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

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT
OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act File Number: 811-22532

Name of Registrant: Royce Global Value Trust, Inc.

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

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

Registrant s telephone number, including area code: (212) 508-4500
Date of fiscal year end: December 31
Date of reporting period: January 1, 2015 December 31, 2015

Item 1. Reports to Shareholders.

DECEMBER 31, 2015 **2015 Annual Review and Report to Stockholders**

A Few Words on Closed-End Funds

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

A Closed-End Fund Can Offer Several Distinct Advantages

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

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

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

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

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

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

Why Dividend Reinvestment Is Important

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

Managed Distribution Policy

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

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

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

Letter to Our Stockholders

GOODBYE TO ALL THAT

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

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

As equity investors, we find ourselves in a curious, ambiguous place. The number of risks affecting share prices (among other things) is long and somewhat chilling: Weak commodity prices, flagging currency in China, elevated credit concerns, and geopolitical instability. By year-end, the spread between the U.S. 10-Year note and the Two-Year note which, when it inverts, often signals recession had narrowed to a point near the bottom of its six-year range at about 122 basis points. Still far from inverted, it is worth keeping an eye on. We also saw widening credit spreads, a growing number of defaults, and additional signs of a potential credit crunch, especially in the energy industry. Our concerns over credit only intensified in light of the market s mild reaction to the Fed s hike on December 16. The situation is of particular interest and concern to us as small-cap specialists. As has been the case historically, a significant deterioration in access to capital would likely have a larger negative impact on small-caps, especially those carrying excess leverage. Of course, this development could also produce an advantage for more conservatively capitalized small-cap businesses and we own plenty across our value, core, and growth strategies. **This is one facet of what we believe is a strong case for disciplined, contrarian, bottom-up small-cap approaches that put a premium on managing risk. More widespread success for these kinds of approaches would be a welcome departure from 2015, to which we are happy to say, Goodbye and good riddance.**

A WILD RIDE TO NOWHERE

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

Within our chosen specialty of small-cap stocks, there were strong returns within the Russell 2000 for Health Care and discrete, more growth-oriented pockets of Information Technology that were accompanied by losses for each of the index s eight remaining equity sectors, including Energy, Materials, Industrials, and Consumer Discretionary. Along with Information Technology, those four sectors have been among our largest portfolios weightings and/or
substantial overweights versus all three of our closed-end Funds respective benchmarks over the last few years. One can get a sense of how confounding 2015 was by noting the confluence of losses for Energy and Consumer Discretionary in the Russell 2000, which defied the historical trend of low energy prices creating widespread demand for discretionary purchases. Indeed, traditional retail stocks were a particular source of red ink for the sector, in spite of consumer confidence remaining high and select, mostly large online companies scoring significant successes. In fact, the 4.4% decline for the Russell 2000 masks just how challenging it was to find strong small-cap performers, especially outside the bio-pharma complex. The difficulty becomes clearer in the context of the small-cap index s decline of 10.1% on an equal-weighted basis in 2015. (Similarly, the S&P 500 was also down on an equal-weighted basis, falling 2.2% for the calendar year.)

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

Equity Indexes As of December 31, 2015 (%)

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

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

1-YR 3-YR 5-YR 10-YR Russell 2000 -4.41 11.65 9.19 6.80 Russell 2000 Value -7.47 9.06 7.67 5.57 Russell 2000 Growth -1.38 14.28 10.67 7.95 S&P 500 1.38 15.13 12.57 7.31 Russell 1000 0.92 15.01 12.44 7.40 Nasdaq Composite 5.73 18.37 13.55 8.55 Russell Midcap -2.44 14.18 11.44 8.00 Russell Microcap -5.16 12.70 9.23 5.13 Russell Global ex-U.S. Small Cap 0.50 4.32 1.87 4.40 Russell Global ex-U.S. Large Cap -5.02 2.07 1.40 3.25 Russell Europe Small Cap 9.37 10.97 6.69 5.76 For details on The Royce Funds performance in the period, please turn to the Managers Discussions that begin on page 8.

LETTER TO OUR STOCKHOLDERS

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

WHERE ARE WE NOW?

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

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

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

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

Sincerely,

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

Performance

NAV Average Annual Total Returns As of December 31, 2015 (%)

	1-YR	3-YR	5-YR	10-YR	15-YR	20-YR	25-YR	SINCE INCEPTION	INCEPTION DATE
Royce Global Value Trust	-3.44	N/A	N/A	N/A	N/A	N/A	N/A	-3.21	10/17/13
Royce Micro-Cap Trust	-11.72	9.73	7.43	6.12	9.30	10.01	N/A	10.33	12/14/93
Royce Value Trust	-8.09	7.51	5.22	5.19	7.57	9.30	11.12	10.03	11/26/86
INDEX									
Russell 2000 Index	-4.41	11.65	9.19	6.80	7.28	8.03	10.50	N/A	N/A
Russell Microcap Index	-5.16	12.70	9.23	5.13	7.99	N/A	N/A	N/A	N/A
Russell Global Small Cap Index	-1.78	6.91	4.35	5.10	7.65	N/A	N/A	N/A	N/A

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. The Funds are closed-end registered investment companies whose respective shares of common stock may trade at a discount to the net asset value. Shares of each Fund s common stock are also subject to the market risk of investing in the underlying portfolio securities held by each Fund. Certain immaterial adjustments were made to the net assets of Royce Micro-Cap Trust at 12/31/12, as well as 12/31/14, for financial reporting purposes, and as a result the net asset value originally calculated on that date and the total return based on that net asset value differs from the adjusted net asset value and total return reported in the Financial Highlights. All indexes referenced are unmanaged and capitalization-weighted. Each index s returns include net reinvested dividends and/or interest income. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group. The Russell 2000 Index is an index of domestic small-cap stocks that measures the performance of the 2,000 smallest publicly traded U.S. companies in the Russell 3000 Index. The Russell Microcap Index includes 1,000 of the smallest securities in the small-cap Russell 2000 Index, along with the next smallest eligible securities as determined by Russell. The Russell Global Small Cap Index is an unmanaged, capitalization-weighted index of global small-cap stocks. The performance of an index does not represent exactly any particular investment, as you cannot invest directly in an index. Index returns include net reinvested dividends and/or interest income. Royce Value, Micro-Cap and Global Value Trust shares of common stock trade on the NYSE. Royce Fund Services, Inc (RFS) is a member of FINRA and has filed this *Review and Report* with FINRA on behalf of each Fund. RFS is not an underwriter or distributor of any of the Funds.

MANAGER S DISCUSSION

Royce Global Value Trust (RGT)

Chuck Royce **FUND PERFORMANCE**

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

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

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

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

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

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

Top Contributors to Performance

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

Top Detractors from Performance

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

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

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

Performance Average Annual Total Return (%) Through 12/31/15 **JUL-DEC 20151** **1-YR** **SINCE INCEPTION (10/17/13)** RGT (NAV) -8.58 -3.44 -3.21 1Not Annualized

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

Cumulative Performance of Investment1

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

1
Reflects the cumulative performance experience of a continuous common stockholder who purchased one share at inception ($8.975 IPO) and reinvested all distributions.

2
Reflects the actual month-end market price movement of one share as it has traded on NYSE.

The **Morningstar Style Map** is the **Morningstar Style BoxTM** with the center 75% of fund holdings plotted as the **Morningstar Ownership ZoneTM** The Morningstar Style Box is designed to reveal a fund s investment strategy. The Morningstar Ownership Zone provides detail about a portfolio s investment style by showing the range of stock sizes and styles. The Ownership Zone is derived by plotting each stock in the portfolio within the proprietary Morningstar Style Box. Over time, the shape and location of a fund's ownership zone may vary. See page 58 for additional information.

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

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

Calendar Year Total Returns (%)

YEAR	RGT
2015	-3.4
2014	-6.2

Portfolio Country Breakdown1,2	% of Net Assets
United Kingdom	15.2
Japan	15.0
United States	12.7
Canada	8.5
France	8.1
Switzerland	7.1
Hong Kong	5.7
Germany	5.7

1
Represents countries that are 3% or more of net assets.

2
Securities are categorized by the country of their headquarters.

Portfolio Diagnostics	
Fund Net Assets	$91 million
Number of Holdings	272
Turnover Rate	65%
Net Asset Value	$8.81
Market Price	$7.45
Net Leverage1	7%
Average Market Capitalization2	$1,367 million
Weighted Average P/E Ratio3,4	18.7x
Weighted Average P/B Ratio3	2.3x
Active Share5	97%

1
Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets.

2
Geometric Average. This weighted calculation uses each portfolio holding s market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio s center, which Royce believes offers a more accurate measure of average market cap than a simple mean or median.

3
Harmonic Average. This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio s share in the earnings or book value, as the case may be, of its underlying stocks.

4
The Fund s P/E ratio calculation excludes companies with zero or negative earnings (7% of portfolio holdings as of 12/31/15).

5
Active Share is the sum of the absolute values of the different weightings of each holding in the Fund versus each holding in the benchmark, divided by two.

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, net of the Fund s investment advisory fee, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. The market price of the Fund s shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund invests primarily in securities of small- and micro-cap companies, which may involve considerably more risk than investments in securities of larger-cap companies. The Fund s broadly diversified portfolio does not ensure a profit or guarantee against loss. From time to time, the Fund may invest a significant portion of its net assets in foreign securities, which may involve political, economic, currency and other risks not encountered in U.S. investments. Regarding the Top Contributors and Top Detractors tables shown on page 10, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund s year-to-date performance for 2015.

MANAGER S DISCUSSION Royce Micro-Cap Trust (RMT)

Chuck Royce **FUND PERFORMANCE**

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

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

WHAT WORKED... AND WHAT DIDN T

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

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

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

Top Contributors to Performance

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

Top Detractors from Performance

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

CURRENT POSITIONING AND OUTLOOK

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

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

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

Market Price Performance History Since Inception (12/14/93) Cumulative Performance of Investment1 **1-YR** **5-YR** **10-YR** **15-YR** **20-YR** **SINCE INCEPTION (12/14/93)** RMT -16.1% 39.9% 41.1% 277.1% 533.4% 616.8% 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 BoxTM** with the center 75% of fund holdings plotted as the **Morningstar Ownership ZoneTM.** The Morningstar Style Box is designed to reveal a fund s investment strategy. The Morningstar Ownership Zone provides detail about a portfolio s investment style by showing the range of stock sizes and styles. The Ownership Zone is derived by plotting each stock in the portfolio within the proprietary Morningstar Style Box. Over time, the shape and location of a fund s ownership zone may vary. See page 58 for additional information.

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

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

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

Portfolio Diagnostics Fund Net Assets $312 million Number of Holdings 358 Turnover Rate 39% Net Asset Value $8.59 Market Price $7.26 Net Leverage1 9% Average Market Capitalization2 $306 million Weighted Average P/E Ratio3,4 17.3x Weighted Average P/B Ratio3 1.6x Active Share5 95% U.S. Investments (% of Net Assets) 92.6% Non-U.S. Investments (% of Net Assets) 16.5% 1

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

2 **Geometric Average.** This weighted calculation uses each portfolio holding s market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio s center, which Royce believes offers a more accurate measure of average market cap than a simple mean or median. 3

Harmonic Average. This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio s share in the earnings or book value, as the case may be, of its underlying stocks.

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

5
Active Share is the sum of the absolute values of the different weightings of each holding in the Fund versus each holding in the benchmark, divided by two.

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

MANAGER S DISCUSSION

Royce Value Trust (RVT)

Chuck Royce

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

For a sense of how challenging the year was for small-cap stocks (and the active managers who pick them), consider that the Russell 2000 lost 10.1% on an equal-weighted basis in 2015. This shows just how hard it was to find stocks that grew appreciably by year-end, especially in the more economically sensitive, cyclical areas of the market that have been our primary focus over the last few years. In this climate, we continued to focus on companies that in our analyses showed a combination of attractive valuation, balance sheet strength, and/or promising growth prospects. On an NAV and market price basis, the Fund outperformed the Russell 2000 for the 15-, 20-, 25-year, and since inception (11/26/86) periods ended December 31, 2015 while trailing the S&P SmallCap 600. **RVT s average annual NAV total return for the since inception period was 10.0%.** **WHAT WORKED... AND WHAT DIDN T** Six of the Fund s 10 equity sectors finished the year in negative territory, which compares favorably to the eight of 10 detracting sectors in the Russell 2000. Industrials, where we were substantially overweight at the end of 2015, detracted most on an absolute basis. It also hurt relative performance, but our disadvantage resulted from greater exposure to the sector stock selection was a net positive versus the benchmark. On an industry level, the sector s largest net losses in Industrials came from machinery stocks, which was also a significant overweight. Long-time holding Kennametal makes tools and tooling systems, focusing on the metalworking, mining, oil, and energy industries, all of which faced sluggish industry conditions in 2015.

The Financials, Energy, Information Technology, Consumer Discretionary, and Materials sectors also posted notable net losses. At the industry level, significant detractors other than machinery included electronic equipment, instruments & components, energy equipment & services, and capital markets. Slumping commodity prices and slowing industrial activity on a near-global scale were major factors behind poor performance for these areas. Modest net gains came from Health Care and Consumer Staples.

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

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

Top Contributors to Performance

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

Top Detractors from Performance

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

CURRENT POSITIONING AND OUTLOOK

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

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

Performance Average Annual Total Return (%) Through 12/31/15 **JUL-DEC 20151** **1-YR** **3-YR** **5-YR** **10-YR** **15-YR** **20-YR** **25-YR** **SINCE INCEPTION (11/26/86)** RVT (NAV) -9.62 -8.09 7.51 5.22 5.19 7.57 9.30 11.12 10.03 1 Not Annualized

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Market Price Performance History Since Inception (11/26/86) Cumulative Performance of Investment through 12/31/151 **1-YR** **5-YR** **10-YR** **15-YR** **20-YR** **SINCE INCEPTION (11/26/86)** RVT -9.6% 28.8% 35.3% 198.7% 489.3% 1221.7%

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. 2 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 BoxTM** with the center 75% of fund holdings plotted as the **Morningstar Ownership ZoneTM**. The Morningstar Style Box is designed to reveal a fund s investment strategy. The Morningstar Ownership Zone provides detail about a portfolio s investment style by showing the range of stock sizes and styles. The Ownership Zone is derived by plotting each stock in the portfolio within the proprietary Morningstar Style Box. Over time, the shape and location of a fund s ownership zone may vary. See page 58 for additional information.

Top 10 Positions % of Net Assets HEICO Corporation 1.1 Nautilus 1.0 Hackett Group (The) 1.0 Ash Grove Cement Cl. B 1.0 SEI Investments 1.0 On Assignment 1.0 Woodward 1.0 Coherent 1.0 MarketAxess Holdings 0.9 Reliance Steel &#038 Aluminum 0.9

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

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