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ROYCE VALUE TRUST INC
Form DEF 14A
August 25, 2003

As filed with the Securities and Exchange Commission on August 25, 2003

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:
[] Preliminary Proxy Statement
[X] Definitive Proxy Statement
[] Definitive Additional Materials
[] Soliciting Material Pursuant to
Rule 14a-11(c) or Rule 14a-12

ROYCE VALUE TRUST, INC.

(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

SAME AS ABOVE

(NAME OF PERSON FILING PROXY STATEMENT)

Payment of filing fee (Check the appropriate box):

[X] No fee required.
[] Fee computed on table below per Exchange Act Rules 14a-6(i) (1)
and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11:1 (Set forth the amount on which
the filing fee is calculated and state how it was determined.)

(4) Proposed maximum aggregate value of transaction:

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Act Rule 0-11(a) (2) and identify the filing for which the offsetting
fee was paid previously. Identify the previous filing by registration
statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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ROYCE VALUE TRUST, INC.

1414 Avenue of the Americas
New York, NY 10019

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON SEPTEMBER 29, 2003

To the Stockholders of:

ROYCE VALUE TRUST, INC.

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Meeting") of ROYCE VALUE TRUST, INC. (the "Fund") will be held at the offices of the Fund, 1414 Avenue of the Americas, New York, New York 10019 on Monday, September 29, 2003, at 12:00 p.m. (Eastern time), for the following purposes:

1. To elect four Directors to the Fund's Board:

- (i) two Directors to be elected by the holders of the Fund's Common Stock, its 7.80% Cumulative Preferred Stock and its 7.30% Tax-Advantaged Cumulative Preferred Stock (the two series of Cumulative Preferred Stock together will be referred to as the "Preferred Stock"), voting together as a single class, and
- (ii) two Directors to be elected only by the holders of the Fund's Preferred Stock voting as a separate class; and

2. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors of the Fund has set the close of business on August 8, 2003 as the record date for determining those stockholders entitled to vote at the Meeting or any adjournment thereof, and only holders of record at the close of business on that day will be entitled to vote.

IMPORTANT

TO SAVE THE FUND THE EXPENSE OF ADDITIONAL PROXY SOLICITATION, PLEASE MARK YOUR INSTRUCTIONS ON THE ENCLOSED PROXY, DATE AND SIGN IT AND RETURN IT IN THE ENCLOSED ENVELOPE (WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES), EVEN IF YOU EXPECT TO BE PRESENT AT THE MEETING. IF YOU HAVE BEEN PROVIDED WITH THE OPPORTUNITY ON YOUR PROXY CARD OR VOTING INSTRUCTION FORM TO PROVIDE VOTING INSTRUCTIONS VIA TELEPHONE OR THE INTERNET, PLEASE TAKE ADVANTAGE OF THESE PROMPT AND EFFICIENT VOTING OPTIONS. The accompanying Proxy is solicited on behalf of the Board of Directors, is revocable and will not affect your right to vote in person in the event that you attend the Meeting.

By order of the Board of Directors,

John E. Denneen
Secretary

August 20, 2003

PROXY STATEMENT

ROYCE VALUE TRUST, INC.
1414 Avenue of the Americas
New York, NY 10019

ANNUAL MEETING OF STOCKHOLDERS
September 29, 2003

INTRODUCTION

The enclosed Proxy is solicited on behalf of the Board of Directors for use at the Annual Meeting of Stockholders (the "Meeting") of Royce Value Trust, Inc. (the "Fund"), to be held at the offices of the Fund, 1414 Avenue of the Americas, New York, New York 10019, on Monday, September 29, 2003, at 12:00 p.m. (Eastern time) and at any adjournments thereof. The approximate mailing date of this Proxy Statement is August 20, 2003.

All properly executed Proxies received prior to the Meeting will be voted at the Meeting in accordance with the instructions marked thereon or otherwise as provided therein. Unless instructions to the contrary are marked, Proxies will be voted "FOR" the election of the Director nominees of the Fund.

You may revoke your Proxy at any time before it is exercised by sending written instructions to the Secretary of the Fund at the Fund's address indicated above or by filing a new Proxy with a later date, and any stockholder attending the Meeting may vote in person, whether or not he or she has previously filed a Proxy.

The Board of Directors of the Fund has set the close of business on August 8, 2003 as the record date (the "Record Date") for determining those stockholders entitled to vote at the Meeting or any adjournment thereof, and only holders of record at the close of business on that day will be entitled to vote. Stockholders on the Record Date will be entitled to one vote for each outstanding share of Common Stock, 7.80% Cumulative Preferred Stock and 7.30% Tax-Advantaged Cumulative Preferred Stock (the two series of Cumulative Preferred Stock together will be referred to as the "Preferred Stock" and, together with the Common Stock, "Stock" or "shares") held (proportional voting rights for fractional shares held), with no shares having cumulative voting rights.

As of the Record Date, there were 48,820,753 shares of Common Stock and 6,400,000 shares of Preferred Stock of the Fund outstanding. The following persons were known to the Fund to be beneficial owners or owners of record of 5% or more of its outstanding shares of Common Stock or Preferred Stock as of the Record Date:

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| NAME AND ADDRESS OF OWNER | CLASS/SERIES OF STOCK | AMOUNT AND NATURE OF OWNERSHIP | PERCENT OF CLASS/SERIES |
|--------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|-------------------------|
| Cede & Co.* Depository Trust Company P.O. Box #20 Bowling Green Station New York, NY 10028 | Common | 47,048,967 shares-- Record* | 96.37% |
| | 7.80% Preferred | 2,378,516 shares-- Record* | 99.10% |
| | 7.30% Preferred | 3,975,000 shares-- Record* | 99.38% |

*Shares held by brokerage firms, banks and other financial intermediaries on behalf of beneficial owners are registered in the name of Cede & Co.

The Board of Directors knows of no business other than that stated in Proposal 1 of the Notice of Meeting that will be presented for consideration at the Meeting. If any other matter is properly presented at the Meeting or any adjournment thereof, it is the intention of the persons named on the enclosed proxy card to vote in accordance with their best judgment.

SUMMARY OF VOTING RIGHTS ON PROXY PROPOSALS

| PROPOSAL | COMMON STOCKHOLDERS | PREFERRED STOCKHOLDERS |
|-----------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| ELECTION OF DIRECTORS | Common and Preferred Stockholders, voting together as a single class, elect two Directors | Preferred Stockholders, voting as a separate class, elect two additional Directors |

PROPOSAL 1: ELECTION OF DIRECTORS

At the Meeting, four members of the Board of Directors of the Fund will be elected. The holders of both Common Stock and Preferred Stock, voting together as a single class, are entitled to elect six directors. These six directors are divided into three classes, each class having a term of three years. Each year the term of office of one class will expire. Charles M. Royce and G. Peter O'Brien have each been nominated by the Board of Directors for a three-year term to expire at the Fund's 2006 Annual Meeting of Stockholders or until their successors are duly elected and qualified. The classes of Directors are indicated below:

NOMINEES TO SERVE UNTIL 2006 ANNUAL MEETING OF SHAREHOLDERS

Charles M. Royce
G. Peter O'Brien

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DIRECTORS SERVING UNTIL 2005 ANNUAL MEETING OF SHAREHOLDERS

 Donald R. Dwight
 Stephen L. Isaacs

DIRECTORS SERVING UNTIL 2004 ANNUAL MEETING OF STOCKHOLDERS

 Mark R. Fetting
 Richard M. Galkin

The holders of Preferred Stock, voting as a separate class, are entitled to elect the remaining two directors to serve until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified or until their earlier resignation or removal. The Board of Directors has nominated the following two persons to continue as Directors of the Fund, to be elected by holders of the Preferred Stock: William L. Koke and David L. Meister.

Each of these persons has agreed to serve if elected, and the Fund's management has no reason to believe that any of them will be unavailable for service as a Director. However, if any of them become unwilling or unable to serve, the persons named in the accompanying Proxy will vote for the election of such other persons, if any, as the Board of Directors may nominate.

Certain biographical and other information concerning the existing Directors and the nominees who are "interested persons" as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act"), of the Fund, including their designated classes, is set forth below.

| NAME, ADDRESS* AND PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS** ----- | AGE --- | POSITIONS WITH THE FUND ----- | TERM OF OFFICE AND LENGTH OF TIME SERVED ----- | CURRENT TERM EXPIRES ----- | TO BE ELECTED BY -- | NUMBER OF ROYCE FUNDS' PORTFOLIOS OVERSEEN ----- |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------------------|------------------------------------------------------------------|-------------------------------------|------------------------------|-----------------------------------------------------------------|
| Charles M. Royce*** President, Chief Investment Officer and Member of Board of Managers of Royce & Associates, LLC and its predecessor, Royce & Associates, Inc. (collectively, "R&A"), the Fund's investment adviser; Director and President of the Fund, Royce Micro-Cap Trust, Inc. ("OTCM") and Royce | 63 | Class I Director and President[dagger] | 1986 | 2003 | Common and Preferred | 18 |

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Focus Trust, Inc. ("RFT"), closed-end diversified management investment companies of which R&A is the investment adviser; Trustee, and President of The Royce Fund ("TRF") and Royce Capital Fund ("RCF"), open-end diversified management investment companies of which R&A is the investment adviser (the Fund, OTCM, RFT, TRF and RCF collectively, "The Royce Funds"); Secretary and sole director of Royce Fund Services, Inc. ("RFS"), a wholly-owned subsidiary of RA and managing general partner of Royce Management Company ("RMC"), the general partner of various private investment limited partnerships (until October 2001).

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| NAME, ADDRESS* AND PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS** | AGE | POSITIONS WITH THE FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | CURRENT TERM EXPIRES | TO BE ELECTED BY | NUMBER OF ROYCE FUNDS' PORTFOLIOS OVERSEEN |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------|------------------------------------------|----------------------|----------------------|--------------------------------------------|
| Mark R. Fetting*** Executive Vice President of Legg Mason, Inc. ("Legg Mason"); Member of Board of Managers of RA and Division President and Senior Officer, Prudential Financial Group, Inc. and related companies, including Fund Boards and consulting services to subsidiary companies (from | 48 | Class II Director | 2001 | 2004 | Common and Preferred | 18 |

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1991 to 2000).
 Mr. Fetting's prior
 business experience
 includes having served as
 Partner, Greenwich
 Associates, and Vice
 President, T. Rowe Price
 Group, Inc.

* Mr. Royce's address is c/o Royce & Associates, LLC, 1414 Avenue of the Americas, New York, New York 10019. Mr. Fetting's address is c/o Legg Mason, Inc., 100 Light Street, Baltimore, Maryland 21202.

** Each of the existing Directors or nominees is also a director/trustee of certain other investment companies for which R&A acts as an investment adviser.

*** "Interested person," as defined in the Investment Company Act, of the Fund.
 [dagger] Elected by and serves at the pleasure of the Board of Directors.

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Certain biographical and other information concerning the existing Directors and nominees who are not "interested persons," as defined in the Investment Company Act, of the Fund, including their designated classes, is set forth below.

| NAME, ADDRESS* AND PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS** | AGE | POSITIONS WITH THE FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | CURRENT TERM EXPIRES | TO BE ELECTED BY | NUMBER OF ROYCE FUNDS' PORTFOLIOS OVERSEEN |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------|---------------------------------------------------------|----------------------------|----------------------------|--------------------------------------------------------|
| ----- | --- | ----- | ----- | ----- | -- | ----- |
| Donald R. Dwight President of Dwight Partners, Inc., corporate communications consultants; and Chairman (from 1982 until March 1998) of Newspapers of New England, Inc. Mr. Dwight's prior experience includes having served as Lieutenant Governor of the Commonwealth of Massachusetts, President | 72 | Class III Director | 1998 | 2005 | Common and Preferred | 18 |

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and Publisher of
 Minneapolis Star and
 Tribune Company, and as
 Trustee of the registered
 investment companies
 constituting the
 94 Eaton Vance Funds.

| | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------------|------|------|----------------------------|----|
| Richard M. Galkin Private investor; Mr. Galkin's prior business experience includes having served as President of Richard M. Galkin Associates, Inc., telecommunications consultants, President of Manhattan Cable Television (a subsidiary of Time Inc.), President of Haverhills Inc. (another Time Inc. subsidiary), President of Rhode Island Cable Television and Senior Vice President of Satellite Television Corp. (a subsidiary of Comsat). | 65 | Class II Director | 1986 | 2004 | Common and Preferred | 18 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------------|------|------|----------------------------|----|

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| NAME, ADDRESS* AND PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS** | AGE | POSITIONS WITH THE FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | CURRENT TERM EXPIRES | TO BE ELECTED BY | NUMBER OF ROYCE FUNDS' PORTFOLIOS OVERSEEN |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------|---------------------------------------------------------|----------------------------|----------------------------|--------------------------------------------------------|
| ----- | --- | ----- | ----- | ----- | -- | ----- |
| Stephen L. Isaacs President of The Center for Health and Social Policy (since September 1996); Attorney and President of Health Policy Associates, Inc., consultants. Mr. Isaacs' prior experience includes having served as Director of Columbia University Development Law and Policy Program and Professor at Columbia University. | 63 | Class III Director | 1986 | 2005 | Common and Preferred | 18 |

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| | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------|------|------|----------------|----|
| <p>William L. Koke Financial planner with Shoreline Financial Consultants. Mr. Koke's prior business experience includes having served as Director of Financial Relations of SONAT, Inc., Treasurer of Ward Foods, Inc. and President of CFC, Inc.</p> | 68 | Director | 2001 | 2003 | Preferred only | 18 |
| <p>David L. Meister Chairman and Chief Executive Officer of The Tennis Channel (since June 2000); and Chief Executive Officer of Seniorlife.com (from December 1999 to May 2000). Mr. Meister's prior business experience includes having served as 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.</p> | 63 | Director | 1986 | 2003 | Preferred only | 18 |

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| NAME, ADDRESS* AND PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS** | AGE | POSITIONS WITH THE FUND | TERM OF OFFICE AND LENGTH OF TIME SERVED | CURRENT TERM EXPIRES | TO BE ELECTED BY | NUMBER OF ROYCE FUNDS' PORTFOLIOS OVERSEEN |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------|------------------------------------------|----------------------|----------------------|--------------------------------------------|
| ----- | --- | ----- | ----- | ----- | -- | ----- |
| <p>G. Peter O'Brien Trustee of Colgate University, President of Hill House, Inc. and Managing Director/Equity Capital Markets Group of Merrill Lynch & Co. (from 1971 to 1999).</p> | 57 | Class I Director | 2001 | 2003 | Common and Preferred | 18 |

* Messrs. Dwight, Galkin, Isaacs, Koke, Meister and O'Brien's address is c/o Royce & Associates, LLC, 1414 Avenue of the Americas, New York, New York 10019.

** Each of the above existing Directors or nominees is a director/trustee of certain other investment companies for which R&A acts as an investment adviser, is a member of the Fund's audit committee and will continue as a member of the Fund's Audit Committee if re-elected a Director.

AUDIT COMMITTEE REPORT

The Board of Directors has a standing Audit Committee (the "Audit Committee"), which consists of the Directors who are not "interested persons" of the Fund within the meaning of Section 2(a)(19) of the Investment Company Act and who are "independent" as defined in the listing standards of the New York Stock Exchange (the "Independent Directors"). The current members of the Audit Committee are Donald R. Dwight, Richard M. Galkin, Stephen L. Isaacs, William L. Koke, David L. Meister and G. Peter O'Brien. Mr. Galkin serves as Chairman of the Committee. Although the Board of Directors does not have a standing compensation committee or a nominating committee, the Independent Directors review and nominate candidates to serve as Independent Directors. The Independent Directors generally will not consider nominees recommended by stockholders of the Fund.

The principal purposes of the Audit Committee are the appointment, compensation and oversight of the Fund's independent auditors including the resolution of disagreements regarding financial reporting between fund management and such independent auditors.

The Board of Directors has adopted an Audit Committee Charter for the Fund. The Audit Committee also has (i) received written disclosures and the letter required by Independence Standards Board Standard No. 1 from Tait,

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Weller & Baker ("TW&B"), independent auditors for the Fund, and (ii) discussed certain matters required to be discussed by Statements on Auditing Standards No. 61 with TW&B. The Audit Committee has considered whether the provision of non-audit services by the Fund's independent auditors is compatible with maintaining their independence.

At its meeting held on February 4, 2003, the Audit Committee reviewed and discussed the audit of the Fund's financial statements as of December 31, 2002 and for the fiscal year then ended with Fund management and TW&B. Had any material concerns arisen during the course of the audit and the preparation of the audited financial statements mailed to stockholders and included in the Fund's 2002 Annual Report to Stockholders, the Audit Committee would have been notified by Fund management or TW&B. The Audit Committee received no such notifications. At the same meeting, the Audit Committee recommended to the Board of Directors that the Fund's audited financial statements be included in the Fund's 2002 Annual Report to Stockholders.

COMMITTEE AND BOARD OF DIRECTORS MEETINGS

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During the year ended December 31, 2002, the Board of Directors held seven meetings and the Audit Committee held three meetings. Each Director then in office attended 75% or more of the aggregate of the total number of meetings of the Board of Directors held during that year and the total number of meetings of the Audit Committee held during that year.

COMPENSATION OF DIRECTORS AND AFFILIATED PERSONS

Each Independent Director receives a base fee of \$10,000 per year plus \$1,000 for each meeting of the Board of Directors attended. No Director received remuneration for services as a Director for the year ended December 31, 2002 in addition to or in lieu of this standard arrangement.

Set forth below is the aggregate compensation paid by the Fund and the total compensation paid by The Royce Funds to each Independent Director of the Fund for the year ended December 31, 2002.

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| NAME | AGGREGATE COMPENSATION FROM THE FUND | PENSION OR RETIREMENT BENEFITS ACCRUED AS PART OF FUND EXPENSES | ESTIMATED ANNUAL BENEFITS UPON RETIREMENT | TOTAL COMPENSATION FROM THE FUND AND OTHER ROYCE FUNDS PAID TO DIRECTORS |
|-----------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------|
| ----- | ----- | ----- | ----- | ----- |
| Donald R. Dwight, Director(1) | \$15,000 | None | None | \$65,250 |
| Richard M. Galkin, Director(2) | 15,000 | None | None | 65,250 |
| Stephen L. Isaacs, Director | 15,000 | None | None | 65,250 |
| William L. Koke, Director | 15,000 | None | None | 65,250 |
| David L. Meister, Director | 15,000 | None | None | 65,250 |
| G. Peter O'Brien, Director | 15,000 | None | None | 65,250 |
| ----- | | | | |

(1) Includes \$2,250 from the Fund (\$9,563 from the Fund and other Royce Funds) deferred during 2002 at the election of Mr. Dwight under The Royce Funds' Deferred Compensation Plan for trustees/directors.

(2) Includes \$15,000 from the Fund (\$63,750 from the Fund and other Royce Funds) deferred during 2002 at the election of Mr. Galkin under The Royce Funds' Deferred Compensation Plan for trustees/directors.

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OFFICERS OF THE FUND

Officers of the Fund are elected each year by the Fund's Board of Directors. The following sets forth information concerning the Fund's officers:

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| NAME, ADDRESS* AND PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS ----- | AGE --- | OFFICE** ----- | OFFICER OF FUND SINCE ----- |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------|-----------------------------------|
| Charles M. Royce President, Member of Board of Managers and Chief Investment Officer of R&A, the Fund's investment adviser; Director and President of the Fund, OTCM and RFT, closed-end diversified management investment companies of which R&A is the investment adviser; Trustee and President of TRF and RCF, open-end diversified management investment companies of which R&A is the investment adviser; Secretary and sole director of RFS, a wholly-owned subsidiary of RA and managing general partner of RMC, the general partner of various private investment limited partnerships (until October 2001). | 63 | President | 1986 |

| | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------------------------------------|------|
| John D. Diederich Member of Board of Managers, Chief Operating Officer (since October 2001), Chief Financial Officer (since March 2002) and Managing Director of RA Vice President and Treasurer of the Fund, OTCM, RFT, TRF and RCF; Director of Administration of The Royce Funds; and President of RFS. | 52 | Vice President and Treasurer | 1997 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------------------------------------|------|

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------------|------|
| Jack E. Fockler, Jr. Director of Marketing, Managing Director and Vice President of RA Vice President of the Fund, OTCM, RFT, TRF and RCF; and Vice President of RFS. | 44 | Vice President | 1995 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------------|------|

| | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------------|------|
| W. Whitney George Senior Portfolio Manager, Managing Director and Vice President of RA Vice President of the Fund, OTCM, RFT, TRF and RCF. | 45 | Vice President | 1995 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------------|------|

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| NAME, ADDRESS* AND PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS ----- | AGE --- | OFFICE** ----- | OFFICER OF FUND SINCE ----- |
|-----------------------------------------------------------------------------|------------|-------------------|-----------------------------------|
| Daniel A. O'Byrne | 41 | Vice | 1994 |

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Director of Administration,
Principal and Vice President of
RA Vice President of the Fund,
OTCM, RFT, TRF and RCF.

President

| | | | |
|-----------------|----|-----------|-----------------------------|
| John E. Denneen | 36 | Secretary | April 2002 and 1996-2001 |
|-----------------|----|-----------|-----------------------------|

General Counsel (Deputy General Counsel prior to 2003), Principal, Chief Legal and Compliance Officer and Secretary of R&A (since March 2002); Secretary of the Fund, OTCM, RFT, TRF and RCF (1996-2001 and since April 2002); Associate General Counsel, Principal and Chief Compliance Officer of R&A (1996-2001) and Principal of Credit Suisse First Boston Private Equity (2001-2002).

* The address of each officer listed above is c/o Royce & Associates, LLC, 1414 Avenue of the Americas, New York, New York 10019.
** Elected by and serves at the pleasure of the Board of Directors.

INTERESTED PERSONS

Messrs. Royce and Fetting are "interested persons" of the Fund within the meaning of Section 2(a)(19) of the Investment Company Act due to the positions they hold with R&A and its affiliate Legg Mason, respectively, and their stock ownership in Legg Mason. There are no family relationships between any of the Fund's Directors and officers.

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the officers and Directors of the Fund and persons who own more than ten percent of a registered class of the Fund's equity securities, to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange. Officers, Directors and greater than ten percent stockholders are required by SEC regulations to furnish the Fund with copies of all Forms 3, 4 and 5 they file.

Based solely on the Fund's review of the copies of such forms and amendments thereto, furnished to it during or with respect to its most recent fiscal year, and written representations from certain reporting persons that they were not required to file Form 5 with respect to the most recent fiscal year, the Fund believes that, except as set forth below, all of its officers, Directors, greater than ten percent beneficial owners and other persons subject

to Section 16 of the Exchange Act due to the requirements of Section 30(h) of the Investment Company Act (i.e., any investment adviser or affiliated person of the Fund's investment adviser), have complied with all filing requirements applicable to them with respect to transactions in the Fund's shares during the Fund's most recent fiscal year. Mr. Royce inadvertently made a late Form 4 filing in March 2002 reporting certain February 2002 transactions in the Fund's shares of common stock.

STOCK OWNERSHIP

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Information relating to each Director's or nominee's ownership as of August 8, 2003 in the Fund and in all registered Royce Funds overseen or to be overseen by each Director nominee is set forth below:

| NAME | AGGREGATE DOLLAR RANGE OF EQUITY IN THE FUND | AGGREGATE DOLLAR RANGE OF SECURITIES IN ALL ROYCE FUNDS OVERSEEN BY EACH DIRECTOR NOMINEE IN THE ROYCE FAMILY OF FUNDS |
|---------------------------------------|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| ----- Interested Director: ----- | | |
| Charles M. Royce | over \$100,000 | over \$100,000 |
| Mark R. Fetting | \$10,001--\$50,000 | over \$100,000 |
| ----- Non-Interested Directors: ----- | | |
| Donald R. Dwight | \$1--\$10,000 | over \$100,000 |
| Richard M. Galkin | \$10,001--\$50,000 | over \$100,000 |
| Stephen L. Isaacs | \$10,001--\$50,000 | over \$100,000 |
| William L. Koke | \$50,001--\$100,000 | over \$100,000 |
| David L. Meister | None | over \$100,000 |
| G. Peter O'Brien | \$10,001--\$50,000 | over \$100,000 |

As of August 8, 2003, no Independent Director or any of his immediate family members directly or indirectly owned any securities issued by Legg Mason or any of its affiliates (other than registered investment companies).

Mr. Royce has sole voting power and sole investment power as to the shares beneficially owned by him. As of the record date, all Directors and officers of the Fund as a group (13 persons) beneficially owned 376,439 shares of the Fund's Common Stock, constituting .77% of the outstanding shares, and 6,000 shares of its Preferred Stock, constituting less than .1% of the outstanding Preferred Stock.

INFORMATION ABOUT THE FUND'S INVESTMENT ADVISER

On October 1, 2001, Royce & Associates, Inc., the Fund's investment adviser, became an indirect wholly-owned subsidiary of Legg Mason, Inc. ("Legg Mason"). On March 31, 2003, Royce & Associates, Inc. was merged into Royce Holdings, LLC (a wholly-owned subsidiary of Legg Mason), which then changed its name to Royce & Associates, LLC. As a result of this

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merger, Royce & Associates, LLC became the Fund's investment adviser and a direct wholly-owned subsidiary of Legg Mason.

VOTE REQUIRED

A quorum consists of stockholders representing a majority of the outstanding shares of the Fund's Common Stock and/or Preferred Stock, as the case may be, entitled to vote, who are present in person or by proxy, and a plurality of all of the votes cast at a meeting at which a quorum is present is sufficient to elect a Director.

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THE BOARD OF DIRECTORS RECOMMENDS THAT ALL STOCKHOLDERS VOTE FOR ALL DIRECTOR NOMINEES.

ADDITIONAL INFORMATION

ADJOURNMENT OF MEETING; OTHER MATTERS

In the event that sufficient votes in favor of Proposal 1 in the Notice of Annual Meeting of Stockholders are not received by the time scheduled for the Meeting, the persons named as proxies may propose one or more adjournments of the Meeting to permit further solicitation of proxies for such Proposal. Any such adjournment will require the affirmative vote of a majority of the shares present in person or by proxy at the session of the Meeting to be adjourned. The persons named as proxies will vote in favor of such adjournment those proxies which they are entitled to vote in favor of the Proposal. They will vote against any such adjournment those proxies required to be voted against the Proposal.

While the Meeting has been called to transact any business that may properly come before it, the Directors know of no business other than the matter stated in the Notice of Annual Meeting of Stockholders. However, if any additional matter properly comes before the Meeting and on all matters incidental to the conduct of the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the Proxy in accordance with their judgment on such matters.

The Fund expects that broker-dealer firms holding shares of the Fund in "street name" for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their shares on the Proposal before the Meeting. The Fund understands that, under the rules of the New York Stock Exchange, such broker-dealers may, without instructions from such customers and clients, grant authority to the proxies designated by the Fund to vote on the election of Directors if no instructions have been received prior to the date specified in the broker-dealer firm's request for voting instructions. Certain broker-dealer firms may exercise discretion over shares held in their name for which no instructions are received by voting such shares in the same proportion as they have voted shares for which they have received instructions.

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The shares as to which the Proxies so designated are granted authority by broker-dealer firms to vote on the matters to be considered at the Meeting, the shares as to which broker-dealer firms have declined to vote ("broker non-votes") and the shares as to which Proxies are returned by record stockholders but which are marked "abstain" on any matter will be included in the Fund's tabulation of the total number of votes present for purposes of determining whether the necessary quorum of stockholders exists. However, abstentions and broker non-votes will not be counted as votes cast. Therefore, abstentions and broker non-votes will not have an effect on the election of Directors.

INDEPENDENT AUDITORS' FEES

The Fund paid aggregate fees of \$30,000 to TW&B for the year ended December 31, 2002, for professional services rendered involving the audit of the Fund's annual financial statements, the review of financial statements included in the Fund's annual and semi-annual reports to stockholders and the preparation of the Fund's tax returns. The Fund paid aggregate fees of \$6,000 to TW&B for such year for professional services rendered involving the preparation of reports to the rating agency that provides ratings for the Preferred Stock. The investment adviser and one of its employees paid a total of \$7,500 for an analysis of the performance of his accounts. The Audit Committee has determined that the

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preparation of the rating agency reports and the performance analysis is compatible with maintaining TW&B's independence. TW&B did not provide any other professional services to the Fund or R&A for the year ended December 31, 2002. No representatives of TW&B will be present at the Meeting.

ADDRESS OF INVESTMENT ADVISER

R&A's principal office is located at 1414 Avenue of the Americas, New York, New York 10019.

ANNUAL REPORT DELIVERY

THE FUND'S ANNUAL REPORT TO STOCKHOLDERS FOR THE YEAR ENDED DECEMBER 31, 2002 AND SEMI-ANNUAL REPORT TO STOCKHOLDERS FOR THE SIX MONTHS ENDED JUNE 30, 2003 WERE PREVIOUSLY MAILED TO ITS STOCKHOLDERS, AND COPIES ARE AVAILABLE UPON REQUEST, WITHOUT CHARGE, BY WRITING TO THE FUND AT 1414 AVENUE OF THE AMERICAS, NEW YORK, NEW YORK 10019 OR CALLING TOLL FREE AT 1-800-221-4268.

STOCKHOLDER PROPOSALS

Proposals of stockholders intended to be presented at the Fund's 2004 Annual Meeting of Stockholders must be received by the Fund by April 22, 2004 for inclusion in the Fund's Proxy Statement and form of Proxy for that meeting. The Fund's By-laws generally require advance notice be given to the Fund in the event a stockholder desires to nominate a person for election to the Board of Directors or to transact any other business from the floor at an

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annual meeting of stockholders. Notice of any such nomination or other business intended to be presented at the Fund's 2004 Annual Meeting of Stockholders must be in writing and received at the Fund's principal executive office between April 22, 2004 and May 22, 2004. Written proposals should be sent to the Secretary of the Fund, 1414 Avenue of the Americas, New York, New York 10019.

PLEASE FILL IN, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE.

By order of the Board of Directors,

John E. Denneen
Secretary

Dated: August 20, 2003

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RVT-PS-03

| | | |
|-------|--------------------------------------------------------------------------------------------------|-------|
| PROXY | ROYCE VALUE TRUST, INC. Common Stock 1414 Avenue of the Americas New York, NY 10019 | PROXY |
|-------|--------------------------------------------------------------------------------------------------|-------|

This Proxy is solicited on behalf of the Board of Directors.

The undersigned hereby appoints Charles M. Royce and John E. Denneen, or either of them acting in absence of the other, as Proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse, all shares of Common Stock of the Fund held of record by the undersigned on August 8, 2003 at the Annual Meeting of Stockholders of Royce Value Trust, Inc. to be held on September 29, 2003, and at any adjournment thereof.

This Proxy, when properly executed, will be voted in the manner directed by the undersigned stockholder. If no direction is made, this Proxy will be voted FOR Proposal 1.

PLEASE VOTE, DATE AND SIGN ON REVERSE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

Please sign exactly as your name(s) appear(s) on other side. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

HAS YOUR ADDRESS CHANGED?

DO YOU HAVE ANY COMMENTS?

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X PLEASE MARK VOTES
AS IN THIS EXAMPLE

ROYCE VALUE TRUST, INC.

| | | | |
|--|-----|-------|---------|
| | For | With- | For All |
| | / / | hold | Except |
| | / / | / / | / / |

1. ELECTION OF DIRECTORS

Charles M. Royce and G. Peter O'Brien

Instruction: If you do not wish your shares voted "FOR" a particular nominee, mark the "For All Except" box and strike a line through the nominee's name. Your shares will be voted for the remaining nominees.

2. THE PROXIES ARE AUTHORIZED TO VOTE
UPON SUCH OTHER BUSINESS AS MAY PROPERLY
COME BEFORE THE MEETING.

Please be sure to sign and date this Proxy.

Date:

Mark box at the right if an address change or comment has been noted on the reverse side of this card.

Stockholder sign here

Co-owner sign here

RECORD DATE SHARES:

CONTROL NUMBER:

ROYCE VALUE TRUST, INC.

PROXY

PROXY

7.80% Cumulative Preferred Stock
1414 Avenue of the Americas
New York, NY 10019

This Proxy is solicited on behalf of the Board of Directors.

The undersigned hereby appoints Charles M. Royce and John E. Denneen, or either of them acting in absence of the other, as Proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse, all shares of the 7.80% Cumulative Preferred Stock of

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the Fund held of record by the undersigned on August 8, 2003 at the Annual Meeting of Stockholders of Royce Value Trust, Inc. to be held on September 29, 2003, and at any adjournment thereof.

This Proxy, when properly executed, will be voted in the manner directed by the undersigned stockholder. If no direction is made, this Proxy will be voted FOR Proposal 1.

PLEASE VOTE, DATE AND SIGN ON REVERSE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

Please sign exactly as your name(s) appear(s) on other side. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

HAS YOUR ADDRESS CHANGED?

DO YOU HAVE ANY COMMENTS?

X PLEASE MARK VOTES
AS IN THIS EXAMPLE

ROYCE VALUE TRUST, INC.

| | | |
|-----|-------|---------|
| | With- | For All |
| For | hold | Except |
| / / | / / | / / |

1. ELECTION OF DIRECTORS

Charles M. Royce, William L. Koke,
David L. Meister and G. Peter O'Brien

Instruction: If you do not wish your shares voted "FOR" a particular nominee, mark the "For All Except" box and strike a line through the nominee's name. Your shares will be voted for the remaining nominees.

2. THE PROXIES ARE AUTHORIZED TO VOTE
UPON SUCH OTHER BUSINESS AS MAY PROPERLY
COME BEFORE THE MEETING.

Please be sure to sign and date this Proxy.

Date:

Mark box at the right
if an address change
or comment has been

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noted on the reverse side of this card.

Stockholder sign here

Co-owner sign here

RECORD DATE SHARES:

CONTROL NUMBER:

ROYCE VALUE TRUST, INC.

PROXY

PROXY

7.30% Tax-Advantaged Cumulative Preferred Stock
1414 Avenue of the Americas
New York, NY 10019

This Proxy is solicited on behalf of the Board of Directors.

The undersigned hereby appoints Charles M. Royce and John E. Denneen, or either of them acting in absence of the other, as Proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse, all shares of the 7.30% Tax-Advantaged Cumulative Preferred Stock of the Fund held of record by the undersigned on August 8, 2003 at the Annual Meeting of Stockholders of Royce Value Trust, Inc. to be held on September 29, 2003, and at any adjournment thereof.

This Proxy, when properly executed, will be voted in the manner directed by the undersigned stockholder. If no direction is made, this Proxy will be voted FOR Proposal 1.

PLEASE VOTE, DATE AND SIGN ON REVERSE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

Please sign exactly as your name(s) appear(s) on other side. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

HAS YOUR ADDRESS CHANGED?

DO YOU HAVE ANY COMMENTS?

X PLEASE MARK VOTES
AS IN THIS EXAMPLE

ROYCE VALUE TRUST, INC.

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| For | With- | For All |
|-----|-------|---------|
| / / | hold | Except |
| / / | / / | / / |

1. ELECTION OF DIRECTORS

Charles M. Royce, William L. Koke,
David L. Meister and G. Peter O'Brien

Instruction: If you do not wish your shares voted "FOR" a particular nominee, mark the "For All Except" box and strike a line through the nominee's name. Your shares will be voted for the remaining nominees.

2. THE PROXIES ARE AUTHORIZED TO VOTE UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.

Please be sure to sign and date this Proxy.

Date:

Mark box at the right if an address change or comment has been noted on the reverse side of this card.

Stockholder sign here

Co-owner sign here

RECORD DATE SHARES:

CONTROL NUMBER:
