

ROYCE MICRO CAP TRUST INC /MD/

Form N-Q

November 21, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-08030

Name of Fund: Royce Micro-Cap Trust, Inc.

Fund Address: 1414 Avenue of the Americas  
New York, NY 10019

Name and address of agent for service:

John E. Denneen, Esq.  
Royce & Associates, LLC  
1414 Avenue of the Americas  
New York, NY 10019

Registrant's telephone number, including area code: (212) 486-1445

Date of fiscal year end: 12/31/2008

Date of reporting period: 9/30/2008

Item 1 - Schedule of Investments

SCHEDULE OF INVESTMENTS  
ROYCE MICRO-CAP TRUST  
SEPTEMBER 30, 2008 (UNAUDITED)

|   | SHARES  | VALUE                 |
|---|---------|-----------------------|
| <b>COMMON STOCKS</b> □ <b>120.6%</b>        |         |                       |
| <b>Consumer Products</b> □ <b>8.4%</b>      |         |                       |
| Apparel, Shoes and Accessories - 2.4%       |         |                       |
| Cherokee                                    | 7,300   | \$ 160,454            |
| Crocs <sup>a,b</sup>                        | 20,000  | 71,600                |
| Frederick's of Hollywood Group <sup>b</sup> | 121,804 | 65,774                |
| Hartmarx Corporation <sup>b</sup>           | 70,000  | 130,900               |
| Kleinert's <sup>b,c</sup>                   | 14,200  | 0                     |
| Lazare Kaplan International <sup>b</sup>    | 151,700 | 1,168,090             |
| Steven Madden <sup>b</sup>                  | 17,232  | 427,009               |
| True Religion Apparel <sup>a,b</sup>        | 5,000   | 129,250               |
| Weyco Group                                 | 120,000 | 4,016,400             |
| Yamato International                        | 40,000  | 181,985               |
|   |         | <hr/> 6,351,462 <hr/> |
| <b>Collectibles - 0.1%</b>                  |         |                       |
| Leapfrog Enterprises Cl. A <sup>a,b</sup>   | 13,000  | 137,280               |
| <b>Consumer Electronics - 0.1%</b>          |         |                       |
| DTS <sup>a,b</sup>                          | 7,000   | 194,810               |
| TiVo <sup>a,b</sup>                         | 20,000  | 146,400               |

|  |         |            |
|--|---------|------------|
|  |         | 341,210    |
| <b>Food/Beverage/Tobacco - 2.0%</b>          |         |            |
| Green Mountain Coffee Roasters <u>a,b</u>    | 76,800  | 3,021,312  |
| Lifeway Foods <u>a,b</u>                     | 20,000  | 234,000    |
| Seneca Foods Cl. A <u>b</u>                  | 62,500  | 1,186,875  |
| Seneca Foods Cl. B <u>a,b</u>                | 42,500  | 848,300    |
|  |         | 5,290,487  |
| <b>Health, Beauty and Nutrition - 0.2%</b>   |         |            |
| Nutraceutical International <u>b</u>         | 15,000  | 165,750    |
| NutriSystem                                  | 24,700  | 437,684    |
|  |         | 603,434    |
| <b>Home Furnishing and Appliances - 2.7%</b> |         |            |
| American Woodmark                            | 100,000 | 2,245,000  |
| Cobra Electronics                            | 10,000  | 23,600     |
| Flexsteel Industries                         | 213,500 | 2,207,590  |
| Helen of Troy <u>a,b</u>                     | 20,000  | 455,400    |
| Lifetime Brands                              | 42,054  | 410,027    |
| Natuzzi ADR <u>b</u>                         | 409,800 | 1,323,654  |
| Universal Electronics <u>a,b</u>             | 13,500  | 337,230    |
|  |         | 7,002,501  |
| <b>Household Products/Wares - 0.3%</b>       |         |            |
| A.T. Cross Company Cl. A <u>a,b</u>          | 100,000 | 673,000    |
| <b>Sports and Recreation - 0.6%</b>          |         |            |
| Cybox International <u>a,b</u>               | 61,700  | 185,717    |
| Monaco Coach                                 | 314,950 | 614,152    |
| Steinway Musical Instruments <u>b</u>        | 10,000  | 283,200    |
| Sturm, Ruger & Company <u>a,b</u>            | 80,000  | 555,200    |
|  |         | 1,638,269  |
| <b>Total</b>                                 |         | 22,037,643 |
| <b>Consumer Services <u>□</u> 5.2%</b>       |         |            |
| <b>Leisure and Entertainment - 0.3%</b>      |         |            |
| Ambassadors Group                            | 22,000  | 350,020    |
| Ambassadors International <u>a,b</u>         | 6,100   | 12,139     |
| FortuNet <u>a,b</u>                          | 5,000   | 29,500     |
| IMAX Corporation <u>b</u>                    | 25,000  | 148,000    |
| Premier Exhibitions <u>a,b</u>               | 79,800  | 143,640    |
|  |         | 683,299    |
| <b>Media and Broadcasting - 0.1%</b>         |         |            |
| Ballantyne of Omaha <u>a,b</u>               | 100,000 | 196,000    |
| <b>Online Commerce - 1.1%</b>                |         |            |
| Alloy <u>b</u>                               | 58,302  | 450,675    |
| CryptoLogic                                  | 97,200  | 532,656    |

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|   |         |            |
|---|---------|------------|
| Knot (The) <u>a</u> <u>b</u>                    | 25,200  | 210,420    |
| Lumber Liquidators <u>a</u> <u>b</u>            | 75,700  | 950,792    |
| PC Connection <u>a</u> <u>b</u>                 | 17,100  | 114,399    |
| PC Mall <u>a</u> <u>b</u>                       | 26,000  | 177,580    |
| Stamps.com <u>b</u>                             | 34,100  | 397,947    |
|   |         | 2,834,469  |
| <b>Restaurants and Lodgings - 0.1%</b>          |         |            |
| Benihana Cl. A <u>a</u> <u>b</u>                | 39,700  | 182,620    |
| Cosi <u>b</u>                                   | 43,800  | 86,286     |
| Jamba <u>b</u>                                  | 53,000  | 47,700     |
|   |         | 316,606    |
| <b>Retail Stores - 3.4%</b>                     |         |            |
| A.C. Moore Arts & Crafts <u>b</u>               | 59,000  | 369,930    |
| America's Car-Mart <u>b</u>                     | 150,000 | 2,788,500  |
| Build-A-Bear Workshop <u>a</u> <u>b</u>         | 119,400 | 869,232    |
| Cache <u>b</u>                                  | 19,200  | 131,904    |
| Casual Male Retail Group <u>b</u>               | 2,000   | 7,860      |
| Cato Corporation (The) Cl. A                    | 68,100  | 1,195,155  |
| Cost Plus <u>b</u>                              | 116,500 | 227,175    |
| Dover Saddlery <u>a</u> <u>b</u>                | 20,228  | 48,142     |
| DSW Cl. A <u>a</u> <u>b</u>                     | 27,200  | 372,640    |
| Eddie Bauer Holdings <u>b</u>                   | 25,000  | 133,750    |
| EZCORP Cl. A <u>b</u>                           | 6,000   | 112,800    |
| New York & Company <u>a</u> <u>b</u>            | 9,200   | 87,768     |
| Stein Mart <u>a</u> <u>b</u>                    | 223,291 | 873,068    |
| West Marine <u>a</u> <u>b</u>                   | 274,000 | 1,633,040  |
|   |         | 8,850,964  |
| <b>Other Consumer Services - 0.2%</b>           |         |            |
| Collectors Universe                             | 33,200  | 308,760    |
| First Cash Financial Services <u>a</u> <u>b</u> | 9,200   | 138,000    |
| Shutterfly <u>a</u> <u>b</u>                    | 20,000  | 192,200    |
|   |         | 638,960    |
| <b>Total</b>                                    |         | 13,520,298 |
| <b>Diversified Investment Companies □ 1.7%</b>  |         |            |
| <b>Closed-End Funds - 1.7%</b>                  |         |            |
| ASA   | 48,900  | 2,722,752  |
| Central Fund of Canada Cl. A                    | 157,000 | 1,698,740  |
|   |         | 4,421,492  |
| <b>Financial Intermediaries □ 12.2%</b>         |         |            |
| <b>Banking - 5.4%</b>                           |         |            |
| Alliance Bancorp, Inc. of Pennsylvania          | 50,420  | 428,570    |
| B of I Holding <u>b</u>                         | 100,000 | 577,000    |
| Bancorp (The) <u>b</u>                          | 50,000  | 250,000    |
| BB Holdings <u>b</u>                            | 390,000 | 1,488,983  |
| CFS Bancorp                                     | 65,000  | 601,250    |
| Chemung Financial                               | 40,000  | 910,000    |
| CNB Financial                                   | 30,000  | 328,800    |
| Commercial National Financial                   | 20,000  | 288,000    |

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|   |         |            |
|---|---------|------------|
| Fauquier Bankshares                               | 160,800 | 2,379,840  |
| Financial Institutions                            | 36,000  | 720,360    |
| First Bancorp                                     | 40,200  | 787,920    |
| Franklin Bank <sup>a,b</sup>                      | 29,500  | 14,455     |
| HopFed Bancorp                                    | 53,000  | 595,720    |
| Lakeland Financial                                | 45,000  | 988,200    |
| LCNB Corporation                                  | 30,000  | 285,000    |
| Meta Financial Group                              | 44,800  | 761,600    |
| Peapack-Gladstone Financial                       | 29,000  | 971,500    |
| Quest Capital                                     | 30,000  | 41,156     |
| Sterling Bancorp                                  | 32,869  | 475,286    |
| W Holding Company                                 | 300,000 | 162,000    |
| Wilber Corporation (The)                          | 114,150 | 901,785    |
| WSB Financial Group <sup>a,b</sup>                | 114,200 | 89,076     |
|   |         | 14,046,501 |
| <b>Insurance - 1.9%</b>                           |         |            |
| American Physicians Service Group                 | 10,000  | 211,700    |
| American Safety Insurance Holdings <sup>a,b</sup> | 20,000  | 302,200    |
| CRM Holdings <sup>b</sup>                         | 124,000 | 334,800    |
| First Acceptance <sup>b</sup>                     | 258,405 | 878,577    |
| Independence Holding                              | 95,800  | 1,106,490  |
| Navigators Group <sup>a,b</sup>                   | 200     | 11,600     |
| NYMAGIC   | 85,400  | 2,156,350  |
|   |         | 5,001,717  |
| <b>Real Estate Investment Trusts - 0.1%</b>       |         |            |
| Vestin Realty Mortgage II <sup>a</sup>            | 74,230  | 288,755    |
| <b>Securities Brokers - 4.4%</b>                  |         |            |
| Broadpoint Securities Group <sup>a,b</sup>        | 95,000  | 275,500    |
| Cowen Group <sup>b</sup>                          | 123,600 | 1,056,780  |
| Diamond Hill Investment Group <sup>a,b</sup>      | 5,000   | 449,600    |
| Evercore Partners Cl. A                           | 36,500  | 656,270    |
| FBR Capital Markets <sup>a,b</sup>                | 350,600 | 2,271,888  |
| International Assets Holding <sup>a,b</sup>       | 22,550  | 543,680    |
| Sanders Morris Harris Group                       | 199,000 | 1,721,350  |
| Stifel Financial <sup>a,b</sup>                   | 53,899  | 2,689,560  |
| Thomas Weisel Partners Group <sup>a,b</sup>       | 187,000 | 1,576,410  |
| TradeStation Group <sup>a,b</sup>                 | 30,000  | 280,500    |
|   |         | 11,521,538 |
| <b>Securities Exchanges - 0.4%</b>                |         |            |
| MarketAxess Holdings <sup>b</sup>                 | 123,700 | 998,259    |
| <b>Total</b>                                      |         | 31,856,770 |
| <b>Financial Services □ 8.4%</b>                  |         |            |
| <b>Diversified Financial Services - 1.4%</b>      |         |            |
| Advanta Corporation Cl. B                         | 21,400  | 176,122    |
| Encore Capital Group <sup>a,b</sup>               | 98,000  | 1,342,600  |
| FCStone Group <sup>a,b</sup>                      | 22,100  | 397,579    |
| World Acceptance <sup>a,b</sup>                   | 47,951  | 1,726,236  |
|   |         | 3,642,537  |

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Insurance Brokers - 0.3%

|   |         |         |
|---|---------|---------|
| Crawford & Company Cl. A <sup>a,b</sup> | 50,000  | 503,000 |
| Western Financial Group                 | 148,000 | 429,711 |
|   |         | <hr/>   |
|   |         | 932,711 |
|   |         | <hr/>   |

Investment Management - 4.5%

|                            |         |            |
|----------------------------|---------|------------|
| BKF Capital Group          | 387,000 | 425,700    |
| Endeavour Financial        | 340,900 | 1,979,574  |
| Epoch Holding Corporation  | 211,500 | 2,231,325  |
| Hennessy Advisors          | 24,750  | 124,987    |
| JZ Capital Partners        | 70,000  | 133,699    |
| MVC Capital                | 226,200 | 3,449,550  |
| Queen City Investments     | 948     | 1,052,280  |
| Sceptre Investment Counsel | 78,000  | 600,987    |
| Westwood Holdings Group    | 38,280  | 1,814,472  |
|                            |         | <hr/>      |
|                            |         | 11,812,574 |
|                            |         | <hr/>      |

Special Purpose Acquisition Corporation - 1.7%

|   |         |           |
|---|---------|-----------|
| Alternative Asset Management              |         |           |
| Acquisition (Units) <sup>b</sup>          | 250,000 | 2,250,000 |
| Cockleshell <sup>b</sup>                  | 465,300 | 442,570   |
| Prospect Acquisition (Units) <sup>b</sup> | 50,000  | 450,000   |
| Shellshock <sup>b</sup>                   | 47,200  | 52,027    |
| Shermen WSC Acquisition <sup>b</sup>      | 220,000 | 1,262,800 |
|   |         | <hr/>     |
|   |         | 4,457,397 |
|   |         | <hr/>     |

Specialty Finance - 0.5%

|                           |         |           |
|---------------------------|---------|-----------|
| ASTA Funding              | 22,800  | 159,828   |
| MRU Holdings <sup>b</sup> | 180,800 | 57,856    |
| NGP Capital Resources     | 68,080  | 991,926   |
|                           |         | <hr/>     |
|                           |         | 1,209,610 |
|                           |         | <hr/>     |

**Total**

22,054,829

**Health** □ 14.3%

Commercial Services - 1.0%

|                                      |        |           |
|--------------------------------------|--------|-----------|
| PAREXEL International <sup>a,b</sup> | 76,500 | 2,192,490 |
| PDI <sup>a,b</sup>                   | 66,800 | 530,392   |
|                                      |        | <hr/>     |
|                                      |        | 2,722,882 |
|                                      |        | <hr/>     |

Drugs and Biotech - 3.0%

|   |         |           |
|---|---------|-----------|
| Acadia Pharmaceuticals <sup>a,b</sup>             | 33,500  | 89,780    |
| Allos Therapeutics <sup>a,b</sup>                 | 53,600  | 397,176   |
| Anadys Pharmaceuticals <sup>a,b</sup>             | 420,000 | 1,113,000 |
| BioCryst Pharmaceuticals <sup>a,b</sup>           | 200,000 | 628,000   |
| Cambrex Corporation <sup>b</sup>                  | 16,000  | 98,400    |
| Caraco Pharmaceutical Laboratories <sup>a,b</sup> | 20,050  | 250,825   |
| Cardiome Pharma <sup>a,b</sup>                    | 21,000  | 159,600   |
| Cell Genesys <sup>a,b</sup>                       | 78,000  | 46,020    |
| Durect Corporation <sup>a,b</sup>                 | 44,100  | 246,960   |
| DUSA Pharmaceuticals <sup>a,b</sup>               | 92,600  | 106,490   |
| Dyax Corporation <sup>b</sup>                     | 47,300  | 208,120   |
| Emisphere Technologies <sup>a,b</sup>             | 163,200 | 323,136   |
| Favrille <sup>a,b</sup>                           | 101,000 | 1,515     |

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|                                     |         |           |
|-------------------------------------|---------|-----------|
| Genitope Corporation <u>b</u>       | 1,000   | 13        |
| Genoptix <u>a,b</u>                 | 10,000  | 326,700   |
| GenVec <u>a,b</u>                   | 140,000 | 169,400   |
| ImmunoGen <u>a,b</u>                | 24,000  | 117,840   |
| Lexicon Pharmaceuticals <u>a,b</u>  | 80,000  | 142,400   |
| MannKind Corporation <u>a,b</u>     | 10,000  | 38,600    |
| Momenta Pharmaceuticals <u>a,b</u>  | 62,500  | 819,375   |
| Neuralstem <u>b</u>                 | 40,000  | 54,800    |
| Oncolytics Biotech <u>a,b</u>       | 36,000  | 53,640    |
| Orchid Cellmark <u>a,b</u>          | 78,000  | 230,100   |
| RTI Biologics <u>a,b</u>            | 24,400  | 228,140   |
| Sangamo BioSciences <u>a,b</u>      | 10,000  | 77,000    |
| Seattle Genetics <u>a,b</u>         | 57,000  | 609,900   |
| Senomyx <u>a,b</u>                  | 57,000  | 258,210   |
| Sinovac Biotech <u>a,b</u>          | 75,000  | 187,500   |
| Strategic Diagnostics <u>a,b</u>    | 71,200  | 115,344   |
| Tapestry Pharmaceuticals <u>a,b</u> | 523,000 | 4,184     |
| Theragenics Corporation <u>a,b</u>  | 145,800 | 454,896   |
| Trimeris                            | 81,000  | 317,520   |
|                                     |         | <hr/>     |
|                                     |         | 7,874,584 |
|                                     |         | <hr/>     |

Health Services - 4.3%

|  |         |            |
|--|---------|------------|
| Air Methods <u>a,b</u>                 | 33,200  | 939,892    |
| Albany Molecular Research <u>b</u>     | 15,000  | 271,350    |
| Bio-Imaging Technologies <u>b</u>      | 19,100  | 147,452    |
| BML                                    | 30,000  | 516,982    |
| Computer Programs and Systems          | 12,800  | 370,560    |
| CorVel Corporation <u>a,b</u>          | 40,125  | 1,147,976  |
| eResearch Technology <u>b</u>          | 165,000 | 1,965,150  |
| Gentiva Health Services <u>b</u>       | 23,000  | 619,620    |
| HMS Holdings <u>a,b</u>                | 28,900  | 692,444    |
| Hooper Holmes <u>a,b</u>               | 67,600  | 87,880     |
| MedCath Corporation <u>a,b</u>         | 18,000  | 322,560    |
| On Assignment <u>a,b</u>               | 73,700  | 580,756    |
| PharmaNet Development Group <u>a,b</u> | 25,000  | 180,500    |
| PharMerica Corporation <u>a,b</u>      | 100,000 | 2,249,000  |
| RehabCare Group <u>b</u>               | 22,000  | 398,200    |
| Sun Healthcare Group <u>a,b</u>        | 41,000  | 601,060    |
| U.S. Physical Therapy <u>a,b</u>       | 10,000  | 173,600    |
|  |         | <hr/>      |
|  |         | 11,264,982 |
|  |         | <hr/>      |

Medical Products and Devices - 6.0%

|                                     |         |           |
|-------------------------------------|---------|-----------|
| ABIOMED <u>a,b</u>                  | 15,000  | 266,250   |
| Allied Healthcare Products <u>b</u> | 246,998 | 1,410,359 |
| AngioDynamics <u>a,b</u>            | 14,000  | 221,200   |
| Anika Therapeutics <u>b</u>         | 17,000  | 122,910   |
| Atrion Corporation                  | 4,000   | 412,120   |
| Caliper Life Sciences <u>b</u>      | 50,000  | 140,000   |
| Cardiac Science <u>a,b</u>          | 26,243  | 271,877   |
| CAS Medical Systems <u>a,b</u>      | 72,600  | 290,400   |
| Celsion Corporation <u>a,b</u>      | 20,212  | 62,859    |
| Cerus Corporation <u>b</u>          | 109,600 | 452,648   |
| CONMED Corporation <u>b</u>         | 3,900   | 124,800   |
| Cutera <u>a,b</u>                   | 42,800  | 454,108   |
| Cynosure Cl. A <u>a,b</u>           | 16,500  | 296,010   |
| Del Global Technologies <u>b</u>    | 461,301 | 507,431   |
| EPIX Pharmaceuticals <u>a,b</u>     | 24,666  | 25,406    |
| Exactech <u>b</u>                   | 110,000 | 2,446,400 |
| HealthTronics <u>a,b</u>            | 51,700  | 150,964   |

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|   |         |            |
|---|---------|------------|
| Kensey Nash <u>b</u>                              | 23,650  | 744,029    |
| Medical Action Industries <u>a,b</u>              | 125,250 | 1,644,533  |
| Merit Medical Systems <u>b</u>                    | 5,900   | 110,743    |
| Neurometrix <u>a,b</u>                            | 21,500  | 20,425     |
| NMT Medical <u>a,b</u>                            | 27,000  | 84,240     |
| Orthofix International <u>a,b</u>                 | 28,000  | 521,640    |
| OrthoLogic Corporation <u>b</u>                   | 65,000  | 57,200     |
| Palomar Medical Technologies <u>a,b</u>           | 18,000  | 242,280    |
| PLC Systems <u>b</u>                              | 105,200 | 8,416      |
| SenoRx <u>a,b</u>                                 | 40,100  | 198,094    |
| Shamir Optical Industry                           | 17,500  | 108,500    |
| Syneron Medical <u>a,b</u>                        | 80,400  | 1,145,700  |
| Synovis Life Technologies <u>a,b</u>              | 20,000  | 376,400    |
| Thermage <u>b</u>                                 | 56,100  | 192,423    |
| Utah Medical Products                             | 42,300  | 1,165,365  |
| Vital Images <u>a,b</u>                           | 16,300  | 244,500    |
| Young Innovations                                 | 61,450  | 1,240,061  |
|   |         | <hr/>      |
|   |         | 15,760,291 |
|   |         | <hr/>      |
| <b>Total</b>                                      |         | 37,622,739 |
|   |         | <hr/>      |
| <b>Industrial Products</b> $\square$ <b>18.8%</b> |         |            |
| <b>Automotive - 0.9%</b>                          |         |            |
| ATC Technology <u>a,b</u>                         | 8,800   | 208,912    |
| Commerical Vehicle Group <u>a,b</u>               | 12,400  | 88,164     |
| International Textile Group <u>b</u>              | 7,222   | 2,167      |
| SORL Auto Parts <u>a,b</u>                        | 75,000  | 265,500    |
| Spartan Motors                                    | 6,300   | 20,034     |
| Strattec Security                                 | 28,300  | 747,686    |
| US Auto Parts Network <u>a,b</u>                  | 261,000 | 550,710    |
| Wecast Industries Cl. A <u>b</u>                  | 12,900  | 48,606     |
| Wonder Auto Technology <u>a,b</u>                 | 55,900  | 358,319    |
|   |         | <hr/>      |
|   |         | 2,290,098  |
|   |         | <hr/>      |
| <b>Building Systems and Components - 1.3%</b>     |         |            |
| AAON  | 109,500 | 1,991,805  |
| Bunka Shutter                                     | 90,000  | 283,781    |
| LSI Industries                                    | 138,563 | 1,145,916  |
|   |         | <hr/>      |
|   |         | 3,421,502  |
|   |         | <hr/>      |
| <b>Construction Materials - 3.0%</b>              |         |            |
| Ash Grove Cement                                  | 8,000   | 1,880,000  |
| Monarch Cement                                    | 50,410  | 1,361,070  |
| Trex Company <u>a,b</u>                           | 250,000 | 4,527,500  |
|   |         | <hr/>      |
|   |         | 7,768,570  |
|   |         | <hr/>      |
| <b>Industrial Components - 1.6%</b>               |         |            |
| C&D Technologies <u>a,b</u>                       | 53,000  | 301,040    |
| Deswell Industries                                | 105,300 | 364,338    |
| Gerber Scientific <u>a,b</u>                      | 50,500  | 461,570    |
| Orion Energy Systems <u>a,b</u>                   | 24,236  | 135,964    |
| Planar Systems <u>a,b</u>                         | 142,000 | 360,680    |
| Powell Industries <u>b</u>                        | 26,800  | 1,093,708  |
| Tech/Ops Sevcon                                   | 76,200  | 327,660    |
| Zygo Corporation <u>a,b</u>                       | 97,500  | 1,226,550  |

|  |         |            |
|--|---------|------------|
|  |         | 4,271,510  |
| <hr/>  |         |            |
| <b>Machinery - 3.9%</b>                          |         |            |
| Active Power <u>b</u>                            | 187,500 | 110,625    |
| Alamo Group                                      | 38,600  | 658,130    |
| Astec Industries <u>b</u>                        | 200     | 6,166      |
| Burnham Holdings Cl. A                           | 95,000  | 997,500    |
| Columbus McKinnon <u>a,b</u>                     | 11,300  | 266,341    |
| Eastern Company (The)                            | 39,750  | 536,625    |
| Flow International <u>a,b</u>                    | 25,000  | 127,000    |
| FreightCar America                               | 9,300   | 272,211    |
| Gehl Company <u>b</u>                            | 20,000  | 588,600    |
| Gorman-Rupp Company                              | 5,272   | 198,860    |
| Hurco Companies <u>a,b</u>                       | 26,500  | 783,605    |
| Kadant <u>b</u>                                  | 16,600  | 377,982    |
| K-Tron International <u>b</u>                    | 1,500   | 193,245    |
| Mueller (Paul) Company                           | 9,650   | 443,900    |
| StockerYale <u>b</u>                             | 290,000 | 127,600    |
| Sun Hydraulics                                   | 58,425  | 1,521,387  |
| Tennant Company                                  | 88,200  | 3,021,732  |
|  |         | 10,231,509 |
| <hr/>  |         |            |
| <b>Metal Fabrication and Distribution - 1.5%</b> |         |            |
| Central Steel & Wire                             | 1,088   | 696,320    |
| Dynamic Materials                                | 3,200   | 74,272     |
| Encore Wire                                      | 15,000  | 271,650    |
| Fushi Copperweld <u>a,b</u>                      | 60,000  | 581,400    |
| Insteel Industries                               | 400     | 5,436      |
| Ladish Company <u>b</u>                          | 10,000  | 202,500    |
| Metalico <u>a,b</u>                              | 21,000  | 123,900    |
| NN   | 114,300 | 1,468,755  |
| Olympic Steel                                    | 10,000  | 294,900    |
| Universal Stainless & Alloy Products <u>b</u>    | 7,700   | 196,735    |
|  |         | 3,915,868  |
| <hr/>  |         |            |
| <b>Miscellaneous Manufacturing - 3.1%</b>        |         |            |
| PMFG <u>a,b</u>                                  | 168,800 | 2,445,912  |
| Quixote Corporation                              | 245,400 | 2,012,280  |
| Raven Industries                                 | 73,000  | 2,872,550  |
| Synalloy Corporation                             | 58,200  | 788,610    |
|  |         | 8,119,352  |
| <hr/>  |         |            |
| <b>Paper and Packaging - 0.2%</b>                |         |            |
| MOD-PAC Corporation <u>b</u>                     | 23,200  | 77,720     |
| Wausau Paper                                     | 50,000  | 506,500    |
|  |         | 584,220    |
| <hr/>  |         |            |
| <b>Pumps, Valves and Bearings - 0.5%</b>         |         |            |
| CIRCOR International                             | 28,000  | 1,216,040  |
| <hr/>  |         |            |
| <b>Specialty Chemicals and Materials - 2.6%</b>  |         |            |
| Aceto Corporation                                | 284,419 | 2,727,578  |
| American Vanguard                                | 19,333  | 291,542    |
| Balchem Corporation                              | 33,750  | 900,112    |

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|  |         |            |
|--|---------|------------|
| Hawkins  | 118,167 | 2,070,286  |
| Metabolix <u>a,b</u>                           | 6,000   | 65,280     |
| Park Electrochemical                           | 25,900  | 627,816    |
| Symyx Technologies <u>b</u>                    | 19,000  | 188,290    |
|  |         | <hr/>      |
|  |         | 6,870,904  |
|  |         | <hr/>      |
| <b>Textiles - 0.2%</b>                         |         |            |
| Unifi <u>b</u>                                 | 100,000 | 484,000    |
|  |         | <hr/>      |
| <b>Total</b>                                   |         | 49,173,573 |
|  |         | <hr/>      |
| <b>Industrial Services □ 15.6%</b>             |         |            |
| <b>Advertising and Publishing - 0.2%</b>       |         |            |
| DG FastChannel <u>a,b</u>                      | 6,000   | 131,520    |
| Voyager Learning <u>b</u>                      | 125,000 | 450,000    |
|  |         | <hr/>      |
|  |         | 581,520    |
|  |         | <hr/>      |
| <b>Commercial Services - 6.9%</b>              |         |            |
| Acacia Research-Acacia Technologies <u>a,b</u> | 124,450 | 375,839    |
| Animal Health International <u>a,b</u>         | 90,000  | 741,600    |
| Canadian Solar <u>a,b</u>                      | 25,000  | 488,250    |
| Carlisle Group <u>b</u>                        | 188,800 | 159,401    |
| CBIZ <u>a,b</u>                                | 87,000  | 735,150    |
| CDI Corporation                                | 9,000   | 200,970    |
| ClearPoint Business Resources <u>b</u>         | 120,000 | 18,000     |
| Diamond Management & Technology Consultants    | 138,100 | 647,689    |
| eTelecare Global Solutions ADR <u>a,b</u>      | 53,500  | 442,980    |
| Exponent <u>b</u>                              | 117,600 | 3,891,384  |
| Forrester Research <u>b</u>                    | 101,500 | 2,975,980  |
| Geo Group (The) <u>a,b</u>                     | 68,300  | 1,380,343  |
| Heritage-Crystal Clean <u>a,b</u>              | 15,000  | 202,500    |
| Hudson Highland Group <u>b</u>                 | 15,200  | 105,640    |
| Kforce <u>b</u>                                | 55,000  | 561,550    |
| Landauer                                       | 21,300  | 1,549,575  |
| Lincoln Educational Services <u>a,b</u>        | 19,152  | 253,381    |
| PeopleSupport <u>b</u>                         | 43,300  | 506,177    |
| RCM Technologies <u>b</u>                      | 179,500 | 312,330    |
| Rentrak Corporation <u>a,b</u>                 | 13,300  | 183,939    |
| SM&A <u>a,b</u>                                | 31,300  | 95,465     |
| Spherion Corporation <u>a,b</u>                | 100,000 | 487,000    |
| TravelCenters of America <u>a,b</u>            | 125,000 | 356,250    |
| Volt Information Sciences <u>a,b</u>           | 75,700  | 679,786    |
| Waste Services <u>a,b</u>                      | 52,834  | 391,500    |
| Westaff <u>b</u>                               | 362,500 | 130,500    |
| Willdan Group <u>a,b</u>                       | 40,100  | 110,275    |
|  |         | <hr/>      |
|  |         | 17,983,454 |
|  |         | <hr/>      |
| <b>Engineering and Construction - 2.5%</b>     |         |            |
| Cavco Industries <u>b</u>                      | 9,400   | 339,810    |
| Hanfeng Evergreen <u>b</u>                     | 27,900  | 168,042    |
| Hill International <u>a,b</u>                  | 20,000  | 277,000    |
| HLS Systems International <u>a,b</u>           | 216,677 | 920,877    |
| Insituform Technologies Cl. A <u>a,b</u>       | 56,400  | 843,744    |
| Integrated Electrical Services <u>a,b</u>      | 132,000 | 2,317,920  |
| Nobility Homes                                 | 13,800  | 223,560    |
| Skyline Corporation                            | 32,100  | 848,403    |

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|   |         |            |
|---|---------|------------|
| Sterling Construction <u>a,b</u>                    | 43,300  | 701,460    |
|   |         | <hr/>      |
|   |         | 6,640,816  |
|   |         | <hr/>      |
| <b>Food, Tobacco and Agriculture - 1.5%</b>         |         |            |
| Cal-Maine Foods                                     | 45,000  | 1,234,800  |
| Farmer Bros.  | 42,400  | 1,054,488  |
| Galaxy Nutritional Foods <u>b</u>                   | 4,700   | 846        |
| Imperial Sugar                                      | 20,120  | 272,425    |
| ML Macadamia Orchards L.P. <u>b</u>                 | 120,200 | 408,680    |
| Origin Agritech <u>a,b</u>                          | 191,488 | 1,024,461  |
|   |         | <hr/>      |
|   |         | 3,995,700  |
|   |         | <hr/>      |
| <b>Industrial Distribution - 1.0%</b>               |         |            |
| Houston Wire & Cable                                | 40,375  | 693,239    |
| Lawson Products                                     | 59,800  | 1,653,470  |
| Toshin Group  | 20,000  | 310,096    |
|   |         | <hr/>      |
|   |         | 2,656,805  |
|   |         | <hr/>      |
| <b>Printing - 1.2%</b>                              |         |            |
| Bowne & Co.   | 66,500  | 768,075    |
| Champion Industries                                 | 23,500  | 84,130     |
| Courier Corporation                                 | 30,450  | 619,962    |
| Ennis   | 7,200   | 111,312    |
| Multi-Color Corporation                             | 25,400  | 606,806    |
| Schawk  | 57,700  | 872,424    |
|   |         | <hr/>      |
|   |         | 3,062,709  |
|   |         | <hr/>      |
| <b>Transportation and Logistics - 2.3%</b>          |         |            |
| Air Transport Services Group <u>a,b</u>             | 100,000 | 74,000     |
| Euroseas  | 38,000  | 302,860    |
| Forward Air   | 50,700  | 1,380,561  |
| Frozen Food Express Industries                      | 92,000  | 497,720    |
| Marten Transport <u>b</u>                           | 17,450  | 340,449    |
| Patriot Transportation Holding <u>a,b</u>           | 3,000   | 237,000    |
| Universal Truckload Services <u>b</u>               | 134,200 | 3,269,112  |
|   |         | <hr/>      |
|   |         | 6,101,702  |
|   |         | <hr/>      |
| <b>Total</b>  |         | 41,022,706 |
|   |         | <hr/>      |
| <b>Natural Resources □ 10.1%</b>                    |         |            |
| <b>Energy Services - 4.3%</b>                       |         |            |
| Boots & Coots International Well Control <u>a,b</u> | 200,000 | 386,000    |
| Bronco Drilling <u>b</u>                            | 25,200  | 257,544    |
| CE Franklin <u>a,b</u>                              | 43,600  | 293,428    |
| Dawson Geophysical <u>a,b</u>                       | 2,613   | 122,001    |
| Dril-Quip <u>a,b</u>                                | 45,000  | 1,952,550  |
| Environmental Power <u>a,b</u>                      | 115,000 | 253,000    |
| Foraco International                                | 40,000  | 56,378     |
| Gulf Island Fabrication                             | 3,416   | 117,749    |
| GulfMark Offshore <u>a,b</u>                        | 55,400  | 2,486,352  |
| ION Geophysical <u>a,b</u>                          | 43,500  | 617,265    |
| OYO Geospace <u>a,b</u>                             | 12,630  | 496,106    |
| Particle Drilling Technologies <u>a,b</u>           | 1,512   | 317        |
| Pason Systems                                       | 209,200 | 2,575,072  |

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|  |         |            |
|--|---------|------------|
| Pioneer Drilling <u>b</u>                | 7,500   | 99,750     |
| T-3 Energy Services <u>a,b</u>           | 1,640   | 60,877     |
| Willbros Group <u>b</u>                  | 39,100  | 1,036,150  |
| World Energy Solutions <u>b</u>          | 875,300 | 386,555    |
|  |         | 11,197,094 |
| <b>Oil and Gas - 1.5%</b>                |         |            |
| Approach Resources <u>b</u>              | 12,000  | 173,520    |
| Bonavista Energy Trust                   | 40,100  | 990,584    |
| Cano Petroleum <u>a,b</u>                | 26,000  | 60,060     |
| GeoMet <u>a,b</u>                        | 75,000  | 408,000    |
| Gran Tierra Energy <u>a,b</u>            | 80,200  | 297,542    |
| Harvest Natural Resources <u>a,b</u>     | 45,000  | 455,400    |
| Kodiak Oil & Gas <u>a,b</u>              | 80,000  | 120,000    |
| Nuvista Energy <u>a,b</u>                | 121,000 | 1,421,189  |
| PetroCorp <u>b,c</u>                     | 104,200 | 0          |
|  |         | 3,926,295  |
| <b>Precious Metals and Mining - 2.3%</b> |         |            |
| Allied Nevada Gold <u>b</u>              | 136,050 | 778,206    |
| Aquiline Resources <u>b</u>              | 33,900  | 132,829    |
| Aurizon Mines <u>a,b</u>                 | 197,000 | 512,200    |
| Brush Engineered Materials <u>a,b</u>    | 15,500  | 287,835    |
| Chesapeake Gold <u>b</u>                 | 20,000  | 101,292    |
| Duluth Metals <u>b</u>                   | 87,500  | 71,529     |
| Endeavour Silver <u>b</u>                | 50,000  | 105,000    |
| Entree Gold <u>b</u>                     | 177,900 | 240,165    |
| Etruscan Resources <u>b</u>              | 20,000  | 13,155     |
| Exeter Resource <u>a,b</u>               | 210,000 | 426,300    |
| Gammon Gold <u>b</u>                     | 83,836  | 620,386    |
| Gateway Gold <u>b</u>                    | 400,000 | 48,861     |
| Golden Star Resources <u>a,b</u>         | 168,100 | 255,512    |
| Great Basin Gold <u>b</u>                | 13,500  | 27,653     |
| Greystar Resources <u>b</u>              | 11,900  | 15,990     |
| Horsehead Holding <u>a,b</u>             | 13,800  | 81,420     |
| Liberty Mines <u>b</u>                   | 182,900 | 32,653     |
| Mercator Minerals <u>b</u>               | 9,400   | 38,863     |
| Midway Gold <u>b</u>                     | 372,500 | 385,013    |
| Minefinders Corporation <u>b</u>         | 36,000  | 271,800    |
| New Gold <u>b</u>                        | 186,200 | 921,690    |
| Northgate Minerals <u>b</u>              | 270,000 | 356,400    |
| Quaterra Resources <u>b</u>              | 40,000  | 67,653     |
| Seabridge Gold <u>a,b</u>                | 5,000   | 85,000     |
| Uranium Resources <u>a,b</u>             | 18,565  | 31,375     |
| US Silver <u>b</u>                       | 79,700  | 13,854     |
| Vista Gold <u>a,b</u>                    | 50,000  | 113,500    |
|  |         | 6,036,134  |
| <b>Real Estate - 2.0%</b>                |         |            |
| Avatar Holdings <u>a,b</u>               | 35,949  | 1,186,317  |
| HomeFed Corporation <u>b</u>             | 11,352  | 493,585    |
| Kennedy-Wilson <u>a,b</u>                | 21,500  | 838,500    |
| PICO Holdings <u>b</u>                   | 45,700  | 1,641,087  |
| Pope Resources L.P.                      | 33,000  | 938,850    |
|  |         | 5,098,339  |

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|  |         |            |
|--|---------|------------|
| <b>Other Natural Resources - 0.0%</b>        |         |            |
| Neo Material Technologies <u>b</u>           | 61,500  | 106,906    |
|  |         | <hr/>      |
| <b>Total</b>                                 |         | 26,364,768 |
|  |         | <hr/>      |
| <b>Technology <math>\square</math> 22.8%</b> |         |            |
| <b>Aerospace and Defense - 2.6%</b>          |         |            |
| Aerovironment <u>b</u>                       | 5,800   | 185,310    |
| American Science & Engineering               | 2,400   | 143,352    |
| Astronics Corporation <u>b</u>               | 26,400  | 595,320    |
| Ducommun                                     | 72,100  | 1,721,748  |
| HEICO Corporation                            | 41,600  | 1,365,312  |
| HEICO Corporation Cl. A                      | 24,160  | 677,930    |
| Integral Systems <u>b</u>                    | 81,020  | 1,682,785  |
| SIFCO Industries <u>a,b</u>                  | 45,800  | 366,400    |
|  |         | <hr/>      |
|  |         | 6,738,157  |
|  |         | <hr/>      |
| <b>Components and Systems - 2.9%</b>         |         |            |
| Aladdin Knowledge Systems <u>b</u>           | 43,200  | 577,152    |
| CSP <u>a,b</u>                               | 122,581 | 647,228    |
| Evans & Sutherland Computer <u>b</u>         | 96,272  | 108,787    |
| Giga-tronics <u>a,b</u>                      | 3,200   | 2,592      |
| InFocus Corporation <u>b</u>                 | 318,100 | 467,607    |
| Keithley Instruments                         | 14,000  | 117,180    |
| Maxwell Technologies <u>b</u>                | 28,600  | 381,524    |
| Measurement Specialties <u>a,b</u>           | 20,000  | 348,800    |
| MOCON  | 15,600  | 163,020    |
| MTS Systems                                  | 10,000  | 421,000    |
| Newport Corporation <u>a,b</u>               | 55,900  | 602,602    |
| OPTEX Company                                | 35,000  | 324,398    |
| Richardson Electronics                       | 305,000 | 1,891,000  |
| Rimage Corporation <u>b</u>                  | 20,000  | 279,200    |
| SCM Microsystems <u>a,b</u>                  | 30,000  | 71,100     |
| Spectrum Control <u>a,b</u>                  | 46,300  | 345,861    |
| Super Micro Computer <u>a,b</u>              | 24,900  | 224,349    |
| TransAct Technologies <u>b</u>               | 78,600  | 625,656    |
|  |         | <hr/>      |
|  |         | 7,599,056  |
|  |         | <hr/>      |
| <b>Distribution - 0.5%</b>                   |         |            |
| Agilysys                                     | 90,000  | 908,100    |
| Alliance Distributors Holding <u>b</u>       | 343,400 | 103,020    |
| China 3C Group <u>b</u>                      | 181,300 | 246,568    |
| Nu Horizons Electronics <u>a,b</u>           | 40,000  | 160,000    |
|  |         | <hr/>      |
|  |         | 1,417,688  |
|  |         | <hr/>      |
| <b>Internet Software and Services - 0.7%</b> |         |            |
| ActivIdentity Corporation <u>a,b</u>         | 20,000  | 45,400     |
| Descartes Systems Group (The) <u>b</u>       | 49,200  | 180,564    |
| iPass <u>a,b</u>                             | 190,000 | 410,400    |
| Jupitermedia Corporation <u>a,b</u>          | 355,800 | 412,728    |
| NIC  | 26,800  | 184,920    |
| United Online                                | 22,478  | 211,518    |
| Website Pros <u>a,b</u>                      | 58,450  | 315,630    |
|  |         | <hr/>      |
|  |         | 1,761,160  |
|  |         | <hr/>      |

## IT Services - 4.5%

|                                 |         |           |
|---------------------------------|---------|-----------|
| CIBER <u>a,b</u>                | 182,662 | 1,276,807 |
| Computer Task Group <u>b</u>    | 481,100 | 3,127,150 |
| iGATE Corporation <u>a,b</u>    | 273,400 | 2,370,378 |
| Rainmaker Systems <u>b</u>      | 2,000   | 4,500     |
| Sapient Corporation <u>b</u>    | 500,000 | 3,715,000 |
| Syntel                          | 54,300  | 1,330,350 |
| Yucheng Technologies <u>a,b</u> | 4,500   | 45,675    |

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11,869,860

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## Semiconductors and Equipment - 4.0%

|                                     |         |           |
|-------------------------------------|---------|-----------|
| Actions Semiconductor ADR <u>b</u>  | 44,450  | 109,347   |
| ANADIGICS <u>a,b</u>                | 68,000  | 191,080   |
| Cascade Microtech <u>b</u>          | 43,037  | 182,047   |
| Catalyst Semiconductor <u>a,b</u>   | 269,800 | 1,211,402 |
| CEVA <u>b</u>                       | 47,534  | 394,532   |
| Cohu                                | 17,900  | 283,178   |
| Eagle Test Systems <u>b</u>         | 17,423  | 266,746   |
| Electroglas <u>a,b</u>              | 281,700 | 321,138   |
| Exar Corporation <u>b</u>           | 121,208 | 928,453   |
| GSI Technology <u>b</u>             | 41,300  | 147,441   |
| Ikanos Communications <u>a,b</u>    | 102,600 | 203,148   |
| Intevac <u>a,b</u>                  | 40,550  | 431,452   |
| JDS Uniphase <u>a,b</u>             | 54,283  | 459,234   |
| Jinpan International                | 14,300  | 337,051   |
| LeCroy Corporation <u>b</u>         | 2,000   | 15,380    |
| Mattson Technology <u>a,b</u>       | 44,900  | 212,377   |
| Melco Holdings                      | 30,000  | 552,567   |
| Nanometrics <u>b</u>                | 37,000  | 78,070    |
| PDF Solutions <u>a,b</u>            | 85,000  | 442,000   |
| Photronics <u>b</u>                 | 29,750  | 55,930    |
| Rudolph Technologies <u>a,b</u>     | 24,500  | 205,310   |
| Semitool <u>a,b</u>                 | 36,100  | 295,298   |
| Sigma Designs <u>a,b</u>            | 7,400   | 105,228   |
| SiRF Technology Holdings <u>a,b</u> | 20,600  | 30,694    |
| Trident Microsystems <u>b</u>       | 71,300  | 171,120   |
| TTM Technologies <u>b</u>           | 159,500 | 1,582,240 |
| Ultra Clean Holdings <u>a,b</u>     | 52,300  | 263,592   |
| Virage Logic <u>b</u>               | 180,000 | 1,062,000 |
| Zarlink Semiconductor <u>a,b</u>    | 160,600 | 69,058    |

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10,607,113

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## Software - 5.1%

|                                      |         |           |
|--------------------------------------|---------|-----------|
| ACI Worldwide <u>b</u>               | 97,600  | 1,709,952 |
| American Software Cl. A              | 62,300  | 339,535   |
| Bottomline Technologies <u>a,b</u>   | 20,000  | 208,000   |
| Convera Corporation Cl. A <u>a,b</u> | 170,000 | 181,900   |
| DivX <u>b</u>                        | 23,200  | 150,104   |
| Fundtech <u>b</u>                    | 51,000  | 706,860   |
| ILOG ADR <u>a,b</u>                  | 35,000  | 476,000   |
| JDA Software Group <u>a,b</u>        | 59,500  | 904,995   |
| OpenTV Cl. A <u>a,b</u>              | 108,400 | 152,844   |
| PAR Technology <u>a,b</u>            | 88,900  | 636,524   |
| Pegasystems                          | 337,900 | 4,362,289 |
| Phase Forward <u>a,b</u>             | 43,000  | 899,130   |
| Phoenix Technologies <u>a,b</u>      | 32,310  | 258,157   |
| PLATO Learning <u>b</u>              | 160,000 | 454,400   |
| Renaissance Learning                 | 2,365   | 30,721    |
| SeaChange International <u>a,b</u>   | 20,000  | 193,200   |

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|  |           |             |
|--|-----------|-------------|
| SPSS <sup>a,b</sup>  | 41,800    | 1,227,248   |
| TeleCommunication Systems Cl. A <sup>a,b</sup>   | 10,000    | 69,100      |
| Unica Corporation <sup>a,b</sup>   | 35,000    | 274,400     |
|  |           | 13,235,359  |
| <b>Telecommunications - 2.5%</b>   |           |             |
| Anaren <sup>a,b</sup>  | 79,000    | 801,850     |
| Atlantic Tele-Network  | 4,100     | 114,800     |
| Captaris <sup>b</sup>  | 43,300    | 199,613     |
| Ceragon Networks <sup>a,b</sup>  | 15,700    | 116,023     |
| Cogent Communications Group <sup>a,b</sup>   | 24,800    | 191,456     |
| Communications Systems   | 10,700    | 113,848     |
| Diguang International Development <sup>b</sup>   | 300,000   | 168,000     |
| GeoEye <sup>a,b</sup>  | 13,400    | 296,542     |
| Global Telecom & Technology <sup>a,b</sup>   | 68,500    | 28,085      |
| Globecom Systems <sup>b</sup>  | 41,330    | 361,224     |
| NETGEAR <sup>a,b</sup>   | 30,000    | 450,000     |
| NMS Communications <sup>b</sup>  | 630,000   | 308,700     |
| Novatel Wireless <sup>b</sup>  | 60,600    | 367,236     |
| NumereX Corporation Cl. A <sup>a,b</sup>   | 42,900    | 174,603     |
| PC-Tel   | 44,100    | 411,012     |
| Performance Technologies <sup>b</sup>  | 41,250    | 180,675     |
| REMEC  | 143,387   | 91,768      |
| Sierra Wireless <sup>a,b</sup>   | 14,700    | 146,559     |
| Symmetricon <sup>a,b</sup>   | 61,982    | 308,051     |
| ViaSat <sup>b</sup>  | 66,612    | 1,570,711   |
| Westell Technologies Cl. A <sup>b</sup>  | 100,000   | 71,000      |
| Zhone Technologies <sup>b</sup>  | 1,031,600 | 196,004     |
|  |           | 6,667,760   |
| <b>Total</b>   |           | 59,896,153  |
| <b>Miscellaneous <sup>d</sup> □ 3.1%</b>   |           |             |
| <b>Total</b>   |           | 8,188,817   |
| <b>TOTAL COMMON STOCKS</b>   |           |             |
| (Cost \$275,454,882)   |           | 316,159,788 |
| <b>PREFERRED STOCK □ 0.5%</b>  |           |             |
| Seneca Foods Conv. <sup>b</sup>  |           |             |
| (Cost \$943,607)   | 75,409    | 1,304,425   |
| <b>REPURCHASE AGREEMENT □ 0.8%</b>   |           |             |
| State Street Bank & Trust Company,<br>0.20% dated 9/30/08, due 10/1/08,<br>maturity value \$1,972,011 (collateralized<br>by obligations of various U.S. Government<br>Agencies, valued at \$2,026,344) |           |             |
| (Cost \$1,972,000)   |           | 1,972,000   |
| <b>COLLATERAL RECEIVED FOR SECURITIES LOANED □ 13.6%</b>   |           |             |
| Money Market Funds   |           |             |
| State Street Navigator Securities Lending<br>Prime Portfolio (7 day yield-2.7654%)   |           |             |
| (Cost \$35,662,378)  |           | 35,662,378  |
| <b>TOTAL INVESTMENTS □ 135.5%</b>  |           |             |

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|  |                       |
|--|-----------------------|
| (Cost \$314,032,867)   | 355,098,591           |
| <b>LIABILITIES LESS CASH AND OTHER ASSETS □ (12.6)%</b>      | (32,994,636)          |
| <b>PREFERRED STOCK □ (22.9)%</b>                             | (60,000,000)          |
| <b>NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS □ 100.0%</b> | <b>\$ 262,103,955</b> |

- <sup>a</sup> All or a portion of these securities were on loan at September 30, 2008. Total market value of loaned securities at September 30, 2008 was \$34,856,462.
- <sup>b</sup> Non-income producing.
- <sup>c</sup> Securities for which market quotations are not readily available represent 0.0% of net assets. These securities have been valued at their fair value under procedures established by the Fund's Board of Directors.
- <sup>d</sup> Includes securities first acquired in 2008 and less than 1% of net assets applicable to Common Stockholders. At September 30, 2008, the Fund owned 5% or more of the Company's outstanding voting securities thereby making the Company an Affiliated Company as that term is defined in the Investment Company Act of 1940. The Fund effected the following transactions in shares of such companies during the period ended September 30, 2008:

| Affiliated Company        | Market          |                | Cost of Purchases | Cost of Sales | Realized Gain (Loss) | Dividend Income | Shares 9/30/08 | Market Value 9/30/08 |
|---------------------------|-----------------|----------------|-------------------|---------------|----------------------|-----------------|----------------|----------------------|
|                           | Shares 12/31/07 | Value 12/31/07 |                   |               |                      |                 |                |                      |
| BKF Capital Group*        | 406,500         | 430            | -                 | \$ 73,854     | \$ (32,865)          | \$ 387,000      |                |                      |
| Tapestry Pharmaceuticals* | 815,700         | 680            | \$ 13,272         | 267,621       | (264,706)            | -               |                |                      |
|                           |                 | \$ 1,147,110   |                   |               | \$ (297,571)         | \$ 387,000      |                |                      |

\* Not an Affiliated Company at September 30, 2008.

**TAX INFORMATION:** The cost of total investments for Federal income tax purposes was \$315,076,131. At September 30, 2008, net unrealized appreciation for all securities was \$40,022,460, consisting of aggregate gross unrealized appreciation of \$99,974,467 and aggregate gross unrealized depreciation of \$59,952,007. The primary difference between book and tax basis cost is the timing of the recognition of losses on securities sold.

**Valuation of Investments:**

Investment transactions are accounted for on the trade date. Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq's Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price. Securities for which market quotations are not readily available are valued at their fair value under procedures established by the Board of Directors. In addition, if, between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and may make the closing price unreliable, the Fund may fair value the security. The Fund uses an independent pricing service to provide fair value estimates for relevant non-U.S. equity securities on days when the U.S. market volatility exceeds a certain threshold. This pricing service uses proprietary correlations it has developed between the movement of prices of non-U.S. equity securities and indices of U.S.-traded securities, futures contracts and other indications to estimate the fair value of relevant non-U.S. securities. When fair value pricing is employed, the prices of securities used by the Fund may differ from quoted or published prices for the same security. Bonds and other fixed income securities may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. Investments in money market funds are valued at net asset value per share.

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

- Level 1 □ quoted prices in active markets for identical securities
- Level 2 □ other significant observable inputs (including quoted prices for similar securities, foreign securities that may be fair valued and repurchase agreements)

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Level 3 □ significant observable inputs (including the Fund□s own assumptions in determining the fair value of investments)

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

The following is a summary of the inputs used to value the Fund□s investments as of September 30, 2008:

| <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|----------------|----------------|----------------|---------------|
| \$295,767,279  | \$59,331,312   | \$0            | \$355,098,591 |

### **Repurchase Agreements:**

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

### **Securities Lending:**

The Fund loans securities to qualified institutional investors for the purpose of realizing additional income. Collateral on all securities loaned for the Fund is accepted in cash and cash equivalents and invested temporarily by the custodian. The collateral is equal to at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day.

Other information regarding the Fund is available in the Fund□s most recent Prospectus and Report to Stockholders. This information is available through The Royce Funds ([www.roycefunds.com](http://www.roycefunds.com)) and on the Securities and Exchange Commission□s website ([www.sec.gov](http://www.sec.gov)).

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Item 2 - Controls and Procedures

(a) The Registrant's principal executive and principal financial officers have concluded, based on their evaluation of the Registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report (as required by Rule 30a-3(b) under the Investment Company Act of 1940 (the "Act")), that the Registrant's disclosure controls and procedures (as defined by Rule 30a-3(c) under the Act) are reasonably designed to ensure that information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the required time periods and that information required to be disclosed by the Registrant in the reports that it files or submits on Form N-Q is accumulated and communicated to the Registrant's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

(b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) during the Registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

Item 3 - Exhibits

Certifications pursuant to Rule 30a-2(a) under the Act are attached hereto.

SIGNATURES

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

Royce Micro-Cap Trust, Inc.

By:

/s/ Charles M. Royce

Charles M. Royce

President, Royce Micro-Cap Trust, Inc.

Date: November 21, 2008

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

By:

/s/ Charles M. Royce

Charles M. Royce

President, Royce Micro-Cap Trust, Inc.

Date: November 21, 2008

By:

/s/ John D. Diederich

John D. Diederich

Treasurer, Royce Micro-Cap Trust, Inc.

Date: November 21, 2008