,096,300	4,737,638		
Samson Holding			
2,500,000	180,527		

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Stanley Furniture 3

912,235	821,194	<b>20,957,044</b>	LEISURE PRODUCTS - 0.7%
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Nautilus 1

488,700	<b>9,040,950</b>	MEDIA - 0.5%	
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E.W. Scripps Company Cl. A 1

67,660	1,307,868		
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Global Eagle Entertainment 1

7,700	49,742		
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New Media Investment Group

60,100	960,999		
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Pico Far East Holdings

3,484,400	1,068,233		
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T4F Entretenimento

200,000	343,995		
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Technicolor

120,000	649,107		
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Wiley (John) & Sons Cl. A

46,500	2,534,250	<b>6,914,194</b>	MULTILINE RETAIL - 0.0%
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New World Department Store China 1

1,447,500	<b>186,343</b>	SPECIALTY RETAIL - 1.9%	
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Barnes & Noble

26,000	289,900		
--------	---------	--	--

Buckle (The) 2

122,415	2,791,062		
---------	-----------	--	--

Byggmax Group

70,000	483,381		
--------	---------	--	--

Caleres



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107,800	3,537,996		
Container Store Group (The) 1			
158,200	1,004,570		
Destination Maternity			
557,967	2,884,689		
Genesco 1			
26,155	1,624,226		
Haverty Furniture			
23,700	561,690		
I.T			
827,000	328,545		
Monro Muffler Brake			
161,500	9,237,800		
Oriental Watch Holdings			
967,900	186,513		
TravelCenters of America LLC 1			
62,500	443,750		
West Marine 1			
131,100	1,372,617	<b>24,746,739</b>	TEXTILES, APPAREL & LUXURY GOODS - 1.3%
Crown Crafts			
94,441	731,918		
Culp			
29,400	1,092,210		
Deckers Outdoor 1			
20,820	1,153,220		
J.G. Boswell Company 4			
3,940	2,411,280		

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Movado Group

74,061 2,129,254

Wolverine World Wide

360,200 7,906,390

YGM Trading

1,082,600	1,021,814	<b>16,446,086</b>	<b>Total (Cost \$114,690,819)</b>	<b>134,066,989</b>	<b>CONSUMER</b>
<b>STAPLES</b>	<b>2.2%</b>	BEVERAGES - 0.2%			

Compania Cervecerias Unidas ADR

134,000 **2,811,320** FOOD PRODUCTS - 1.9%

Cal-Maine Foods

56,016 2,474,507

Farmer Bros. 1

52,300 1,919,410

Industrias Bachoco ADR

59,095 2,896,837

John B. Sanfilippo & Son

17,200 1,210,708

Sanderson Farms

15,400 1,451,296

Seneca Foods Cl. A 1

152,325 6,100,616

Seneca Foods Cl. B 1

13,840 581,280

SunOpta 1

187,459 1,321,586

Tootsie Roll Industries 2

135,847 5,399,918

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Waterloo Investment Holdings 1, 5

2,973,544 892,063 **24,248,221** PERSONAL PRODUCTS - 0.1%

Inter Parfums

43,530 **1,425,608** **Total (Cost \$21,361,098)** **28,485,149** **ENERGY 5.2%** ENERGY EQUIPMENT & SERVICES - 4.3%

CARBO Ceramics 1, 2

48,000 502,080

Diamond Offshore Drilling 1

189,000 3,345,300

Era Group 1

559,771 9,499,314

Forum Energy Technologies 1

129,654 2,852,388

Frank s International

108,600 1,336,866

Helmerich & Payne

99,930 7,734,582

ION Geophysical 1

71,880 431,280

Oil States International 1

46,833 1,826,487

Pason Systems

532,180 7,784,616

**SEACOR Holdings 1**

150,469 10,725,430

TGS-NOPEC Geophysical

309,170 6,856,643

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Trican Well Service 1

897,300	3,074,204	<b>55,969,190</b>	OIL, GAS & CONSUMABLE FUELS - 0.9%
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Dorchester Minerals L.P.

177,172	3,109,369
---------	-----------

Dorian LPG 1

184,034	1,510,919
---------	-----------

Hargreaves Services

57,683	193,339
--------	---------

San Juan Basin Royalty Trust

320,352	2,120,730
---------	-----------

World Fuel Services

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66,600 3,057,606

44 | 2016 Annual Report to Stockholders **THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**  
December 31, 2016

**Schedule of Investments (continued)**    **SHARES**    **VALUE**    **ENERGY (continued)**    **OIL, GAS &**  
**CONSUMABLE FUELS (continued)**

WPX Energy 1

110,000	\$ 1,602,700	<b>11,594,663</b>	<b>Total (Cost \$66,444,110)</b>	<b>67,563,853</b>	<b>FINANCIALS</b>
<b>14.9%</b>	BANKS - 2.3%				

Bank of N.T. Butterfield & Son

178,416 5,609,399

Blue Hills Bancorp

82,680 1,550,250

Canadian Western Bank

279,500 6,315,890

Farmers & Merchants Bank of Long Beach 4

1,080 7,344,000

Fauquier Bankshares

160,800 2,596,920

First Citizens BancShares Cl. A

17,026	6,044,230	<b>29,460,689</b>	CAPITAL MARKETS - 7.9%
--------	-----------	-------------------	------------------------

Ares Management L.P.

375,900 7,217,280

Artisan Partners Asset Management Cl. A

246,600 7,336,350

ASA Gold and Precious Metals

199,821 2,206,024

Ashmore Group

1,354,000 4,724,550

Associated Capital Group Cl. A

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20,200 663,570

Citadel Capital 1

8,549,921 476,306

Cowen Group 1

62,706 971,943

Dundee Corporation Cl. A 1

1,079,900 4,785,614

Edmond de Rothschild (Suisse)

153 2,102,675

Federated Investors Cl. B

162,840 4,605,115

Jupiter Fund Management

230,000 1,253,319

KKR & Co. L.P.

24,100 370,899

Lazard Cl. A

117,335 4,821,295

Manning & Napier Cl. A

395,692 2,987,475

**MarketAxess Holdings**

70,800 10,401,936

Medley Management Cl. A

109,500 1,084,050

Morningstar

84,600 6,223,176

mutares

39,266 471,775

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MVC Capital

324,200 2,781,636

Oaktree Capital Group LLC Cl. A

101,100 3,791,250

Rothschild & Co

216,893 5,865,566

SEI Investments

185,600 9,161,216

Sprott

1,590,000 2,972,405

TMX Group

46,600 2,482,279

U.S. Global Investors Cl. A

520,551 707,949

Value Partners Group

5,453,000 4,337,809

Virtus Investment Partners

32,330 3,816,557

Westwood Holdings Group

49,073 2,943,889

ZAIS Group Holdings Cl. A 1, 2

492,300 723,681 **102,287,589** CONSUMER FINANCE - 0.1%

Bajaj Finance

55,000 **683,431** DIVERSIFIED FINANCIAL SERVICES - 0.5%

First Pacific

1,020,000 712,419

PICO Holdings 1

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409,400	6,202,410	<b>6,914,829</b>	INSURANCE - 2.7%
Alleghany Corporation 1			
2,109	1,282,525		
Atlas Financial Holdings 1			
30,000	541,500		
eHealth 1			
65,000	692,250		
<b>E-L Financial</b>			
21,500	11,689,569		
Erie Indemnity Cl. A			
25,000	2,811,250		
Independence Holding Company			
314,523	6,148,925		
<b>MBIA 1</b>			
942,400	10,083,680		
ProAssurance Corporation			
17,139	963,212		
WMIH 1			
77,742	120,500	<b>34,333,411</b>	INVESTMENT COMPANIES - 0.2%
RIT Capital Partners			
130,500	<b>3,025,860</b>		THRIFTS & MORTGAGE FINANCE - 1.2%
Genworth MI Canada			
258,195	6,472,903		
Timberland Bancorp 3			
444,200	9,177,172		
Vestin Realty Mortgage II 1			



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53,557	125,324	<b>15,775,399</b>	<b>Total (Cost \$174,396,958)</b>	<b>192,481,208</b>	<b>HEALTH CARE</b>
<b>4.2%</b>	BIOTECHNOLOGY - 0.7%				

ARIAD Pharmaceuticals 1, 2

29,700	369,468
--------	---------

Keryx Biopharmaceuticals 1

139,000	814,540
---------	---------

Sangamo BioSciences 1

469,315	1,431,411
---------	-----------

Zealand Pharma 1

464,707	6,996,930	<b>9,612,349</b>	HEALTH CARE EQUIPMENT & SUPPLIES - 1.3%
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Analogic Corporation

53,735	4,457,318
--------	-----------

Atrion Corporation 2,6

15,750	7,988,400
--------	-----------

Cerus Corporation 1

108,000	469,800
---------	---------

Invacare Corporation

38,900	507,645
--------	---------

Masimo Corporation 1

50,000	3,370,000
--------	-----------

Neogen Corporation 1

6,800	448,800	<b>17,241,963</b>	HEALTH CARE PROVIDERS & SERVICES - 0.7%
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Aceto Corporation

76,655	1,684,111
--------	-----------

AMN Healthcare Services 1

15,900	611,355
--------	---------

Community Health Systems 1

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790,000	4,416,100					
Landauer						
50,000	2,405,000	<b>9,116,566</b>		HEALTH CARE TECHNOLOGY - 0.2%		
Cegedim 1						
10,000	276,057					
Medidata Solutions 1						
40,000	1,986,800	<b>2,262,857</b>		LIFE SCIENCES TOOLS & SERVICES - 1.2%		
Bio-Rad Laboratories Cl. A 1						
33,498	6,106,015					
Bio-Techne						
50,343	5,176,771					
PAREXEL International 1						
56,600	3,719,752	<b>15,002,538</b>		PHARMACEUTICALS - 0.1%		
Theravance Biopharma 1						
37,291	<b>1,188,837</b>	<b>Total (Cost \$38,859,309)</b>	<b>54,425,110</b>	<b>INDUSTRIALS 29.2%</b>	<b>AEROSPACE &amp;</b>	
DEFENSE - 2.7%						
Austal						
688,670	863,930					
Ducommun 1						
117,200	2,995,632					
<b>HEICO Corporation</b>						
140,338	10,827,077					
<b>HEICO Corporation Cl. A</b>						
80,808	5,486,863					
Magellan Aerospace						
182,779	2,447,672					
Mercury Systems 1						

25,400 767,588

Teledyne Technologies 1

20,600 2,533,800

Wesco Aircraft Holdings 1

588,000 8,790,600 **34,713,162**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2016 Annual Report to Stockholders | 45

## Royce Value Trust

Schedule of Investments (continued)	SHARES	VALUE	INDUSTRIALS (continued)	AIR FREIGHT & LOGISTICS - 1.8%
Expeditors International of Washington				
158,900	\$ 8,415,344			
Forward Air				
179,750	8,516,555			
Hub Group Cl. A 1, 2, 6				
149,400	6,536,250	<b>23,468,149</b>	BUILDING PRODUCTS - 0.5%	
Apogee Enterprises				
68,900	3,690,284			
Burnham Holdings Cl. B 4				
36,000	567,000			
Insteel Industries				
55,780	1,987,999			
Patrick Industries 1				
9,850	751,555	<b>6,996,838</b>	COMMERCIAL SERVICES & SUPPLIES - 2.4%	
Atento 1				
234,500	1,782,200			
CECO Environmental				
99,028	1,381,440			
CompX International Cl. A				
211,100	3,398,710			
<b>Copart 1</b>				
219,960	12,187,984			

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Heritage-Crystal Clean 1

152,527 2,394,674

Kimball International Cl. B

286,180 5,025,321

Ritchie Bros. Auctioneers

17,510 595,340

Steelcase Cl. A

219,560 3,930,124

UniFirst Corporation

6,470 929,415 **31,625,208** CONSTRUCTION & ENGINEERING - 3.5%

EMCOR Group 2, 6

121,300 8,583,188

**IES Holdings 1**

539,482 10,331,080

Jacobs Engineering Group 1

164,900 9,399,300

KBR

325,300 5,429,257

Northwest Pipe 1

20,000 344,400

NV5 Global 1

23,500 784,900

Sterling Construction 1

122,300 1,034,658

Valmont Industries 2

62,845 8,854,861 **44,761,644** ELECTRICAL EQUIPMENT - 0.9%

Global Power Equipment Group 1, 4

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631,820	2,988,508		
Powell Industries			
94,500	3,685,500		
Preformed Line Products			
91,600	5,323,792	<b>11,997,800</b>	INDUSTRIAL CONGLOMERATES - 0.5%
A. Soriano			
2,791,000	336,770		
Raven Industries			
251,725	6,343,470	<b>6,680,240</b>	MACHINERY - 10.6%
Chen Hsong Holdings			
1,159,000	289,620		
China Metal International Holdings			
554,524	174,797		
CIRCOR International			
85,384	5,539,714		
CLARCOR			
74,000	6,102,780		
Colfax Corporation 1			
77,242	2,775,305		
Columbus McKinnon			
20,975	567,164		
Deutz			
115,000	646,157		
Donaldson Company			
193,559	8,144,963		
Exco Technologies			
216,600	1,739,059		

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Federal Signal

56,280 878,531

Franklin Electric

104,600 4,068,940

Graco

89,276 7,417,943

Greenbrier Companies (The)

47,800 1,986,090

Hurco Companies

25,952 859,011

Hyster-Yale Materials Handling Cl. A

10,000 637,700

IDEX Corporation

67,400 6,070,044

John Bean Technologies

70,326 6,044,520

Kadant

42,200 2,582,640

Kennametal

160,100 5,004,726

Lincoln Electric Holdings

61,360 4,704,471

Lindsay Corporation 2

80,000 5,968,800

Luxfer Holdings ADR

28,100 306,009

Lydall 1

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30,580 1,891,373

NN

308,700 5,880,735

Nordson Corporation

24,296 2,722,367

**RBC Bearings 1**

125,000 11,601,250

Sarine Technologies

327,500 406,813

**Sun Hydraulics**

286,318 11,444,131

Tennant Company

111,900 7,967,280

Watts Water Technologies Cl. A

61,000 3,977,200

Westinghouse Air Brake Technologies

91,070 7,560,631

Westport Fuel Systems 1

327,100 369,623

**Woodward**

154,600 10,675,130 **137,005,517** MARINE - 1.4%

Clarkson

291,000 7,792,316

Kirby Corporation 1

144,500 9,609,250 **17,401,566** PROFESSIONAL SERVICES - 2.7%

Advisory Board (The) 1

190,277 6,326,710



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Franklin Covey 1

40,800 822,120

Heidrick & Struggles International

66,480 1,605,492

ICF International 1

20,836 1,150,147

**ManpowerGroup**

112,858 10,029,691

On Assignment 1, 2, 6

179,295 7,917,667

Robert Half International

75,532 3,684,451

TrueBlue 1

128,920 3,177,878

Volt Information Sciences 1

65,000 445,250 **35,159,406** ROAD & RAIL - 1.7%

Genesee & Wyoming Cl. A 1

15,000 1,041,150

Knight Transportation

122,400 4,045,320

**Landstar System**

123,260 10,514,078

Patriot Transportation Holding 1

63,900 1,488,870

Saia 1, 2

64,130 2,831,339

Trancom

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4,932 241,015

Universal Logistics Holdings

78,916 1,290,277 **21,452,049** TRADING COMPANIES & DISTRIBUTORS - 0.5%

Central Steel & Wire 4

4,862 2,138,064

Houston Wire & Cable

509,200 3,309,800

MSC Industrial Direct Cl. A 2

11,963 1,105,262 **6,553,126** TRANSPORTATION INFRASTRUCTURE - 0.0%

Hopewell Highway Infrastructure

1,012,000 **529,453** **Total (Cost \$224,439,887)** **378,344,158** **INFORMATION TECHNOLOGY 16.8%**  
 COMMUNICATIONS EQUIPMENT - 0.8%

ADTRAN 2

234,973 5,251,647

Bel Fuse Cl. B

30,238 934,354

Clearfield 1

55,600 1,150,920

NetScout Systems 1

58,500 1,842,750

Oclaro 1

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87,500 783,125 **9,962,796**

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December 31, 2016

**Schedule of Investments (continued) SHARES VALUE INFORMATION TECHNOLOGY (continued)**  
ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS - 7.8%

Anixter International 1, 2, 6

70,895 \$ 5,746,040

Broadway Industrial Group 1

2,000,000 261,197

**Cognex Corporation 2,6**

210,970 13,421,911

**Coherent 1**

111,734 15,350,576

Dolby Laboratories Cl. A

21,250 960,287

FARO Technologies 1

157,067 5,654,412

**FLIR Systems**

317,000 11,472,230

HollySys Automation Technologies

53,882 987,118

Horiba

12,000 554,191

IPG Photonics 1, 2, 6

72,070 7,114,030

LRAD Corporation

776,544 1,327,890

Methode Electronics

54,030 2,234,141

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National Instruments

261,850 8,070,217

Orbotech 1

61,600 2,058,056

Perceptron 1

357,700 2,375,128

Plexus Corporation 1

150,600 8,138,424

Richardson Electronics

573,732 3,614,512

Rogers Corporation 1

57,066 4,383,239

Systemax

58,520 513,220

TTM Technologies 1, 2

496,400 6,765,932

VST Holdings

979,000 342,190

**101,344,941**

INTERNET SOFTWARE & SERVICES - 2.1%

Actua Corporation 1

83,815 1,173,410

Care.com 1

235,900 2,021,663

comScore 1

227,236 7,176,113

HolidayCheck Group 1

44,900 110,924

IZEA 1

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70,106	316,178		
j2 Global			
85,120	6,962,816		
MiX Telematics ADR			
2,641	16,348		
QuinStreet 1			
526,082	1,978,068		
RealNetworks 1			
224,670	1,091,896		
Solium Capital 1			
167,700	1,054,175		
Spark Networks 1, 2			
263,000	220,894		
Stamps.com 1			
37,500	4,299,375		
Support.com 1			
650,300	559,258	<b>26,981,118</b>	IT SERVICES - 1.1%
Acxiom Corporation 1			
48,000	1,286,400		
Convergys Corporation 2			
121,000	2,971,760		
DST Systems 2			
10,000	1,071,500		
Hackett Group (The)			
417,266	7,368,918		
Innodata 1			
274,314	672,069		

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MoneyGram International 1

59,400 701,514

Unisys Corporation 1

40,000 598,000

**14,670,161**

SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT - 2.7%

Amtech Systems 1

141,471 601,252

Brooks Automation

140,700 2,401,749

Cabot Microelectronics

15,300 966,501

CyberOptics Corporation 1

13,800 360,180

Daqo New Energy ADR 1

17,200 331,960

Diodes 1

270,850 6,952,719

Exar Corporation 1

157,576 1,698,669

Intermolecular 1

40,000 37,920

Kulicke & Soffa Industries 1

77,400 1,234,530

MKS Instruments

27,010 1,604,394

Nanometrics 1

109,400 2,741,564

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Nova Measuring Instruments 1

82,300 1,081,422

Photronics 1

159,900 1,806,870

Sigma Designs 1

78,900 473,400

Silicon Motion Technology ADR

51,900 2,204,712

Teradyne

130,000 3,302,000

Tessera Holding Corporation

153,530 6,786,026

Ultra Clean Holdings 1

42,800 415,160

Veeco Instruments 1

17,500 510,125 **35,511,153** SOFTWARE - 1.6%

American Software Cl. A

108,690 1,122,768

ANSYS 1, 2, 6

95,000 8,786,550

Computer Modelling Group

316,300 2,146,124

Mentor Graphics

89,523 3,302,503

Model N 1

300,387 2,658,425

Monotype Imaging Holdings

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117,700	2,336,345				
PSI					
18,194	233,449				
SeaChange International 1					
247,069	568,259	<b>21,154,423</b>		TECHNOLOGY HARDWARE, STORAGE & PERIPHERALS - 0.7%	
Diebold Nixdorf					
266,600	6,704,990				
Intevac 1					
214,500	1,833,975	<b>8,538,965</b>	<b>Total (Cost \$156,696,296)</b>	<b>218,163,557</b>	<b>MATERIALS 7.3%</b>
	CHEMICALS - 2.3%				
Dyadic International 1, 4					
75,000	123,000				
FutureFuel Corporation					
48,500	674,150				
Hawkins					
86,178	4,649,303				
Innospec					
36,883	2,526,486				
Minerals Technologies					
91,893	7,098,734				
<b>Quaker Chemical</b>					
109,669	14,031,052	<b>29,102,725</b>		CONSTRUCTION MATERIALS - 1.0%	
<b>Ash Grove Cement Cl. B 4</b>					
50,518	<b>13,134,680</b>			CONTAINERS & PACKAGING - 0.3%	
Mayr-Melnhof Karton					
34,000	<b>3,603,744</b>			METALS & MINING - 3.7%	
Alamos Gold Cl. A					



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263,300 1,815,930

Ampco-Pittsburgh

36,966 619,180

Constellium Cl. A 1

90,000 531,000

Exeter Resource 1

240,000 179,736

Ferroglobe (Warranty Insurance Trust) 1, 5

49,300 0

Franco-Nevada Corporation

127,300 7,607,448

Gold Fields ADR

370,000 1,113,700

Haynes International

113,900 4,896,561

Hecla Mining

321,300 1,683,612

Imdex 1

350,000 144,988

Lundin Mining 1

640,000 3,050,683

Major Drilling Group International 1

739,243 3,865,107

Pretium Resources 1

165,000 1,366,551

**Reliance Steel & Aluminum**

139,940 11,130,828

Royal Gold

16,600 1,051,610

Synalloy Corporation 1

178,800 1,957,860

Worthington Industries

148,000 7,021,120 **48,035,914**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS 2016 Annual Report to Stockholders | 47

**Royce Value Trust** December 31, 2016

Schedule of Investments (continued)	SHARES	VALUE	MATERIALS (continued)	PAPER &
FOREST PRODUCTS - 0.0%				

TFS Corporation

453,967	<b>\$ 543,587</b>	<b>Total (Cost \$57,328,240)</b>	<b>94,420,650</b>	<b>REAL ESTATE 2.8%</b>	REAL
ESTATE MANAGEMENT & DEVELOPMENT - 2.8%					

AV Homes 1

66,100 1,044,380

FirstService Corporation

135,100 6,414,548

Forestar Group 1

102,000 1,356,600

FRP Holdings 1

173,558 6,543,137

Kennedy-Wilson Holdings

101,300 2,076,650

Marcus &amp; Millichap 1

246,113 6,576,139

St. Joe Company (The) 1

177,000 3,363,000

Tejon Ranch 1

360,035	9,155,690	<b>Total (Cost \$28,248,857)</b>	<b>36,530,144</b>	<b>TELECOMMUNICATION SERVICES 0.5%</b>	
WIRELESS TELECOMMUNICATION SERVICES - 0.5%					

Telephone and Data Systems

208,270	<b>6,012,755</b>	<b>Total (Cost \$5,433,816)</b>	<b>6,012,755</b>	<b>UTILITIES 0.1%</b>	GAS UTILITIES -
0.1%					

Shizuoka Gas

110,000 773,244

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Toho Gas

60,000 487,291 **1,260,535** MULTI-UTILITIES - 0.0%

Just Energy Group 2

18,520	<b>101,119</b>	<b>Total (Cost \$1,218,976)</b>	<b>1,361,654</b>	<b>MISCELLANEOUS 7 4.3%</b>
<b>Total (Cost \$53,213,601)</b>	<b>56,034,275</b>		<b>TOTAL COMMON STOCKS</b>	<b>(Cost \$942,331,967)</b>
<b>1,267,889,502</b>	<b>REPURCHASE AGREEMENT</b>	<b>6.3%</b>		Fixed Income Clearing Corporation, 0.03% dated 12/30/16, due
1/3/17, maturity value				
\$80,912,270 (collateralized by obligations of various U.S. Government Agencies, 2.50%-				
3.375% due 8/15/23-5/15/44, valued at \$82,531,094)	<b>(Cost \$80,912,000)</b>		<b>80,912,000</b>	<b>TOTAL INVESTMENTS</b>
<b>104.1%</b>	<b>(Cost \$1,023,243,967)</b>	<b>1,348,801,502</b>		<b>LIABILITIES LESS CASH AND OTHER ASSETS</b>
<b>(4.1)%</b>	<b>(52,789,790 )</b>	<b>NET ASSETS</b>	<b>100.0%</b>	<b>\$ 1,296,011,712</b>

New additions in 2016. 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, 2016. Total market value of pledged securities at December 31, 2016, was \$110,266,950.

3

At December 31, 2016, 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.

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

Securities for which market quotations are not readily available represent 0.1% of net assets. These securities have been valued at their fair value under procedures approved by the Fund's Board of Directors. These securities are defined as Level 3 securities due to the use of significant unobservable inputs in the determination of fair value. See Notes to Financial Statements.

6

At December 31, 2016, a portion of these securities were rehypothecated in connection with the Fund's revolving credit agreement in the aggregate amount of \$64,652,459.

7

Includes securities first acquired in 2016 and less than 1% of net assets.

**Bold indicates the Fund's 20 largest equity holdings in terms of December 31, 2016, market value.**

**TAX INFORMATION:** The cost of total investments for Federal income tax purposes was \$1,025,881,370. At December 31, 2016, net unrealized appreciation for all securities was \$322,920,132 consisting of aggregate gross unrealized appreciation of \$405,405,905 and aggregate gross unrealized depreciation of \$82,485,773. The primary causes of the differences between book and tax basis cost are 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.

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## Royce Value Trust December 31, 2016

### **Statement of Assets and Liabilities**

ASSETS: Investments at value

Non-Affiliated Companies

\$ 1,257,891,136

Affiliated Companies

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9,998,366 Repurchase agreements (at cost and value) 80,912,000 Cash and foreign currency 65,248 Receivable for investments sold 18,100,968 Receivable for dividends and interest 1,351,828 Prepaid expenses and other assets 527,870 **Total Assets 1,368,847,416** LIABILITIES: Revolving credit agreement 70,000,000 Payable for investments purchased 1,973,762 Payable for investment advisory fee 489,564 Payable for directors fees 44,757 Payable for interest expense 11,363 Accrued expenses 242,350 Deferred capital gains tax 73,908 **Total Liabilities 72,835,704** **Net Assets \$ 1,296,011,712** ANALYSIS OF NET ASSETS: Paid-in capital - \$0.001 par value per share; 81,791,924 shares outstanding (150,000,000 shares authorized) \$ 962,812,872 Undistributed net investment income (loss) (1,959,371 ) Accumulated net realized gain (loss) on investments and foreign currency 9,653,806 Net unrealized appreciation (depreciation) on investments and foreign currency 325,504,405 **Net Assets (net asset value per share - \$15.85) \$ 1,296,011,712** Investments at identified cost \$ 942,331,967

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## Royce Value Trust

**Statement of Changes in Net Assets**

<b>YEAR ENDED 12/31/16</b>	<b>YEAR ENDED 12/31/15</b>	<b>INVESTMENT OPERATIONS:</b>		<b>Net investment</b>
income (loss) \$ 9,680,260	\$ 9,193,108	Net realized gain (loss) on investments and foreign currency		75,719,009
43,117,817		Net change in unrealized appreciation (depreciation) on investments and foreign currency		186,502,762
(157,435,228 )		<b>Net increase (decrease) in net assets from investment operations</b>	<b>271,902,031</b>	<b>(105,124,303 )</b>
<b>DISTRIBUTIONS:</b>		Net investment income	(10,786,801 )	(12,151,910 )
foreign currency (70,931,388 )	(83,306,926 )	<b>Total distributions</b>	<b>(81,718,189 )</b>	<b>(95,458,836 )</b>
<b>TRANSACTIONS:</b>		Reinvestment of distributions	33,793,124	40,663,247
<b>33,793,124</b>	<b>40,663,247</b>	<b>Net Increase (Decrease) In Net Assets</b>	<b>223,976,966</b>	<b>(159,919,892 )</b>
<b>Beginning of year</b>	<b>1,072,034,746</b>	<b>1,231,954,638</b>	<b>End of year (including undistributed net investment</b>	
<b>income (loss) of \$(1,959,371) at 12/31/16 and \$(1,047,919) at 12/31/15)</b>	<b>\$ 1,296,011,712</b>	<b>\$ 1,072,034,746</b>		

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**Royce Value Trust** Year Ended December 31, 2016

**Statement of Operations**

**INVESTMENT INCOME:** INCOME: Dividends

Non-Affiliated Companies

\$ 16,827,595

Affiliated Companies

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1,519,381 Foreign withholding tax (433,390) Interest 50,925 Rehypothecation income 60,170 **Total income**  
**18,024,681** EXPENSES: Investment advisory fees 5,849,115 Interest expense 1,205,769 Stockholder reports  
404,144 Administrative and office facilities 276,617 Custody and transfer agent fees 194,234 Directors fees  
171,715 Professional fees 95,084 Other expenses 147,845 **Total expenses 8,344,523** Compensating balance  
credits (102) **Net expenses 8,344,421** **Net investment income (loss) 9,680,260** **REALIZED AND UNREALIZED**  
**GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:** NET REALIZED GAIN (LOSS): Investments in  
Non-Affiliated Companies 75,894,203 Investments in Affiliated Companies 10,000 Foreign currency transactions  
(185,194) NET CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION): Investments and foreign currency  
translations 186,470,163 Other assets and liabilities denominated in foreign currency 32,599 **Net realized and**  
**unrealized gain (loss) on investments and foreign currency 262,221,771** **NET INCREASE (DECREASE) IN NET**  
**ASSETS FROM INVESTMENT OPERATIONS \$ 271,902,031**

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## Royce Value Trust Year Ended December 31, 2016

### Statement of Cash Flows

CASH FLOWS FROM OPERATING ACTIVITIES: Net increase (decrease) in net assets from investment operations \$  
271,902,031 Adjustments to reconcile net increase (decrease) in net assets from investment operations to net cash provided by  
operating activities:

Purchases of long-term investments

(326,628,705)

Proceeds from sales and maturities of long-term investments

434,894,498

Net purchases, sales and maturities of short-term investments

(70,185,000)

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

(19,414)

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

1,808

Net change in unrealized appreciation (depreciation) on investments

(186,470,163)

Net realized gain (loss) on investments and foreign currency



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(75,719,009 ) **Net cash provided by operating activities** 47,776,046 CASH FLOWS FROM FINANCING ACTIVITIES:  
 Net increase (decrease) in revolving credit agreement Distributions (81,718,189 ) Reinvestment of distributions  
 33,793,124 **Net cash used for financing activities** (47,925,065 ) **INCREASE (DECREASE) IN CASH:** (149,019 )  
**Cash and foreign currency at beginning of year** 214,267 **Cash and foreign currency at end of year** \$ 65,248  
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## 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	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	Net Asset Value, Beginning of Period				
<b>\$ 13.56</b>	<b>\$ 16.24</b>	<b>\$ 18.17</b>	<b>\$ 15.40</b>	<b>\$ 14.18</b>	INVESTMENT OPERATIONS:					Net investment
income (loss)	0.12	0.12	0.12	0.12	0.23	Net realized and unrealized gain (loss) on investments and foreign				
currency	3.27	(1.48 )	(0.13 )	4.89	2.02	<b>Total investment operations</b>				<b>3.39 (1.36 ) (0.01 ) 5.01</b>
<b>2.25</b>	DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:					Net investment income				
(0.04 )	Net realized gain on investments and foreign currency					(0.13 )				<b>Total distributions to</b>
<b>Preferred Stockholders</b>						<b>(0.17 )</b>				

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

<b>3.39</b>	<b>(1.36 )</b>	<b>(0.01 )</b>	<b>5.01</b>	<b>2.08</b>	DISTRIBUTIONS TO COMMON STOCKHOLDERS:					Net	
investment income	(0.13 )	(0.16 )	(0.14 )	(0.11 )	(0.17 )	Net realized gain on investments and foreign currency					
(0.89 )	(1.08 )	(1.68 )	(2.08 )	(0.63 )	<b>Total distributions to Common Stockholders</b>				<b>(1.02 ) (1.24 ) (1.82 )</b>		
<b>(2.19 ) (0.80 )</b>	CAPITAL STOCK TRANSACTIONS:					Effect of reinvestment of distributions by Common					
Stockholders	(0.08 )	(0.08 )	(0.10 )	(0.05 )	(0.06 )	<b>Total capital stock transactions</b>				<b>(0.08 ) (0.08 ) (0.10 )</b>	
<b>(0.05 ) (0.06 )</b>	<b>Net Asset Value, End of Period</b>					<b>\$ 15.85</b>	<b>\$ 13.56</b>	<b>\$ 16.24</b>	<b>\$ 18.17</b>	<b>\$ 15.40</b>	<b>Market Value, End of</b>
<b>Period</b>	<b>\$ 13.39</b>	<b>\$ 11.77</b>	<b>\$ 14.33</b>	<b>\$ 16.01</b>	<b>\$ 13.42</b>	TOTAL RETURN: <sup>1</sup>				Net Asset Value	
26.87 %	(8.09 )%	0.78 %	34.14 %	15.41 %	Market Value	23.48 %	(9.59 )%	0.93 %	35.63 %	16.22 %	

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

Investment advisory fee expense <sup>2</sup>	0.51 %	0.50 %	0.46 %	0.54 %	0.56 %	Other operating				
expenses	0.22 %	0.18 %	0.15 %	0.25 %	0.15 %	Total expenses (net) <sup>3</sup>				
0.71 %	Expenses net of fee waivers and excluding interest expense					0.62 %	0.61 %	0.55 %	0.65 %	0.68 %
Expenses prior to fee waivers and balance credits						0.73 %	0.68 %	0.61 %	0.79 %	0.71 %
waivers						0.73 %	0.68 %	0.61 %	0.79 %	0.71 %
Net investment income (loss)						0.85 %	0.78 %	0.72 %	0.70 %	1.57 %

### Net Assets Applicable to Common Stockholders, End of Period (in thousands)

\$ 1,296,012	\$ 1,072,035	\$ 1,231,955	\$ 1,307,829	\$ 1,082,426	Portfolio Turnover Rate	28 %	35 %	40 %
33 %	25 %	REVOLVING CREDIT AGREEMENT:			Asset coverage	1951 %	1631 %	1860 %
1289 %	822 %	Asset coverage per \$1,000	\$ 19,514	\$ 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 basis, except that the Fund's net asset value is used on the purchase and sale dates instead of market value.

2

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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 ratio based on total average net assets including liquidation value of Preferred Stock was 0.60% for the year ended December 31, 2012.

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## 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, 2016. 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	\$1,165,257,510	\$101,739,929	\$892,063	<b>\$1,267,889,502</b>	Cash
Equivalents		80,912,000		<b>80,912,000</b>						

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Certain securities have transferred in and out of Level 1 and Level 2 measurements during the reporting period. The Fund recognizes transfers between levels as of the end of the reporting period. For the year ended December 31, 2016, securities valued at \$5,380,804 were transferred from Level 1 to Level 2 within the fair value hierarchy.

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# Royce Value Trust

## Notes to Financial Statements (continued)

### VALUATION OF INVESTMENTS (continued):

#### Level 3 Reconciliation:

	REALIZED AND UNREALIZED	BALANCE AS OF 12/31/15	PURCHASES	GAIN (LOSS) <sup>1</sup>	BALANCE AS OF 12/31/16
Common Stocks	\$167,629	\$1,187,434	\$(463,000)	\$892,063	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, 2016 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.

#### 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:

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.

#### 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.

Premiums 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 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 ( 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 2,740,162 and 3,183,214 shares of Common Stock as reinvestment of distributions for the years ended December 31, 2016 and December 31, 2015, respectively.

#### Borrowings:

The Fund is party to a revolving credit agreement (the credit agreement) with BNP Paribas Prime Brokerage International, Limited (BNPPI). 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 or as otherwise required by applicable regulatory standards and has granted a security interest in the securities pledged to, and in favor of, BNPPI 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 which may necessitate the sale of portfolio securities at potentially inopportune times. BNPPI may terminate the credit agreement upon certain ratings downgrades of its corporate parent, which would result in the Fund's entire loan balance becoming immediately due and payable. The occurrence of such ratings downgrades may necessitate the sale of portfolio securities at potentially inopportune times. The credit agreement also permits, subject to certain conditions, BNPPI 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 BNPPI on demand. If BNPPI fails to deliver the recalled security in a timely manner, the Fund is compensated by BNPPI for any fees or losses related to the failed delivery or, in the event a recalled security is not returned by BNPPI, the Fund, upon notice to BNPPI, may reduce the loan balance outstanding by the value of the recalled security failed to be returned. The Fund receives a portion of the fees earned by BNPPI in connection with the rehypothecation of portfolio securities.

As of December 31, 2016, the Fund has outstanding borrowings of \$70,000,000. During the year ended December 31, 2016, the Fund borrowed an average daily balance of \$70,000,000 at a weighted average borrowing cost of 1.69%. The maximum amount outstanding during the year ended December 31, 2016 was \$70,000,000. As of December 31, 2016, the aggregate value of rehypothecated securities was \$64,652,459. During the year ended December 31, 2016, the Fund earned \$60,170 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 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  
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## Royce Value Trust

**Notes to Financial Statements (continued) Investment Advisory Agreement (continued):** 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 2016, the Fund's investment performance ranged from 36% to 46% below the investment performance of the S&P 600. Accordingly, the net investment advisory fee consisted of a Basic Fee of \$11,698,230 and a net downward adjustment of \$5,849,115 for the performance of the Fund relative to that of the S&P 600. For the year ended December 31, 2016, the Fund expensed Royce investment advisory fees totaling \$5,849,115.

### Purchases and Sales of Investment Securities:

For the year ended December 31, 2016, the costs of purchases and proceeds from sales of investment securities, other than short-term securities, amounted to \$328,040,160 and \$448,878,574, 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 Royce 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, 2016, were as follows:

<b>COST OF PURCHASES</b>	<b>PROCEEDS FROM SALES</b>	<b>REALIZED GAIN (LOSS)</b>	\$56,862,131	\$10,176,642	\$(3,646,946)
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### Tax Information:

Distributions during the years ended December 31, 2016 and 2015, were characterized as follows for tax purposes:

<b>ORDINARY INCOME</b>	<b>LONG-TERM CAPITAL GAINS</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	\$12,241,385	\$16,352,099	\$69,476,804
		\$79,106,737						

The tax basis components of distributable earnings at December 31, 2016, were as follows:

<b>QUALIFIED LATE YEAR ORDINARY CARRYFORWARD)</b>	<b>UNDISTRIBUTED CAPITAL GAINS OR (DEPRECIATION)<sup>1</sup></b>	<b>UNDISTRIBUTED POST-OCTOBER DEFERRALS<sup>2</sup></b>	<b>LONG-TERM LOSS EARNINGS</b>	<b>NET UNREALIZED DISTRIBUTABLE INCOME</b>	<b>ORDINARY AND (CAPITAL LOSS (CAPITAL LOSS (CAPITAL LOSS</b>	<b>TOTAL</b>
			\$3,266,059	\$8,454,032	\$322,867,003	\$(1,388,254)
\$333,198,840	1					

Includes timing differences on foreign currency, 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, 2016, the Fund recorded the following permanent reclassifications, which relate primarily to current investments in 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.

<b>UNDISTRIBUTED NET</b>	<b>ACCUMULATED NET</b>	<b>INVESTMENT INCOME</b>	<b>REALIZED GAIN (LOSS)</b>	<b>PAID-IN CAPITAL</b>	\$195,089
\$(178,002)	\$(17,087)				

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years (2013-2016) and has concluded that as of December 31, 2016, 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, 2016:

SHARES	MARKET VALUE	COST OF PROCEEDS	REALIZED DIVIDEND	SHARES	MARKET VALUE	AFFILIATED COMPANY	12/31/15
12/31/15 PURCHASES FROM SALES	\$275,000	\$10,000	\$1,368,353	912,235	\$ 821,194	Stanley Furniture	1,012,235 \$2,824,136
GAIN (LOSS) INCOME	444,200	9,177,172	\$8,336,658	\$10,000	\$1,519,381	Timberland Bancorp	444,200 5,512,522 151,028
							\$9,998,366

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## Royce Value Trust

### Report of Independent Registered Public Accounting Firm

#### To the Board of Directors and the 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 ) as of December 31, 2016, the results of its operations, the changes in its net assets, its cash flows and the financial highlights for each of the periods presented, 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 Fund s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audits, which included confirmation of securities as of December 31, 2016 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The financial highlights for each of the 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 22, 2017

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## 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, Trustee<sup>1</sup>**

Age: 77 | Number of Funds Overseen: 23 | Tenure: Since 1982

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

**Principal Occupation(s) During Past Five Years:** Chairman of the Board of Managers of Royce & Associates ( Royce ), the Trust's investment adviser; Chief Executive Officer (1972-June 2016), President (1972-July 2014) of Royce.

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

Age: 51 | Number of Funds Overseen: 23 | Tenure: Since 2014

**Principal Occupation(s) During Past Five Years:** Chief Executive Officer (since July 2016), 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, Trustee**

Age: 68 | Number of Funds Overseen: 23 | 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).

### **Stephen L. Isaacs, Trustee**

Age: 77 | Number of Funds Overseen: 23 | 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, Trustee**

Age: 74 | Number of Funds Overseen: 43 | 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, Trustee**

Age: 77 | Number of Funds Overseen: 23 | 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, Trustee**

Age: 71 | Number of Funds Overseen: 43 | Tenure: Since 2001

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

Age: 58 | Number of Funds Overseen: 23 | 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: 49 | 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: 54 | 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: 50 | Tenure: Since 2015

**Principal Occupation(s) During Past Five Years:** Chief Financial Officer, Chief Administrative Officer, and Managing Director 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: 49 | Tenure: 1996-2001 and Since 2002

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

**Lisa Curcio, Chief Compliance Officer**

Age: 57 | 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.

## 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, 2016, 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, 2016 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.

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 Global Value Trust, Royce Micro-Cap Trust, and Royce 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, 2017. 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 Global Value Trust, Royce Micro-Cap Trust, and Royce 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, 2016, filed with the Securities and Exchange Commission.

#### **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 2016 Annual Meeting of Stockholders held on September 19, 2016, the Fund's stockholders elected three Directors, consisting of:

	VOTES FOR	VOTES WITHHELD	Patricia W. Chadwick	65,092,387	1,661,512	Arthur S. Mehlman	65,433,776	1,320,123
Michael K. Shields	65,333,268	1,420,631						

### Royce Micro-Cap Trust, Inc.

At the 2016 Annual Meeting of Stockholders held on September 19, 2016, the Fund's stockholders elected three Directors, consisting of:

	VOTES FOR	VOTES WITHHELD	Patricia W. Chadwick	31,664,949	618,088	Arthur S. Mehlman	31,852,719	430,318
Michael K. Shields	31,716,628	566,409						

### Royce Global Value Trust, Inc.

At the 2016 Annual Meeting of Stockholders held on September 19, 2016, the Fund's stockholders elected three Directors, consisting of:

	VOTES FOR	VOTES WITHHELD	Patricia W. Chadwick	8,891,002	230,341	Arthur S. Mehlman	8,891,058	230,284
Michael K. Shields	8,875,042	246,301						



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## roycefunds.com

### GET THE LATEST INSIGHTS AND NEWS ON THE ROYCE FUNDS

#### MARKET PERSPECTIVE

Our talented group of investment professionals share their views of the small-cap market.

#### SMALLTALK BLOG

Co-CIO Francis Gannon shares timely insights on the small-cap market.

#### INNOVATIVE RESEARCH

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## About The Royce Funds [Contact Us](#)

#### Unparalleled Knowledge + Experience

Pioneers in small-cap investing, with 40+ years of experience, depth of knowledge, and focus.

#### Independent Thinking

The confidence to go against consensus, the insight to uncover opportunities others might miss, and the tenacity to stay the course through market cycles.

#### GENERAL INFORMATION

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

(800) 221-4268

#### Specialized Approaches

Strategies that use value, core, or growth investment approaches to select micro-cap, small-cap, and mid-cap companies.

**COMPUTERSHARE**

**Transfer Agent and Registrar**

Speak with a representative about:

Your account, transactions, and forms

**(800) 426-5523 Unwavering Commitment**

Our team of 16 portfolio managers have significant personal investments in the strategies they manage.

**FINANCIAL ADVISORS AND BROKER-DEALERS**

Speak with your regional Royce contact regarding:  
Information about our firm, strategies, and Funds  
Fund Materials

**(800) 337-6923**

**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, 2016 - \$43,935 Year ended December 31, 2015 - \$43,500 (b) Audit-Related Fees: Year ended December 31, 2016 - \$0 Year ended December 31, 2015 - \$0 (c) Tax Fees: Year ended December 31, 2016 - \$9,360 - Preparation of tax returns Year ended December 31, 2015 - \$7,200 - Preparation of tax returns (d) All Other Fees: Year ended December 31, 2016 - \$0 Year ended December 31, 2015 - \$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, 2016 - \$9,360      Year ended December 31, 2015 - \$7,200  
(h) No such services were rendered during 2016 or 2015.

**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.**

Royce & Associates, LP (Royce) has adopted written proxy voting policies and procedures (the Proxy Voting Procedures) for itself and client accounts for which Royce is responsible for voting proxies. Royce is generally granted proxy voting authority at the inception of its management of each client account. Proxy voting authority is generally either (i) specifically authorized in the applicable investment management agreement or other instrument; or (ii) where not specifically authorized, is granted to Royce where general investment discretion is given to Royce in the applicable investment management agreement. In voting proxies, Royce is guided by general fiduciary principles. Royce's goal is to act prudently, solely in the best interest of the beneficial owners of the accounts it manages. Royce attempts to consider all factors of its vote that could affect the value of the investment and will vote proxies in the manner it believes will be consistent with efforts to enhance and/or protect stockholder value.

Royce's personnel are responsible for monitoring receipt of all proxies and seeking to ensure that proxies are received for all securities for which Royce has proxy voting authority. Royce is not responsible for voting proxies it does not receive. Royce divides proxies into regularly recurring and non-regularly recurring matters. Examples of regularly recurring matters include non-contested elections of directors and non-contested approvals of independent auditors. Royce's personnel are responsible for developing and maintaining a list of matters Royce treats as regularly recurring and for ensuring that instructions from a Royce Co-Chief Investment Officer are followed when voting those matters on behalf of Royce clients. Non-regularly recurring matters are all other proxy matters and are brought to the attention of the relevant portfolio manager(s) for the applicable account(s). After giving consideration to advisories provided by an independent third party research firm with respect to such non-regularly recurring matters, the portfolio manager(s) directs that such matters be voted in a way that he or she believes should better protect or enhance the value of the investment.

Certain Royce portfolio managers may provide instructions that they do not want regularly recurring matters to be voted in accordance with the standing instructions for their accounts and individual voting instructions on all matters, both regularly recurring and non-regularly recurring, will be obtained from such portfolio managers. Under certain circumstances, Royce may also vote against a proposal from the issuer's board of directors or management. Royce's portfolio managers decide these issues on a case-by-case basis. A portfolio manager of Royce

may, on occasion, decide to abstain from voting a proxy or a specific proxy item when such person concludes that the potential benefit of voting is outweighed by the cost or when it is not in the client's best interest to vote.

There may be circumstances where Royce may not be able to vote proxies in a timely manner, including, but not limited to, (i) when certain securities are out on loan at the time of a record date; (ii) when administrative or operational constraints impede Royce's ability to cast a timely vote, such as late receipt of proxy voting information; and/or (iii) when systems, administrative or processing errors occur (including errors by Royce or third party vendors).

To further Royce's goal to vote proxies in the best interests of its client, Royce follows specific procedures outlined in the Proxy Voting Procedures to identify, assess and address material conflicts that may arise between Royce's interests and those of its clients before voting proxies on behalf of such clients. In the event such a material conflict of interest is identified, the proxy will be voted by Royce in accordance with the recommendation given by an independent third party research firm.

You may obtain a copy of the Proxy Voting Procedures at [www.roycefunds.com](http://www.roycefunds.com) or by calling 212-508-4500. Additionally, you can obtain information on how your securities were voted by calling 212-508-4500.

**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, 2016)



**Name**

**Title**

**Length of Service**

**Principal Occupation(s) During Past 5 Years** Charles M. Royce Portfolio Manager and Member of the Board of Directors of the Registrant Since 1986 Chairman of the Board of Managers of Royce & Associates, LP ( Royce ), 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.

(a)(2) Other Accounts Managed by Portfolio Manager and Potential Conflicts of Interest (information as of December 31, 2016)

**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  
Based**

Charles M. Royce	Registered investment companies	8	9,566,952,204	2	1,659,712,465	Private pooled investment vehicles	1
13,281,378	13,281,378	Other accounts*	12	50,618,847	- -	Chris E. Flynn	Registered investment companies
4,650,584,448	2	1,659,712,465	Private pooled investment vehicles	- - - -	Other accounts*	- - - -	David A. Nadel
Registered investment companies	3	1,459,839,636	1	1,296,011,712	Private pooled investment vehicles	- - - -	Other accounts*
- - - -	Lauren A. Romeo	Registered investment companies	3	6,095,999,143	1	1,296,011,712	Private pooled investment vehicles
2	507,901,029	- -	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 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

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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, 2016)

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, Portfolio-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:

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**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.

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**PORTFOLIO-RELATED VARIABLE COMPENSATION.** Each Portfolio Manager receives quarterly Portfolio-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 Portfolio-Related Variable Compensation received by Charles M. Royce that relates to each of RMT and RVT is performance-based fee revenue.

Payment of the Portfolio-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 Portfolio-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 accounts for which he or she is receiving portfolio management compensation.

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**FIRM-RELATED VARIABLE COMPENSATION.** Portfolio Managers receive quarterly variable compensation based on Royce's net revenues.

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**BENEFIT PACKAGE.** Portfolio Managers also receive 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.

(a)(4) Dollar Range of Equity Securities in Registrant Beneficially Owned by Portfolio Manager (information as of December 31, 2016)

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><u>Portfolio Manager</u></b>	<b><u>Dollar Range of Registrant's Shares Beneficially Owned</u></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.

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 3, 2017

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.**      BY: /s/ Christopher D. Clark      BY: /s/ Peter K. Hoglund  
**Christopher D. Clark**      **Peter K. Hoglund**      **President**      **Treasurer**      Date: March 3, 2017      Date: March 3, 2017