

ROYCE VALUE TRUST INC
Form N-CSRS
August 29, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT
OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-04875

Name of Registrant: Royce Value Trust, Inc.

Address of Registrant: 745 Fifth Avenue

New York, NY 10151

Name and address of agent for service: John E. Denneen, Esquire

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New York, NY 10151

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

Item 1. Reports to Shareholders.

[Royce Value Trust](#)

[Royce Micro-Cap
Trust](#)

[Royce Focus Trust](#)

SEMIANNUAL REVIEW AND REPORT TO STOCKHOLDERS

A Few Words on Closed-End Funds

Royce & Associates, LLC manages three closed-end funds: Royce Value Trust, the first small-cap value closed-end fund offering; Royce Micro-Cap Trust, the only micro-cap closed-end fund; and Royce Focus Trust, a closed-end fund that invests in a limited number of primarily small-cap companies.

A closed-end fund is an investment company whose shares are listed and traded on a stock exchange. Like all investment companies, including open-end mutual funds, the assets of a closed-end fund are professionally managed in accordance with the investment objectives and policies approved by the Fund's Board of Directors. A closed-end fund raises cash for investment by issuing a fixed number of shares through initial and other public offerings that may include shelf offerings and periodic rights offerings. Proceeds from the offerings are invested in an actively managed portfolio of securities. Investors wanting to buy or sell shares of a publicly traded closed-end fund after the offerings must do so on a stock exchange, as with any publicly traded stock. This is in contrast to open-end mutual funds, in which the fund sells and redeems its shares on a continuous basis.

A Closed-End Fund Offers Several Distinct Advantages Not Available From An Open-End Fund Structure

- Since a closed-end fund does not issue redeemable securities or offer its securities on a continuous basis, it does not need to liquidate securities or hold uninvested assets to meet investor demands for cash redemptions, as an open-end fund must.
- In a closed-end fund, not having to meet investor redemption requests or invest at inopportune times is ideal for value managers who attempt to buy stocks when prices are depressed and sell securities when prices are high.
- A closed-end fund may invest more freely in less liquid portfolio securities because it is not subject to potential stockholder redemption demands. This is particularly beneficial for Royce-managed closed-end funds, which invest in small- and micro-cap securities.
- The fixed capital structure allows permanent leverage to be employed as a means to enhance capital appreciation potential.
- Unlike Royce's open-end funds, our closed-end funds are able to distribute capital gains on a quarterly basis. The Funds resumed the quarterly distribution policies for their common stock, at a 5% annual rate, in March 2011. Please see page 18-20 for more details.

We believe that the closed-end fund structure is very suitable for the long-term investor who understands the benefits of a stable pool of capital.

Why Dividend Reinvestment Is Important

A very important component of an investor's total return comes from the reinvestment of distributions. By reinvesting distributions, our investors can maintain an undiluted investment in a Fund. To get a fair idea of the impact of reinvested

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distributions, please see the charts on pages 13, 15 and 17. For additional information on the Funds' Distribution Reinvestment and Cash Purchase Options and the benefits for stockholders, please see page 20 or visit our website at www.roycefunds.com.

[This page is not part of the 2011 Semiannual Report to Stockholders](#)

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For more than 35 years, we have used a value approach to invest in small-cap securities. We focus primarily on the quality of a company's balance sheet, its ability to generate free cash flow and other measures of profitability or sound financial condition. We then use these factors to assess the company's current worth, basing the assessment on either what we believe a knowledgeable buyer might pay to acquire the entire company, or what we think the value of the company should be in the stock market.

This page is not part of the 2011 Semiannual Report to Stockholders | 1

Performance Table

NAV Average Annual Total Returns

Through June 30, 2011

| | Royce Value Trust | Royce Micro-Cap Trust | Royce Focus Trust | Russell 2000 Index |
|---------------------------|----------------------|--------------------------|----------------------|--------------------------|
| Year-to-Date ¹ | 5.39% | 3.12% | 3.71% | 6.21% |
| One-Year | 41.59 | 34.62 | 37.02 | 37.41 |
| Three-Year | 6.92 | 6.23 | 2.89 | 7.77 |
| Five-Year | 4.33 | 3.18 | 6.03 | 4.08 |
| 10-Year | 7.78 | 8.46 | 11.02 | 6.27 |
| 15-Year | 10.60 | 10.34 | n.a. | 7.37 |
| 20-Year | 11.70 | n.a. | n.a. | 9.82 |
| Since Inception | 11.06 | 11.05 | 11.42 | |
| Inception Date | 11/26/86 | 12/14/93 | 11/1/96 ² | |

¹ Not annualized

² Date Royce & Associates, LLC assumed investment management responsibility for the Fund.

Important Performance and Risk Information

All performance information in this *Review and Report* reflects past performance, is presented on a total return basis and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate, so that shares may be worth more or less than their original cost when sold. Current performance may be higher or lower than performance quoted. Current month-end performance may be obtained at www.roycefunds.com. Investments in securities of micro-cap, small-cap and/or mid-cap companies may involve considerably more risk than investments in securities of larger-cap companies.

² | This page is not part of the 2011 Semiannual Report to Stockholders

Letter to Our Stockholders

Déjà vu All Over Again?

Some have suggested that the first half of 2011 looked uncannily like that of 2010. We admit that there are some striking similarities. As 2010 began, the stock market briefly stumbled out of the gate before regaining its feet, and the highly charged rally that began early in March of 2009 resumed its brisk pace. However, the month of April brought a more serious correction that lingered into early July, precipitated by fears of sovereign debt crises in Europe, anxiety over the U.S. and Chinese economies and an environmental disaster. In 2011, a sluggish January quickly yielded to an extension of the dynamic market that had characterized 2010 as a whole. This segment of the bull run then quickly reversed direction in April truly the cruelest month for equity investors over the last two years as renewed concerns over European fiscal solvency, another round of hand-wringing over the rate of growth in the U.S. and China, and a series of catastrophic events in Japan combined to rouse the bear.

However superficially close, the parallels between the first halves of 2010 and 2011 were never quite as neat as some observers suggested. Any resemblance began to break down decisively in the middle of June, when the market shook off its doldrums with a rally that lasted through most of July. Unlike the first six months of 2010, the market bore

We still believe that stocks can generate positive returns over the next two or three years, though we are not anticipating a rally in the second half of 2011 like the very dynamic run that ushered out 2010.

Charles M. Royce, President

We have spent a lot of time talking about dividends lately, but they have been important to us as an investment theme since Chuck Royce assumed full investment control of Royce Pennsylvania Mutual Fund in November 1972. However, our work with dividend-paying small-cap stocks became particularly focused in 1979, when we agreed to create a portfolio for an institutional client who informed us at the last minute that every stock in the portfolio had to pay a dividend. That experience eventually led us to introduce Royce Total Return Fund in 1993, Royce Dividend Value Fund in 2004 and Royce Global Dividend Value Fund in 2011, all of which seek both long-term growth and current income.

Our long history of finding what we think are undervalued, fundamentally strong dividend payers in the small-cap world makes us a bit bemused as to why so many other investors ignore small-cap dividend-paying companies; they simply do not associate the small-cap asset class with dividends. However, we have long maintained that dividends can be an integral part of a successful long-term investment strategy in the small-cap asset class. Our experience suggests that including dividend-paying smaller companies in an equity portfolio

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Letter to Our Stockholders

only slightly ill effects by the end of 2011's first half, despite the relentless flow of negative news and pervasive feeling of economic anxiety that have distinguished both years. The stock market's greater resilience thus far through 2011 can be seen by measuring each year's respective spring-summer downturn. June 2010 ended in the midst of a correction that would ultimately drop small-cap stock prices by more than 20% by early July, while 2011's

first down period, which lasted from the interim small-cap high on April 29 to the next small-cap low on June 13, saw the small-cap Russell 2000 Index lose less than half that amount.

All of this makes the question of what may happen next perplexing. What bemuses us as we look back on both periods is that the first half of 2011 was arguably, if not worse, then at least more uncertain, in terms of headline-making developments. For example, in addition to those events already mentioned, we have been through a series of natural disasters here in the States, brinkmanship in Washington over raising the debt ceiling, and ongoing debates about how to deal with deficits and jobs, the latter two made worse because the beckoning election year has been encouraging even larger doses of partisanship than usual. So while the correction was not at all surprising bull market interruptions have been very common historically we are concerned about what looks like an almost casual shrugging off of significant events by large numbers of investors, some of whom are likely the same people who sold at the first sign of trouble. **On the one hand, then, our contrarian perspective makes us skeptical of the rally that closed out the first half. On the other hand, our long-term view of both the equity market and the economy remains reasonably bright.** We still believe that stocks can generate positive returns over the next two or three years, though we are not anticipating a rally in the second half of 2011 like the very dynamic run that ushered out 2010. In all, we remain modestly bullish and cautiously optimistic about the years ahead.

Seen It All Before

Year-to-date results for the major stock indexes were positive, though they were muted by the second quarter's higher volatility. From our perspective, the most notable development in the first half of 2011 was seeing small-cap's seemingly unassailable market leadership contested. **For the year-to-date period ended June 30, 2011, the small-cap Russell 2000 Index gained 6.2%, while the large-cap S&P 500 Index was up 6.0%, the Russell 1000 Index climbed 6.4%, and the more tech-oriented Nasdaq Composite returned 4.6%.** These results were the combined effect of the year's very different quarters. The first, while

it saw numerous shifts in market leadership, was a pleasant, placid bull period compared to what followed. Small-cap companies edged out their larger counterparts between January and March, with the Russell 2000 up 7.9% compared to respective gains of 5.9% and 6.2% for the large-cap S&P 500 and Russell 1000, and 4.8% for the Nasdaq.

The second quarter, while offering a distinctly mixed bag for equities, saw small-caps cede leadership to their large-cap siblings. The Russell 2000 fell 1.6% in the second quarter versus a slender gain of 0.1% for both the S&P 500 and Russell 1000, and a loss of 0.3% for the Nasdaq Composite. **One-year returns remained very strong for all four domestic indexes, and were led by small-caps. The Russell 2000 climbed 37.4%, the S&P 500 rose 30.7%, the Russell 1000 was up 31.9%, and the Nasdaq Composite gained 31.5%.** Small-caps also led over longer-term periods, as the Russell 2000 outperformed each of its large-cap counterparts, the S&P 500 and Russell 1000, for the trailing three-, five-, 10-, 15- and 20-year periods ended June 30, 2011.

Year-to-date results for non-U.S. equity indexes were somewhat in line with their domestic cousins, with the Russell Global ex-U.S. Small Cap Index finishing further behind its large-cap counterpart, the Russell Global ex-U.S. Large Cap Index, up 0.8% versus a gain of 4.1%. The lower year-to-date results relative to U.S. indexes were attributable to significantly lower first-quarter returns, with the Russell Global ex-U.S. Large Cap gaining 3.6%, while its non-U.S. small-cap equivalent gained 1.0%. While non-U.S. indexes generally enjoyed slightly better performance than the domestic indexes in the second quarter, it was not enough to overcome the first quarter's relative disadvantage. For the second quarter, the Russell Global ex-U.S. Large Cap was up 0.4%, while the Russell Global ex-U.S. Small Cap declined 0.2%.

Arguably the market's unsung heroes, domestic mid-cap stocks, as measured by the Russell Midcap Index, outpaced their small-cap and large-cap equivalents for the year-to-date period ended June 30, 2011, up 8.1%. Micro-caps, as measured by the Russell Microcap Index, were the worst performers along the market cap spectrum, up 3.1% for the six months ended June 30, 2011. Within small-cap, value, as measured by the Russell 2000 Value Index, fell behind growth, as measured by the Russell 2000 Growth Index for the year-to-date period (+3.8% versus +8.6%). In addition, small-cap growth led its value sibling in the trailing one-, three- and five-year periods, while trailing 10-, 15-, 20-, and 25-year returns belonged to small-cap value.

It should be kept in mind that growth in both the stock market and the economy seldom takes place in uninterrupted straight lines or in lock stepped tandem. The recent pauses in both are very much in the range of what we consider normal.

potentially offers both an effective cushion against market volatility and a strong component of an investment's total return, especially during lower-return periods.

We also believe that a company's practice of paying dividends is an excellent measure of its underlying quality and an intelligent form of corporate governance. From our perspective within the small-cap world, where the words dividend and quality are often considered synonymous, adopting a dividend-paying investment strategy could be a key to long-term outperformance.

We believe that this is more than usually relevant today, as we believe a shift to higher quality companies may be at hand.

Understanding a company's capital allocation decisions is a critical element in our investment process.

This is especially important in a market when corporate balance sheets are generally in excellent condition and, in many cases, flush with cash. Dividends are by nature the byproduct of healthy free cash flow generation.

Of the more than 4,140 domestic small-cap companies (those with market capitalizations up to \$2.5 billion), 1,181 were dividend payers as of the end of the first half of 2011; of these dividend-paying companies, 757 had a dividend yield of at least 2%.

Not surprisingly, the number of dividend-paying companies located outside of the United States is even larger. In many foreign public

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Letter to Our Stockholders

2011 YEAR-TO-DATE NAV TOTAL RETURNS FOR THE ROYCE FUNDS VS. RUSSELL 2000 as of 6/30/11

Seeing Things

While these mood swings were the top story in equities during the first half, the return of volatility was not a development that struck us as unusual, especially considering that the market had previously been on a very dynamic run from the interim small-cap low on July 6, 2010. Some retreat from its recent highs was therefore to be expected at some point. The correction has so far been fairly modest and mostly painless, particularly in the wider context of the bull market that began following the bottom on March 9, 2009. Our thought is that, for all the surface similarities to last year's first half, there are cyclical forces at work that are as much a factor as investors' unease with the U.S. or global economies. It is also worth remembering that, though growth has decelerated, the economy is still growing. In addition, it should be kept in mind that growth in both the stock market and the economy seldom takes place in uninterrupted straight lines or in lock-stepped tandem. The recent pauses in both are very much in the range of what we consider normal.

In addition, as contrarian, bargain-hunting value investors, we see opportunity when the markets correct. Our discipline entails thinking about the present and about the years ahead when positioning our portfolios. **So while we never look forward to corrections, we accept them as a fact of investment life, and then some. We see downturns as vital opportunities to re-evaluate and re-stock our portfolios. Even a brief reversal in the market can create ample chances to find what we see as well-managed, financially strong businesses with attractively low share prices.**

The most recent downturn offers a typical example. Between the 2011 high on April 29 and the most recent small-cap low on June 13, the Russell 2000 Index fell 10.1%. During this span, 50% of the companies in the Russell 2000 were down more than 10%; 18% (360 companies) of the Index's constituents were off more than 20%; and 5% (100 stocks) declined by more than 30%. Not all of these companies were worth buying. **It usually takes at least a 30% discount to our estimate of a company's worth for us to consider a purchase. However, even brief and not particularly dramatic downturns create chances for us to find what we think are great companies trading at alluringly reduced prices.**

Sights Unseen

The issues of unemployment and housing continue to dominate the headlines, though we still maintain that there is far more good news about the economy on a company-by-company basis. In fact, from the standpoint of balance sheets, cash flows, revenues and profits, corporations have seldom been in better shape. However, as long as unemployment remains high and housing continues to correct, the focus will remain on those two. The latter is, we think, less of a problem. Real estate cycles tend to unwind very slowly, and this one shows no signs of being any different. It may actually take years because the run-up in housing prices was so extreme. Any expectation that a correction would be quick was entirely misplaced. Unemployment is a more significant issue, and we have no good answer as to why the much-discussed and hoped-for pick-up in employment has not yet materialized. Certainly any increase in jobs would be a huge benefit to the economy and society as a whole. Yet companies seem much more focused on continuing to improve revenues and profits than they are on hiring, at least here in the U.S., something that we do not necessarily see changing in the intermediate future.

So the economy is by no means out of the woods yet. This observation can be balanced, however, by our contention that it is closer to recovery than it has been since the recession began in 2007. Clearly, it has been a long, unhappy ride for many. And there have been numerous instances in history when the market was either ahead of the economy or, as we think is currently the case, when headlines are fixated on bad news while many individual companies have been doing well. **Ultimately, we are throwing our lot in with companies, and the message that we have been receiving lately in our meetings with management is far more optimistic than what we see in the headlines.**

As contrarian, bargain-hunting value investors, we see opportunity when the markets correct. Our discipline entails thinking about the present and about the years ahead when positioning our portfolios.

markets, there is typically both a stronger embrace of dividends by shareholders and a higher incidence of founding-family owners who want dividends for income. Yields in many foreign markets are also quite generous, particularly for smaller companies. Many high-quality small companies earn more than they need in terms of reinvestment in the business. This excess profit, or free cash flow, is a vital qualitative component that we look for in companies regardless of location, along with a strong balance sheet and an established record of earnings.

Despite an abundance of small-cap companies that pay dividends, very few fund managers focus on dividends within the small-cap universe. Most focus on capital appreciation instead of total return, while in the large-cap universe, total return or equity income approaches are far more common.

This fact is further borne out by Morningstar data. Of the 548 small-cap objective funds identified by Morningstar as of June 30, 2011, only four funds have dividend, income or total return in their respective names (two of which are Royce Funds). Yet dividends in the small-cap universe perform the same role that they do in the large-cap area they may tend to reduce a stock price's downside volatility and allow an investor to start the year with a positive return as a result of the dividend. To our way of thinking, that's an irresistible combination for risk-conscious value investors like ourselves.

Letter to Our Stockholders

Still, we would not be surprised if the coming months brought another downturn. We did not become too

excited by the rally that closed out June, which, though welcome, did little to convince us that the downturn was over. While we continue to believe that stocks can generate positive returns over the next two or three years, we are not anticipating a rally in the second half of 2011 such as the one we had in the final six months of 2010. As stated, our bullishness and optimism are real, but low key. We believe that the fortunes of quality companies in all asset classes will resemble the growth in the economy slow and steady, not very dramatic, but in retrospect more than satisfying.

Sincerely,

Charles M.
Royce
President

W.
Whitney
George
*Vice
President*

Jack E.
Fockler, Jr.
*Vice
President*

July 31, 2011

Decisions, Decisions

Not to decide is to decide. Theologian Harvey Cox

Washington DC has mostly been in a state of gridlock since the mid-term elections of 2010. While there has been no deficit in the number of potential solutions, policy prescriptions and bold new ideas each one sure to both jump start the slow-growing economy and to keep it rolling along at a steady pace in the years to come this proliferation of ideas has produced few actual decisions.

If nothing else, the current political stalemate makes us grateful to be in a line of work in which indecision is simply not an option. Each day our talented investment staff must make decisions that not only concern individual companies, but industries and sectors as well. There is an ever-present need to make choices about how to best position the portfolios for long-term capital appreciation.

Many of the most critical decisions revolve around risk and volatility. In our own area of the equity universe, there is ample risk even for the seemingly best-managed companies in robust industries that boast enviable financial strength. We have seldom purchased shares of a business for which one of our portfolio managers could not act as a legitimate devil's advocate.

Playing such a role, in fact, is a common step in our stock evaluation process. We think about risk all the time, about the possibility of what we refer to as permanent capital impairment. It's an important consideration when investing in small-cap stocks. In general, smaller companies are more fragile than their large-cap counterparts. They are more likely to be reliant on a single customer, usually involved in a single line of business and as such may be subject to a potentially fatal level of competition from insurgents beneath them on the

market cap scale that are eager to move up or from larger players looking to consolidate their market share of a business.

So before we even look at a company's fundamentals, there are risk factors that come into play. Indeed, one reason why we focus our attention on companies with strong balance sheets, high returns on invested capital, the ability to generate free cash flow, capable management and other factors that indicate financial stability is that these traits have historically acted as a bulwark against the forces

One reason why we focus our attention on companies with strong balance sheets, high returns on invested capital, the ability to generate free cash flow, capable management and other factors that indicate financial stability is that these traits have historically acted as a bulwark against the forces that can render small-cap stocks so vulnerable. Finding companies with these characteristics does not eliminate the risks mentioned above, but it is one of the primary methods that we use to manage volatility in our portfolios.

that can render small-cap stocks so vulnerable. Finding companies with these characteristics does not eliminate the risks mentioned above, but it is one of the primary methods that we use to manage volatility in our portfolios.

Our decision-making follows a simple logic: the stronger the company, the more likely it will be to survive adversity, whether in its own industry or in the economy as a whole. This theory received its best test during the darkest days of the last correction. Between the fall of 2008 and late winter of 2009, most of our portfolio holdings were battered by the near-meltdown of the global financial system, but many held on to enjoy both revived business and resurgent stock prices.

Our business is obviously quite different from the process of legislating or policymaking. To state two of the most obvious reasons, our decisions are not nearly as momentous and their implementation is far less contentious. However, with all due respect to Harvey Cox, in our business, not deciding is never an option there is really no such thing as not deciding when managing assets. Which suits us just fine.

Small-Cap Market Cycle Performance

We believe strongly in the idea that a long-term investment perspective is crucial for determining the success of a particular investment approach. Flourishing in an up market is wonderful. Surviving a bear market by losing less (or not at all) is at least as good. However, the true test of a portfolio's mettle is performance over full market cycle periods, which include both up and down market periods. We believe that providing full market cycle results is more appropriate even than showing three- to five-year standardized returns because the latter periods may not include the up and down phases that constitute a full market cycle.

Since the Russell 2000 Index's inception on 12/31/78, value as measured by the Russell 2000 Value Index outperformed growth as measured by the Russell 2000 Growth Index in six of the small-cap index's eight full market cycles. The most recently concluded cycle, which ran from 3/9/00 through 7/13/07, was the longest in the index's history, and represented what we believe was a return to more historically typical performance in that value provided a significant advantage during its downturn (3/9/00 - 10/9/02) and for the full cycle. In contrast, the new market cycle that began on 7/13/07 has so far favored growth over value, an unsurprising development when one considers how thoroughly value dominated growth in the previous full cycle.

For the full cycle, value provided a sizable margin over growth, which finished the period with a loss. Each of our closed-end funds held a large performance advantage over the Russell 2000 on both an NAV (net asset value) and market price basis. On an NAV basis, Royce Focus Trust (+264.2%) was our best performer by a wide margin, followed by Royce Micro-Cap Trust (+175.9%) and Royce Value Trust (+161.3%). The latter two funds in particular benefited from their use of leverage during this, as well as in subsequent, bullish periods.

Peak-to-Current (7/13/07 - 6/30/11)

During the difficult, volatile decline that ended 3/9/09, both value and growth posted similarly negative returns. Events in the financial markets immediately preceding the end of 2008's third quarter caused the Russell 2000 to decline significantly. After a brief rally at the end of 2008, the index continued to

SMALL-CAP MARKET CYCLE: RUSSELL 2000 INDEXES TOTAL RETURNS

ROYCE FUNDS NAV TOTAL RETURNS VS. RUSSELL 2000 INDEX: MARKET CYCLE RESULTS

| | Peak-to-Peak 3/9/00- 7/13/07 | Peak-to-Trough 7/13/07- 3/9/09 | Trough-to-Current 3/9/09- 6/30/11 | Peak-to-Current 7/13/07- 6/30/11 |
|----------------------------|------------------------------------|--------------------------------------|---|--|
| Russell 2000 | 54.8% | -58.9% | 148.5% | 2.2% |
| Russell 2000 Value | 189.4 | -61.1 | 143.0 | -5.5 |
| Russell 2000 Growth | -14.8 | -56.8 | 153.7 | 9.7 |
| Royce Value Trust | 161.3 | -65.6 | 191.6 | 0.4 |
| Royce Micro-Cap Trust | 175.9 | -66.3 | 183.5 | -4.6 |

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| | | | | |
|-------------------|-------|-------|-------|-----|
| Royce Focus Trust | 264.2 | -58.3 | 147.1 | 3.1 |
|-------------------|-------|-------|-------|-----|

fall, though it has since recovered significantly, gaining 148.5% from 3/9/09 through 6/30/11. Royce Focus Trust outperformed the index during the decline, while Royce Value Trust and Royce Micro-Cap Trust trailed. This pattern was reversed in the bullish phase from the bottom on 3/9/09 through 6/30/11. Royce Value Trust and Royce Micro-Cap Trust substantially outperformed the Russell 2000 in this period, while Royce Focus Trust narrowly trailed the benchmark.

Past performance is no guarantee of future results. See page 2 for important performance information for all of the above funds.

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AVERAGE ANNUAL NAV TOTAL RETURNS

Through 6/30/11

| | |
|----------------------------|-------|
| Jan-June 2011 ¹ | 5.39% |
| One-Year | 41.59 |
| Three-Year | 6.92 |
| Five-Year | 4.33 |
| 10-Year | 7.78 |
| 15-Year | 10.60 |
| 20-Year | 11.70 |
| Since Inception (11/26/86) | 11.06 |

¹Not annualized**CALENDAR YEAR NAV TOTAL RETURNS**

| Year | RVT | Year | RVT |
|------|-------|------|-------|
| 2010 | 30.3% | 2000 | 16.6% |
| 2009 | 44.6 | 1999 | 11.7 |
| 2008 | -45.6 | 1998 | 3.3 |
| 2007 | 5.0 | 1997 | 27.5 |
| 2006 | 19.5 | 1996 | 15.5 |
| 2005 | 8.4 | 1995 | 21.6 |
| 2004 | 21.4 | 1994 | 0.1 |
| 2003 | 40.8 | 1993 | 17.3 |
| 2002 | -15.6 | 1992 | 19.3 |
| 2001 | 15.2 | 1991 | 38.4 |

TOP 10 POSITIONS

% of Net Assets Applicable to Common Stockholders

| | |
|---|-------|
| Coherent | 1.1% |
| Oil States International | 1.1 |
| Sapient Corporation | 1.0 |
| HEICO Corporation | 1.0 |
| Nordson Corporation | 1.0 |
| Rofin-Sinar Technologies | 0.9 |
| Alleghany Corporation | 0.8 |
| Newport Corporation | 0.8 |
| Ritchie Bros. Auctioneers | 0.8 |
| Reliance Steel & Aluminum | 0.8 |
| PORTFOLIO SECTOR BREAKDOWN | |
| % of Net Assets Applicable to Common Stockholders | |
| Industrials | 26.3% |
| Information Technology | 20.3 |
| Financials | 19.8 |
| Consumer Discretionary | 11.7 |
| Materials | 10.2 |
| Health Care | 7.8 |
| Energy | 6.7 |
| Consumer Staples | 2.2 |
| Diversified Investment Companies | 0.4 |
| Miscellaneous | 3.8 |
| Bond and Preferred Stocks | 0.1 |
| Cash and Cash Equivalents | 9.8 |

Royce Value Trust

Manager's Discussion

Economic data for the first half of 2011 was uneven, with global growth being affected by stubbornly high commodity prices, including a spike in oil following civil unrest in major oil producing areas and the toll of natural disasters such as the floods in New Zealand and tsunami in Japan. Corporate earnings continued to be a bright spot as companies effectively managed costs while experiencing solid revenue growth, boosting margins. Royce Value Trust (RVT), with its broadly diversified portfolio of small- and micro-cap stocks, performed reasonably well in 2011's volatile first half. **Over the period, RVT gained 5.4% on an NAV basis, and 5.3% based on the market price of its shares, trailing its unleveraged small-cap benchmarks, the Russell 2000 Index, which added 6.2%, and the S&P SmallCap 600 Index, which rose 7.5%.**

The Fund's relative performance in each of the first two quarters of 2011 was largely in line with its benchmarks as well. During the bullish first quarter, which garnered strength from continued solid corporate earnings reports, the Fund rose 8.2% and 7.1% on an NAV and market price basis, respectively, while the Russell 2000 gained 7.9%, and the S&P SmallCap 600 advanced 7.7%. During the volatile second quarter, when small-cap stock prices suffered a 10% correction following renewed concerns over Greek sovereign finances, only to be followed by a sharp rally as European policy makers sought to control the contagion, RVT generated an NAV decline of 2.6% and a market price loss of 1.8% compared to the Russell 2000's drop of 1.6%, and the S&P SmallCap 600's decline of 0.2%.

Now more than two years removed from the market lows on March 9, 2009, there has been substantial progress in the healing of financial markets and the investor confidence that ultimately supports them. While risk managers first and foremost, we were quite pleased that RVT was able to maintain its impressive lead over its benchmarks in this volatile but bullish period. While not without periodic setbacks, RVT performed admirably, outpacing both of its benchmarks from the small-cap low on March 9, 2009 through June 30, 2011, with gains of 191.6% (NAV) and 210.5% (market price) compared to the Russell 2000 and the S&P 600, which advanced 148.6% and 151.4%, respectively. On an NAV basis, the Fund beat both its benchmarks for the one-year, 15-year, 20-year and since inception (11/26/86) periods ended June 30, 2011 and also added an advantage over the Russell 2000 for the five-year and 10-year periods. **RVT's NAV average annual total return since inception was 11.1%.**

Investors seemed to grow more comfortable focusing on company specific fundamentals as opposed to the constant barrage of macroeconomic risks that had so consumed them in the period following the financial crisis. This trend was evident in the Fund's sector results. Six of the Fund's 11 equity sectors contributed positively to returns in the first half, two detracted from returns, and the remaining three were essentially flat. Industrials and Information Technology

GOOD IDEAS THAT WORKED

Top Contributors to Performance
Year-to-Date through 6/30/11¹

| | |
|--------------------------|-------|
| CARBO Ceramics | 0.24% |
| Oil States International | 0.23 |
| SRA International Cl. A | 0.22 |
| HEICO Corporation | 0.22 |
| Coherent | 0.21 |

¹ Includes dividends

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return

basis and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. The market price of the Fund's shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund invests primarily in securities of small- and micro-cap companies, which may involve considerably more risk than investing in a more diversified portfolio of larger-cap companies. Regarding the two Good Ideas tables shown above, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund's year-to-date performance for 2011.

Performance and Portfolio Review

were the top gainers followed by Energy and Health Care. Materials was the worst performer, joined by a modest loss in Consumer Staples. Performance in each demonstrated that even typically defensive areas of the market exhibited pockets of weakness. At the industry level, energy equipment & services, machinery, and electronic equipment, instruments & components, each from different sectors, contributed most. Metals & mining, automobiles, and diversified consumer services were the worst performing industries, as a sharp second-quarter drop in silver prices hurt mining companies, while a spike in oil prices dented an already bruised consumer.

CARBO Ceramics, a long-time Royce holding, was the best performer in the period. This leading producer and supplier of ceramic proppants used in horizontal shale drilling activity has benefited from extremely strong pricing in this supply constrained commodity critical to the success of shale wells. Oil States International was another top performer for the Fund. This leading provider of specialty products and services to oil and gas drilling and exploration companies, saw a jump in its shares as a rising tide of increasing oil prices and subsequent high levels of demand for each of the company's four primary business units' accommodations, offshore products, tubular services and well site services led to high earnings and cash flow growth.

GOOD IDEAS AT THE TIME

Top Detractors from Performance
Year-to-Date through 6/30/11¹

| | |
|--------------------------------|--------|
| Patriot Transportation Holding | -0.16% |
| E-House China Holdings ADR | -0.13 |
| Winnebago Industries | -0.11 |
| Hawkins | -0.11 |
| Hecla Mining | -0.10 |

¹Net of dividends

On the negative side, one notable loser was also one of our longstanding favorites, Patriot Transportation Holding. Hailing from the Industrial sector, its unique combination of transportation and real estate businesses reported lackluster earnings that were uninspiring to investors. However, with strong balance sheet, gradual improvement in its various lines of business and our view that the market substantially undervalues its assets, we continue to maintain our positive stance on the company. E-House China Holdings, a Shanghai-based real estate services operation with strong national brand recognition, was adversely affected by Chinese tightening on interest rates and more specific measures instituted by the Chinese government (and municipal governments) to discourage real estate speculation. Like many small-cap and micro-cap U.S. listed companies that are based in China or derive a large portion of their business from China, E-House China Holdings was also pressured due to the accounting irregularities at another U.S. listed Chinese firm during the period.

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION (11/26/86) through 6/30/11

¹ Reflects the cumulative total return of an investment made by a stockholder who purchased one share at inception (\$10.00 IPO), reinvested all annual distributions and fully participated in primary subscriptions of the Fund's rights offerings.

² Reflects the actual market price of one share as it traded on the NYSE.

**FUND INFORMATION AND
PORTFOLIO DIAGNOSTICS**

Average
Market
Capitalization¹ \$1,476 million

Weighted
Average P/E
Ratio² 16.3x

Weighted
Average P/B
Ratio 1.9x

U.S.
Investments
(% of Net
Assets
applicable to
Common
Stockholders) 81.3%

Non-U.S.
Investments
(% of Net
Assets
applicable to
Common
Stockholders) 28.0%

Fund Total
Net Assets \$1,371 million

Net
Leverage³ 9%

Turnover
Rate 12%

Number of
Holdings 581

Symbol
Market
Price RVT
NAV XRVTX

1

Geometrically calculated

² The Fund's P/E ratio calculation excludes companies with zero or negative earnings (9% of portfolio holdings as of 6/30/11).

³ Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets applicable to Common Stockholders.

CAPITAL STRUCTURE Publicly Traded Securities Outstanding at 6/30/11 at NAV or Liquidation Value

67.0 million shares
of Common Stock

\$1,151 million

5.90% Cumulative
Preferred Stock

\$220 million

DOWN MARKET PERFORMANCE COMPARISON All Down Periods of 7.5% or Greater
Over the Last 7 Years, in Percentages(%)

AVERAGE ANNUAL NAV TOTAL RETURNS

Through 6/30/11

| | |
|----------------------------|-------|
| Jan-June 2011 ¹ | 3.12% |
| One-Year | 34.62 |
| Three-Year | 6.23 |
| Five-Year | 3.18 |
| 10-Year | 8.46 |
| 15-Year | 10.34 |
| Since Inception (12/14/93) | 11.05 |

¹ Not annualized**CALENDAR YEAR NAV TOTAL RETURNS**

| Year | RMT | Year | RMT |
|------|-------|------|-------|
| 2010 | 28.5% | 2001 | 23.4% |
| 2009 | 46.5 | 2000 | 10.9 |
| 2008 | -45.5 | 1999 | 12.7 |
| 2007 | 0.6 | 1998 | -4.1 |
| 2006 | 22.5 | 1997 | 27.1 |
| 2005 | 6.8 | 1996 | 16.6 |
| 2004 | 18.7 | 1995 | 22.9 |
| 2003 | 55.5 | 1994 | 5.0 |
| 2002 | -13.8 | | |

TOP 10 POSITIONS

% of Net Assets Applicable to Common Stockholders

| | |
|-------------------------|------|
| Kennedy-Wilson Holdings | 1.8% |
|-------------------------|------|

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| | |
|---------------------------|-----|
| Sapient Corporation | 1.7 |
| Tennant Company | 1.2 |
| Seneca Foods | 1.1 |
| Epoch Holding Corporation | 1.1 |
| Richardson Electronics | 1.1 |
| Raven Industries | 1.0 |
| Drew Industries | 1.0 |
| America's Car-Mart | 1.0 |
| HEICO Corporation | 0.9 |

PORTFOLIO SECTOR BREAKDOWN
 % of Net Assets Applicable to Common
 Stockholders

| | |
|----------------------------|-------|
| Industrials | 25.9% |
| Information Technology | 18.8 |
| Financials | 16.9 |
| Consumer Discretionary | 12.6 |
| Materials | 8.9 |
| Health Care | 7.1 |
| Energy | 4.4 |
| Consumer Staples | 3.1 |
| Telecommunication Services | 0.5 |
| Utilities | 0.1 |
| Miscellaneous | 4.0 |
| Preferred Stock | 0.4 |
| Cash and Cash Equivalents | 16.2 |

Royce Micro-Cap Trust

Manager's Discussion

Following two stellar years for micro-cap stocks in 2009 and 2010, our mean reversion sensibilities anticipated some moderation in the pace of gains as we entered 2011. Interestingly, the first half of 2011 contained many of the same headlines – deteriorating European sovereign finances, Chinese inflation, developed markets' currency debasement, U.S. economic slowdown – that had worried investors in 2010. Focused exclusively on the fortunes of individual companies, we continue to be pleased with the progress businesses are making in this less than ideal macroeconomic backdrop. While returns did moderate in the first half of 2011, earnings are growing at a healthy pace and the already strong financial position of many companies continues to build. **Over the first six months of 2011, RMT gained 3.1% on an NAV (net asset value) basis, and 3.3% based on the market price of its shares, underperforming its unleveraged small-cap benchmark, the Russell 2000 Index, which advanced 6.2%, and performing in line with the Russell Microcap Index, which rose 3.1%, for the same period.**

During the more bullish first quarter, RMT gained a respectable 6.5% on an NAV basis and 5.8% based on market price, compared to respective advances of 7.9% and 6.8% for the Russell 2000 and Russell Microcap Indexes. When stock prices turned volatile in the second quarter, the Fund lost 3.2% on an NAV basis and 2.4% on a market price basis. For the same period, the Russell 2000 fell 1.6%, and the Russell Microcap retrenched 3.5%. So though it gave up a bit of ground from the market low on March 9, 2009 through June 30, 2011, RMT maintained its impressive lead, up 183.5% (NAV) and 200.3% (market price) compared to the Russell 2000, which was up 148.6%, and the Russell Microcap, which rose 147.1%. On an NAV basis, the Fund outpaced the Russell Microcap Index for the one-, five- and 10-year periods ended June 30, 2011. (Returns for the Russell Microcap Index only go back to 2000.) On both an NAV and market price basis, RMT was ahead of the Russell 2000 for the 10-year, 15-year and since inception (12/14/93) periods ended June 30, 2011. **RMT's NAV average annual total return since inception was 11.1%.**

For the first half of 2011, eight of the Fund's ten equity sectors made positive contributions to performance, with Information Technology and Industrials leading the way. Consumer Staples and Utilities were the only detractors in the period. At the industry level, electronic equipment, instruments & components was the top performer. Two industries from the Industrials sector, commercial services & supplies and machinery, came next, both benefiting from the continued renaissance in U.S. manufacturing that has long been a theme at Royce. Food products from within the Consumer Staples sector put a notable drag on performance, as higher commodity costs dug into margins in this typically defensive area of the market. Cyclical companies broadly were under pressure, especially in the second quarter, as risk aversion resurfaced following uneven economic data and increased headline anxieties.

GOOD IDEAS THAT WORKED

Top Contributors to Performance
Year-to-Date through 6/30/11¹

| | |
|-------------------------|-------|
| Heritage-Crystal Clean | 0.44% |
| Kennedy-Wilson Holdings | 0.35 |
| Sapient Corporation | 0.32 |
| Frequency Electronics | 0.25 |
| Tejon Ranch | 0.24 |

¹ Includes dividends

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. The market price of the Fund's shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund normally invests in micro-cap companies, which may involve considerably more risk than investing in a more diversified portfolio of larger-cap companies. Regarding the two "Good Ideas" tables shown above, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund's year-to-date performance for 2011.

Performance and Portfolio Review

Correlation in the market continued to decline in the first half of 2011, which was a welcome reprieve from the highly correlated characteristics that defined much of the recovery period off the bear market lows in March 2009. This was a gratifying turn of events as our process is focused on the successes and failures of individual companies. Not surprisingly, we had some of each in the first half. On the positive side, Heritage-Crystal Clean, a leading provider of industrial and hazardous waste services, was RMT's top gainer. Benefiting from continued positive trends in environmental services, broadly, the company also continued to expand its network of small- and mid-sized customers that generally have more limited resources to dedicate to waste remediation, and look to companies like Heritage-Crystal to fulfill this highly regulated area of their business. Kennedy-Wilson Holdings is a vertically integrated international real estate and investment services company that expanded its footprint to include Europe (along with existing business in the U.S. and Japan) through the acquisition of Bank of Ireland's real estate investment management business. In the U.S., the company continued to source attractive deals through its extensive network of real estate partners.

GOOD IDEAS AT THE TIME

Top Detractors from Performance
Year-to-Date through 6/30/11¹

| | |
|--------------------------------|--------|
| Patriot Transportation Holding | -0.28% |
| Origin Agritech | -0.26 |
| Fushi Copperweld | -0.19 |
| Rentrak Corporation | -0.18 |
| Flexsteel Industries | -0.17 |

Patriot Transportation Holding detracted most from first-half returns. Hailing from the Industrials sector and possessed of a unique combination of transportation and real estate businesses, it reported lackluster earnings. A long-term holding in the portfolio, Patriot boasts a very strong balance sheet, is seeing gradual improvement in its various lines of business and continues to have what we believe are substantially undervalued assets. Another notable loser was Origin Agritech, a U.S. listed company headquartered in China that is engaged in the manufacture and distribution of hybrid and genetically modified crop seeds. The company reported earnings that missed analyst expectations mostly as a result of a drop in revenues due to changing planting schedules of farmers. R&D expenses were also higher than expected as the company continued to invest in developing their product portfolio. Its share price also suffered in the wake of accounting fraud revelations at another U.S. listed Chinese business. This development depressed the stocks of many U.S. listed Chinese companies in June, even those with no relation to the original firm.

¹ Net of dividends

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION (12/14/93) through 6/30/11

¹ Reflects the cumulative total return of an investment made by a stockholder who purchased one share at inception (\$7.50 IPO), reinvested distributions and fully participated in the primary subscription of the 1994 rights offering.

² Reflects the actual market price of one share as it traded on the NYSE and, prior to 12/1/03, on Nasdaq.

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

| | |
|--|---------------|
| Average Market Capitalization ¹ | \$341 million |
|--|---------------|

| | |
|----------------------------|------|
| Weighted Average P/B Ratio | 1.6x |
|----------------------------|------|

| | |
|--|-------|
| U.S. Investments (% of Net Assets applicable to Common Stockholders) | 86.0% |
|--|-------|

| | |
|--|-------|
| Non-U.S. Investments (% of Net Assets applicable to Common Stockholders) | 16.7% |
|--|-------|

| | |
|-----------------------|---------------|
| Fund Total Net Assets | \$377 million |
|-----------------------|---------------|

| | |
|---------------------------|----|
| Net Leverage ² | 3% |
|---------------------------|----|

| | |
|---------------|-----|
| Turnover Rate | 13% |
|---------------|-----|

| | |
|--------------------|-----|
| Number of Holdings | 334 |
|--------------------|-----|

| | |
|--------------|-------|
| Symbol | |
| Market Price | RMT |
| NAV | XOTCX |

¹ Geometrically calculated

² Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets applicable to Common Stockholders.

CAPITAL STRUCTURE

Publicly Traded Securities
Outstanding at 6/30/11 at NAV or
Liquidation Value

| | |
|-------------------------------------|---------------|
| 27.8 million shares of Common Stock | \$317 million |
|-------------------------------------|---------------|

| | |
|----------------------------------|--------------|
| 6.00% Cumulative Preferred Stock | \$60 million |
|----------------------------------|--------------|

**DOWN MARKET PERFORMANCE
COMPARISON**

All Down Periods of 7.5% or Greater
Over the Last 7 Years, in
Percentages(%)

AVERAGE ANNUAL NAV TOTAL RETURNS

Through 6/30/11

| | |
|--|-------|
| Jan-June 2011 ¹ | 3.71% |
| One-Year | 37.02 |
| Three-Year | 2.89 |
| Five-Year | 6.03 |
| 10-Year | 11.02 |
| Since Inception (11/1/96) ² | 11.42 |

¹ Not annualized² Royce & Associates assumed investment management responsibility for the Fund on 11/1/96.**CALENDAR YEAR NAV TOTAL RETURNS**

| Year | FUND | Year | FUND |
|------|-------|------|-------|
| 2010 | 21.8% | 2003 | 54.3% |
| 2009 | 54.0 | 2002 | -12.5 |
| 2008 | -42.7 | 2001 | 10.0 |
| 2007 | 12.2 | 2000 | 20.9 |
| 2006 | 16.3 | 1999 | 8.7 |
| 2005 | 13.3 | 1998 | -6.8 |
| 2004 | 29.3 | 1997 | 20.5 |

TOP 10 POSITIONS

% of Net Assets Applicable to Common Stockholders

| | |
|--------------------------|------|
| Franklin Resources | 3.3% |
| Western Digital | 3.3 |
| Berkshire Hathaway Cl. B | 3.3 |

| | |
|----------------------------|-----|
| Allied Nevada Gold | 3.2 |
| Analog Devices | 3.1 |
| GameStop Corporation Cl. A | 2.9 |
| Microsoft Corporation | 2.9 |
| Trican Well Service | 2.9 |
| Buckle (The) | 2.9 |
| Seabridge Gold | 2.5 |

PORTFOLIO SECTOR BREAKDOWN
% of Net Assets Applicable to Common
Stockholders

| | |
|---------------------------|-------|
| Materials | 25.9% |
| Financials | 20.8 |
| Information Technology | 18.1 |
| Energy | 13.4 |
| Industrials | 9.0 |
| Consumer Discretionary | 7.5 |
| Consumer Staples | 5.6 |
| Health Care | 0.9 |
| Cash and Cash Equivalents | 12.9 |

Royce Focus Trust

Manager's Discussion

A highly volatile market, particularly for many hard asset and industrial stocks, made for a disappointing first half for Royce Focus Trust (FUND). **The Fund was up 3.7% on an NAV (net asset value) basis and 5.5% on a market price basis for the year-to-date period ended June 30, 2011, in each case behind the 6.2% gain of its unleveraged small-cap benchmark, the Russell 2000 Index, for the same period.** The Fund began the year on a high note, with very strong absolute and relative results in the first quarter. Between January and March, it rose 8.5% on an NAV basis and 11.7% on a market price basis, in both instances ahead of the benchmark, which climbed 7.9% in the first quarter.

The reversal arrived with the onset of higher volatility in late April. The Fund fell 10.9%

on an NAV basis and 11.5% on a market price basis from the first half's small-cap high on April 29 through its subsequent low on June 13, while the small-cap index declined 10.1%. Needless to say, we were hoping for a better result on both an absolute and relative basis. We were more discouraged by the portfolio's failure to hold its value during the downdraft than we were in its relatively lackluster showing in the rally that closed out the first half. For the second quarter as a whole, FUND's NAV return fell 4.4%, and its market price was off 5.6%, compared to a drop of 1.6% for the Russell 2000.

This pattern mostly held in recent market cycle periods. Measuring from the small-cap peak on July 13, 2007 through the end of 2011's first half, FUND gained 3.2% on an NAV basis, while it fell 9.8% on a market price basis. The Russell 2000 was up 2.2% for the same period. From the small-cap bottom on March 9, 2009 through June 30, 2011, the Fund rose 147.1% on an NAV basis and 134.2% on a market price basis compared to a gain of 148.6% for the small-cap index. Finally, from the interim small-cap low on July 6, 2010 through the end of June 2011, FUND gained 40.0% on an NAV basis and 42.6% on a market price basis versus a 41.9% return for the benchmark.

On a market price basis, the Fund outperformed the Russell 2000 for the one-year, 10-year and since inception of our management (11/1/96) periods ended June 30, 2011. The Fund outpaced its benchmark on an NAV basis for the five-year, 10-year and since inception periods ended June 30, 2011. **The Fund's NAV average annual total return since the inception of our management was 11.4%.**

The Materials sector detracted most from first-half results, and within the sector the most substantial losses by far came from holdings in the metals & mining industry. Many of these stocks did very well in 2010, including the Fund's largest detractor in 2011's first half, Pan American Silver, a Canadian company with operating mines in Mexico, Argentina, Bolivia and Peru. Its stock was punished by both the sharp reversal in silver prices and the negative effect of the president-elect of Peru campaigning on threats to nationalize or highly tax the country's

GOOD IDEAS THAT WORKED
Top Contributors to Performance
Year-to-Date through 6/30/11¹

| | |
|---|-------|
| Varian Semiconductor Equipment Associates | 1.79% |
| Timberland Company (The) Cl. A | 0.82 |
| Allied Nevada Gold | 0.80 |
| Unit Corporation | 0.64 |
| Helmerich & Payne | 0.63 |

¹ Includes dividends

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. The market price of the Fund's shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund normally invests primarily in small-cap companies, which may involve considerably more risk than investing in a more diversified portfolio of larger-cap companies. Regarding the two "Good Ideas" tables shown above, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund's year-to-date performance for 2011.

Performance and Portfolio Review

mining industries, a position he considerably moderated once he was elected. We thought that the company was eminently capable of effectively managing its comparatively low Peruvian exposure and thus bought more shares in April. While the Arab Spring was a momentous event, unrest in Egypt had little effect on the gold mining business of Centamin Egypt. Its name alone, however, appeared to be enough to drive investors away. Seeing that operations at its primary mine in Egypt were continuing largely unaffected by political events, we added to our position in March.

Also in the Materials sector, Allied Nevada Gold reflected the volatility of both the stock market and precious metals prices, though it ended the first half as the Fund's third-largest positive contributor. A stock that we have held since 2007, we were drawn to its pristine balance sheet and skill at moving from exploration to production in several gold mines. We rebuilt our position in FUND's portfolio during 2010's fourth quarter. The first half's top performer came from the IT sector, Varian Semiconductor Equipment Associates. We were impressed by its strong balance sheet and impressive market leadership in the semiconductor capital equipment business. Like many small-cap businesses of late, it was subject to M&A (mergers & acquisitions) activity its acquisition at a substantial premium was announced in May, when we sold our shares as its price rose.

GOOD IDEAS AT THE TIME Top Detractors from Performance Year-to-Date through 6/30/11¹

| | |
|-------------------------------------|--------|
| Pan American Silver | -0.66% |
| Centamin Egypt | -0.46 |
| Patriot Transportation Holding | -0.44 |
| Teradyne | -0.37 |
| Schnitzer Steel Industries Cl. A | -0.36 |

¹ Net of dividends

In June, the acquisition of The Timberland Company by a large apparel company was announced. We had long loved the strong brand and balance sheet of the New Hampshire-based footwear and apparel business. The stock traded very cheaply over the last few years as a result of reduced consumer demand, some earnings disappointments, rising leather costs and import tax issues that hampered its business in Europe, so we were very pleased to see it acquired at a sizable premium, which prompted us to begin selling our position in earnest in June. Unit Corporation, which we have owned in the portfolio since 2006, is a hybrid company in the oil and natural gas industry that offers services to other exploration and production firms and that conducts its own activities in those areas. Its share price was quite volatile in the first half, but ended June on a high note. We took some gains during the first half.

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION (11/1/96)³ through 6/30/11

¹ Reflects the cumulative total return experience of a continuous common stockholder who reinvested all distributions and fully participated in the primary subscription of the 2005 rights offering.

² Reflects the actual market price of one share as it traded on Nasdaq.

³ Royce & Associates assumed investment management responsibility for the Fund on 11/1/96.

**FUND INFORMATION AND
PORTFOLIO DIAGNOSTICS**

Average Market
Capitalization¹ \$4,107 million

Weighted Average
P/E Ratio² 13.3x

Weighted Average
P/B Ratio 2.0x

U.S. Investments
(% of Net Assets
applicable to
Common
Stockholders) 70.1%

Non-U.S.
Investments (% of
Net Assets
applicable to
Common
Stockholders) 31.1%

Fund Total Net
Assets \$202 million

Net Leverage³ 1%

Turnover Rate 22%

Number of
Holdings 57

Symbol
Market Price FUND
NAV XFUNX

¹ Geometrically calculated

² The Fund's P/E ratio calculation excludes companies with zero or negative earnings (2% of portfolio holdings as of 6/30/11).

³ Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets applicable to Common Stockholders.

CAPITAL STRUCTURE

Publicly Traded Securities
Outstanding
at 6/30/11 at NAV or Liquidation
Value

\$177 million

20.1 million
shares
of Common
Stock

6.00%
Cumulative
Preferred Stock \$25 million

**DOWN MARKET PERFORMANCE
COMPARISON**
All Down Periods of 7.5% or Greater
Over the Last 7 Years, in
Percentages(%)

History Since Inception

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

| History | | Amount Invested | Purchase Price ¹ | Shares | NAV Value ² | Market Value ² |
|--------------------------|----------------------------------|------------------|-----------------------------|---------------|------------------------|---------------------------|
| Royce Value Trust | | | | | | |
| 11/26/86 | Initial Purchase | \$ 10,000 | \$ 10.000 | 1,000 | \$ 9,280 | \$ 10,000 |
| 10/15/87 | Distribution \$0.30 | | 7.000 | 42 | | |
| 12/31/87 | Distribution \$0.22 | | 7.125 | 32 | 8,578 | 7,250 |
| 12/27/88 | Distribution \$0.51 | | 8.625 | 63 | 10,529 | 9,238 |
| 9/22/89 | Rights Offering | 405 | 9.000 | 45 | | |
| 12/29/89 | Distribution \$0.52 | | 9.125 | 67 | 12,942 | 11,866 |
| 9/24/90 | Rights Offering | 457 | 7.375 | 62 | | |
| 12/31/90 | Distribution \$0.32 | | 8.000 | 52 | 11,713 | 11,074 |
| 9/23/91 | Rights Offering | 638 | 9.375 | 68 | | |
| 12/31/91 | Distribution \$0.61 | | 10.625 | 82 | 17,919 | 15,697 |
| 9/25/92 | Rights Offering | 825 | 11.000 | 75 | | |
| 12/31/92 | Distribution \$0.90 | | 12.500 | 114 | 21,999 | 20,874 |
| 9/27/93 | Rights Offering | 1,469 | 13.000 | 113 | | |
| 12/31/93 | Distribution \$1.15 | | 13.000 | 160 | 26,603 | 25,428 |
| 10/28/94 | Rights Offering | 1,103 | 11.250 | 98 | | |
| 12/19/94 | Distribution \$1.05 | | 11.375 | 191 | 27,939 | 24,905 |
| 11/3/95 | Rights Offering | 1,425 | 12.500 | 114 | | |
| 12/7/95 | Distribution \$1.29 | | 12.125 | 253 | 35,676 | 31,243 |
| 12/6/96 | Distribution \$1.15 | | 12.250 | 247 | 41,213 | 36,335 |
| 1997 | Annual distribution total \$1.21 | | 15.374 | 230 | 52,556 | 46,814 |
| 1998 | Annual distribution total \$1.54 | | 14.311 | 347 | 54,313 | 47,506 |
| 1999 | Annual distribution total \$1.37 | | 12.616 | 391 | 60,653 | 50,239 |
| 2000 | Annual distribution total \$1.48 | | 13.972 | 424 | 70,711 | 61,648 |
| 2001 | Annual distribution total \$1.49 | | 15.072 | 437 | 81,478 | 73,994 |
| 2002 | Annual distribution total \$1.51 | | 14.903 | 494 | 68,770 | 68,927 |
| 1/28/03 | Rights Offering | 5,600 | 10.770 | 520 | | |
| 2003 | Annual distribution total \$1.30 | | 14.582 | 516 | 106,216 | 107,339 |
| 2004 | Annual distribution total \$1.55 | | 17.604 | 568 | 128,955 | 139,094 |
| 2005 | Annual distribution total \$1.61 | | 18.739 | 604 | 139,808 | 148,773 |
| 2006 | Annual distribution total \$1.78 | | 19.696 | 693 | 167,063 | 179,945 |
| 2007 | Annual distribution total \$1.85 | | 19.687 | 787 | 175,469 | 165,158 |
| 2008 | Annual distribution total \$1.72 | | 12.307 | 1,294 | 95,415 | 85,435 |
| 3/11/09 | Distribution \$0.32 ³ | | 6.071 | 537 | 137,966 | 115,669 |
| 12/2/10 | Distribution \$0.03 | | 13.850 | 23 | 179,730 | 156,203 |
| | Year-to-date distribution total | | | | | |
| 2011 | \$0.37 | | 14.492 | 276 | | |
| 6/30/11 | | \$ 21,922 | | 11,019 | \$ 189,417 | \$ 164,403 |

¹ The purchase price used for annual distribution totals is a weighted average of the distribution reinvestment prices for the year.

² Other than for initial purchase, values are stated as of December 31 of the year indicated, after reinvestment of distributions.

³ Includes a return of capital.

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

| History | | Amount Invested | Purchase Price ¹ | Shares | NAV Value ² | Market Value ² |
|------------------------------|--|-----------------|-----------------------------|--------------|------------------------|---------------------------|
| Royce Micro-Cap Trust | | | | | | |
| 12/14/93 | Initial Purchase | \$ 7,500 | \$ 7.500 | 1,000 | \$ 7,250 | \$ 7,500 |
| 10/28/94 | Rights Offering | 1,400 | 7.000 | 200 | | |
| 12/19/94 | Distribution \$0.05 | | 6.750 | 9 | 9,163 | 8,462 |
| 12/7/95 | Distribution \$0.36 | | 7.500 | 58 | 11,264 | 10,136 |
| 12/6/96 | Distribution \$0.80 | | 7.625 | 133 | 13,132 | 11,550 |
| 12/5/97 | Distribution \$1.00 | | 10.000 | 140 | 16,694 | 15,593 |
| 12/7/98 | Distribution \$0.29 | | 8.625 | 52 | 16,016 | 14,129 |
| 12/6/99 | Distribution \$0.27 | | 8.781 | 49 | 18,051 | 14,769 |
| 12/6/00 | Distribution \$1.72 | | 8.469 | 333 | 20,016 | 17,026 |
| 12/6/01 | Distribution \$0.57 | | 9.880 | 114 | 24,701 | 21,924 |
| 2002 | Annual distribution total \$0.80 | | 9.518 | 180 | 21,297 | 19,142 |
| 2003 | Annual distribution total \$0.92 | | 10.004 | 217 | 33,125 | 31,311 |
| 2004 | Annual distribution total \$1.33 | | 13.350 | 257 | 39,320 | 41,788 |
| 2005 | Annual distribution total \$1.85 | | 13.848 | 383 | 41,969 | 45,500 |
| 2006 | Annual distribution total \$1.55 | | 14.246 | 354 | 51,385 | 57,647 |
| 2007 | Annual distribution total \$1.35 | | 13.584 | 357 | 51,709 | 45,802 |
| 2008 | Annual distribution total \$1.19 | | 8.237 | 578 | 28,205 | 24,807 |
| 3/11/09 | Distribution \$0.22 ³ | | 4.260 | 228 | 41,314 | 34,212 |
| 12/2/10 | Distribution \$0.08 | | 9.400 | 40 | 53,094 | 45,884 |
| | Year-to-date distribution total | | | | | |
| 2011 | \$0.25 | | 9.424 | 125 | | |
| 6/30/11 | | \$ 8,900 | | 4,807 | \$ 54,725 | 47,397 |
| Royce Focus Trust | | | | | | |
| 10/31/96 | Initial Purchase | \$ 4,375 | \$ 4.375 | 1,000 | \$ 5,280 | \$ 4,375 |
| 12/31/96 | | | | | 5,520 | 4,594 |
| 12/5/97 | Distribution \$0.53 | | 5.250 | 101 | 6,650 | 5,574 |
| 12/31/98 | | | | | 6,199 | 5,367 |
| 12/6/99 | Distribution \$0.145 | | 4.750 | 34 | 6,742 | 5,356 |
| 12/6/00 | Distribution \$0.34 | | 5.563 | 69 | 8,151 | 6,848 |
| 12/6/01 | Distribution \$0.14 | | 6.010 | 28 | 8,969 | 8,193 |
| 12/6/02 | Distribution \$0.09 | | 5.640 | 19 | 7,844 | 6,956 |
| 12/8/03 | Distribution \$0.62 | | 8.250 | 94 | 12,105 | 11,406 |
| 2004 | Annual distribution total \$1.74 | | 9.325 | 259 | 15,639 | 16,794 |
| 5/6/05 | Rights offering | 2,669 | 8.340 | 320 | | |
| 2005 | Annual distribution total \$1.21 | | 9.470 | 249 | 21,208 | 20,709 |
| 2006 | Annual distribution total \$1.57 | | 9.860 | 357 | 24,668 | 27,020 |
| 2007 | Annual distribution total \$2.01 | | 9.159 | 573 | 27,679 | 27,834 |
| 2008 | Annual distribution total \$0.47 | | 6.535 | 228 | 15,856 | 15,323 |
| 3/11/09 | Distribution \$0.09 ³ | | 3.830 | 78 | 24,408 | 21,579 |
| 2011 | Year-to-date distribution total \$0.19 | | 7.491 | 87 | | |
| 6/30/11 | | \$ 7,044 | | 3,496 | \$ 30,835 | 27,234 |

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

Distribution Reinvestment and Cash Purchase Options

Have the Funds resumed their managed distribution policies for common stockholders?

The Funds resumed their quarterly distribution policy for Common Stockholders in March 2011, at the annual rate of 5%.

Why should I reinvest my distributions?

By reinvesting distributions, a stockholder can maintain an undiluted investment in the Fund. The regular reinvestment of distributions has a significant impact on stockholder returns. In contrast, the stockholder who takes distributions in cash is penalized when shares are issued below net asset value to other stockholders.

How does the reinvestment of distributions from the Royce closed-end funds work?

The Funds automatically issue shares in payment of distributions unless you indicate otherwise. The shares are generally issued at the lower of the market price or net asset value on the valuation date.

How does this apply to registered stockholders?

If your shares are registered directly with a Fund, your distributions are automatically reinvested unless you have otherwise instructed the Funds' transfer agent, Computershare, in writing. A registered stockholder also has the option to receive the distribution in the form of a stock certificate or in cash if Computershare is properly notified.

What if my shares are held by a brokerage firm or a bank?

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

What other features are available for registered stockholders?

The Distribution Reinvestment and Cash Purchase Plans also allow registered stockholders to make optional cash purchases of shares of a Fund's common stock directly through Computershare on a monthly basis, and to deposit certificates representing your Fund shares with Computershare for safekeeping. The Funds' investment adviser is absorbing all commissions on optional cash purchases under the Plans through December 31, 2011.

How do the Plans work for registered stockholders?

Computershare maintains the accounts for registered stockholders in the Plans and sends written confirmation of all transactions in the account. Shares in the account of each participant will be held by Computershare in non-certificated form in the name of the participant, and each participant will be able to vote those shares at a stockholder meeting or by proxy. A participant may also send other stock certificates held by them to Computershare to be held in non-certificated form. There is no service fee charged to participants for reinvesting distributions. If a participant elects to sell shares from a Plan account, Computershare will deduct a \$2.50 fee plus brokerage commissions from the sale transaction. If a nominee is the registered owner of your shares, the nominee will maintain the accounts on your behalf.

How can I get more information on the Plans?

You can call an Investor Services Representative at (800) 221-4268 or you can request a copy of the Plan for your Fund from Computershare. All correspondence (including notifications) should be directed to: [Name of Fund] Distribution Reinvestment and Cash Purchase Plan, c/o Computershare, PO Box 43010, Providence, RI 02940-3010, telephone (800) 426-5523.

Royce Value Trust

June 30, 2011 (unaudited)

Schedule of Investments

| | SHARES | VALUE |
|---|-----------|--------------|
| COMMON STOCKS 109.2% | | |
| Consumer Discretionary 11.7% | | |
| Auto Components - 0.6% | | |
| Autoliv | 14,800 | \$ 1,161,060 |
| China XD Plastics ^{1,2} | 69,500 | 292,595 |
| Gentex Corporation | 50,000 | 1,511,500 |
| Hirota Holdings | 286,000 | 187,720 |
| Mint Group | 1,136,000 | 1,843,476 |
| Norstar Founders Group ^{2,3} | 524,000 | 24,578 |
| SORL Auto Parts ^{1,2} | 81,592 | 367,164 |
| Superior Industries International | 40,000 | 884,400 |
| Williams Controls | 37,499 | 431,239 |
| | | 6,703,732 |
| Automobiles - 0.3% | | |
| Thor Industries | 50,000 | 1,442,000 |
| Winnebago Industries ^{1,2} | 222,500 | 2,149,350 |
| | | 3,591,350 |
| Distributors - 0.7% | | |
| LKQ Corporation ² | 230,000 | 6,000,700 |
| Weyco Group | 97,992 | 2,410,603 |
| | | 8,411,303 |
| Diversified Consumer Services - 1.7% | | |
| Anhanguera Educacional Participacoes | 80,000 | 1,702,880 |
| Benesse Holdings | 32,000 | 1,377,125 |
| ChinaCast Education ² | 181,400 | 939,652 |
| Corinthian Colleges ^{1,2} | 59,500 | 253,470 |
| ITT Educational Services ² | 9,000 | 704,160 |
| MegaStudy | 24,200 | 3,257,305 |
| Regis Corporation | 233,800 | 3,581,816 |
| Sotheby's | 157,500 | 6,851,250 |
| Universal Technical Institute | 43,600 | 861,972 |
| | | 19,529,630 |
| Hotels, Restaurants & Leisure - 0.3% | | |
| Abu Dhabi National Hotels ³ | 130,000 | 88,837 |
| Ajisen China Holdings | 300,000 | 625,233 |
| Benihana ² | 3,300 | 34,386 |
| CEC Entertainment | 64,100 | 2,571,051 |
| Fairwood Holdings | 35,000 | 52,376 |

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| | | |
|-----------------|-----------|---------|
| Kangwon Land | 7,500 | 201,168 |
| REXLot Holdings | 4,176,800 | 403,948 |

3,976,999

Household Durables - 1.9%

| | | |
|---------------------------------------|---------|-----------|
| Allan International Holdings | 350,000 | 138,532 |
| Desarrolladora Homex ADR ² | 14,100 | 355,743 |
| Ekornes | 55,000 | 1,243,751 |
| Ethan Allen Interiors | 345,800 | 7,362,082 |
| Hanssem | 49,100 | 617,943 |
| Harman International Industries | 22,950 | 1,045,831 |
| Hunter Douglas | 10,000 | 489,577 |
| Mohawk Industries ² | 128,200 | 7,690,718 |
| NVR ² | 500 | 362,740 |
| Universal Electronics ² | 10,000 | 252,600 |
| Woongjin Coway | 59,400 | 2,118,675 |

21,678,192

SHARES VALUE

Consumer Discretionary (continued)

Internet & Catalog Retail - 0.4%

| | | | |
|-----------------------|---------|----|-----------|
| Manutan International | 27,500 | \$ | 2,121,783 |
| Takkt | 130,000 | | 2,101,807 |

4,223,590

Leisure Equipment & Products - 0.5%

| | | | |
|--------------------|---------|--|-----------|
| Beneteau | 50,000 | | 1,076,782 |
| Sturm, Ruger & Co. | 220,600 | | 4,842,170 |

5,918,952

Media - 0.8%

| | | | |
|--------------------------------------|-----------|--|-----------|
| Global Sources ² | 27,621 | | 253,837 |
| Lamar Advertising Cl. A ² | 51,000 | | 1,395,870 |
| Morningstar | 109,800 | | 6,673,644 |
| Pico Far East Holdings | 6,785,000 | | 1,404,232 |

9,727,583

Multiline Retail - 0.1%

| | | | |
|----------------------------------|-----------|--|-----------|
| New World Department Store China | 1,559,000 | | 1,231,332 |
|----------------------------------|-----------|--|-----------|

Specialty Retail - 1.7%

| | | | |
|---|---------|--|-----------|
| Aeropostale ^{1,2} | 48,700 | | 852,250 |
| Ascena Retail Group ² | 68,280 | | 2,324,934 |
| CarMax ² | 41,000 | | 1,355,870 |
| Charming Shoppes ² | 475,900 | | 1,979,744 |
| Dickson Concepts (International) | 711,600 | | 557,025 |
| Dover Saddlery ^{1,2} | 17,821 | | 83,224 |
| GameStop Corporation Cl. A ^{1,2} | 24,400 | | 650,748 |

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| | | |
|--|-----------|-------------|
| Genesco ² | 8,100 | 422,010 |
| Hengdeli Holdings | 485,250 | 258,693 |
| Jos. A. Bank Clothiers ² | 31,000 | 1,550,310 |
| Lewis Group | 200,000 | 2,503,186 |
| Luk Fook Holdings (International) | 95,500 | 463,719 |
| Stein Mart | 167,800 | 1,617,592 |
| Systemax ² | 224,000 | 3,346,560 |
| West Marine ² | 131,100 | 1,359,507 |
| | | 19,325,372 |
| Textiles, Apparel & Luxury Goods - 2.7% | | |
| Anta Sports Products | 323,200 | 579,207 |
| Burberry Group | 50,000 | 1,162,500 |
| Carter's ² | 236,000 | 7,259,360 |
| China Xiniya Fashion ADR ^{1,2} | 45,700 | 133,444 |
| Columbia Sportswear | 19,122 | 1,212,335 |
| Daphne International Holdings | 2,115,800 | 1,889,803 |
| Grendene | 250,000 | 1,441,707 |
| J.G. Boswell Company ⁴ | 2,292 | 1,719,000 |
| K-Swiss Cl. A ² | 163,600 | 1,739,068 |
| Lazare Kaplan International ^{2,4} | 95,437 | 129,794 |
| Pacific Textiles Holdings | 2,420,000 | 1,616,881 |
| Stella International Holdings | 806,800 | 2,046,133 |
| Texwinca Holdings | 401,000 | 477,006 |
| Unifi ² | 40,333 | 556,596 |
| Van De Velde | 15,000 | 852,341 |
| Warnaco Group (The) ² | 73,200 | 3,824,700 |
| Wolverine World Wide | 100,000 | 4,175,000 |
| | | 30,814,875 |
| Total (Cost \$101,361,451) | | 135,132,910 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

2011 Semiannual Report to Stockholders
| 21

Royce Value Trust

Schedule of Investments

| | SHARES | VALUE |
|-------------------------------------|-----------|------------|
| Consumer Staples 2.2% | | |
| Beverages - 0.1% | | |
| Heckmann Corporation ^{1,2} | 50,000 | \$ 302,000 |
| MGP Ingredients | 127,400 | 1,109,654 |
| | | 1,411,654 |
| Food & Staples Retailing - 0.4% | | |
| FamilyMart | 125,900 | 4,627,815 |
| Food Products - 1.7% | | |
| Alico | 27,000 | 691,740 |
| Asian Citrus Holdings | 587,800 | 537,024 |
| Binggrae | 22,415 | 1,297,025 |
| BW Plantation | 875,100 | 121,507 |
| Cal-Maine Foods | 49,900 | 1,594,804 |
| China Green (Holdings) | 2,272,000 | 1,466,724 |
| First Resources | 1,506,700 | 1,705,134 |
| Grupo Herdez | 300,000 | 644,916 |
| Hershey Creamery ⁴ | 709 | 1,240,750 |
| Origin Agritech ^{1,2} | 76,800 | 305,664 |
| Seneca Foods Cl. A ^{1,2} | 110,000 | 2,813,800 |
| Seneca Foods Cl. B ² | 13,251 | 330,745 |
| Super Group | 735,000 | 857,032 |
| Tootsie Roll Industries | 198,566 | 5,810,041 |
| Westway Group ² | 31,500 | 152,775 |
| | | 19,569,681 |
| Total (Cost \$22,330,427) | | 25,609,150 |
| Diversified Investment | | |
| Companies 0.4% | | |
| Closed-End Funds - 0.4% | | |
| Central Fund of Canada Cl. A | 237,000 | 4,827,690 |
| Total (Cost \$2,076,233) | | 4,827,690 |
| Energy 6.7% | | |
| Energy Equipment & Services - 5.9% | | |
| Atwood Oceanics ² | 15,300 | 675,189 |
| Cal Dive International ² | 456,250 | 2,728,375 |
| Calfrac Well Services | 45,000 | 1,482,347 |
| CARBO Ceramics | 44,700 | 7,283,865 |
| Ensco ADR | 37,600 | 2,004,080 |
| Ensign Energy Services | 225,100 | 4,462,556 |
| Exterran Holdings ^{1,2} | 103,600 | 2,054,388 |

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| | | |
|--|---------|------------|
| Helmerich & Payne | 100,900 | 6,671,508 |
| ION Geophysical ² | 361,500 | 3,419,790 |
| Lufkin Industries | 62,000 | 5,335,100 |
| Oil States International ² | 158,500 | 12,665,735 |
| Pason Systems | 101,800 | 1,534,732 |
| SEACOR Holdings | 23,760 | 2,375,049 |
| ShawCor Cl. A | 104,500 | 3,209,384 |
| SinoTech Energy ADR ^{1,2} | 119,000 | 492,660 |
| TETRA Technologies ² | 68,000 | 865,640 |
| TGS-NOPEC Geophysical | 80,000 | 2,243,683 |
| Tidewater | 36,000 | 1,937,160 |
| Trican Well Service | 99,900 | 2,347,176 |
| Unit Corporation ² | 43,000 | 2,619,990 |
| Willbros Group ² | 103,800 | 886,452 |
| | | 67,294,859 |

| | SHARES | VALUE |
|--|---------|--------------|
| Energy (continued) | | |
| Oil, Gas & Consumable Fuels - 0.8% | | |
| Bill Barrett ² | 50,000 | \$ 2,317,500 |
| Cimarex Energy | 50,000 | 4,496,000 |
| Continental Resources ^{1,2} | 4,600 | 298,586 |
| HRT Participacoes em Petroleo ² | 200 | 179,412 |
| Resolute Energy ^{1,2} | 141,134 | 2,280,726 |
| | | 9,572,224 |
| Total (Cost \$36,445,183) | | 76,867,083 |

| | | |
|--|---------|-----------|
| Financials 19.8% | | |
| Capital Markets - 10.3% | | |
| A.F.P. Provida ADR | 22,100 | 1,579,045 |
| ABG Sundal Collier Holding | 115,000 | 125,589 |
| Affiliated Managers Group ² | 47,600 | 4,829,020 |
| AllianceBernstein Holding L.P. | 344,600 | 6,699,024 |
| AP Alternative Assets L.P. | 233,200 | 2,869,215 |
| Artio Global Investors Cl. A | 235,000 | 2,655,500 |
| Ashmore Group | 777,500 | 4,969,343 |
| Azimut Holding | 72,183 | 673,152 |
| Banca Generali | 86,000 | 1,191,832 |
| Bank Sarasin & Co. Cl. B | 33,120 | 1,311,599 |
| Banque Privee Edmond de Rothschild | 23 | 649,717 |
| BKF Capital Group ^{2,4} | 130,000 | 165,100 |
| BT Investment Management | 207,000 | 555,194 |
| Close Brothers Group | 43,000 | 532,804 |
| Coronation Fund Managers | 526,000 | 1,502,209 |
| Cowen Group Cl. A ^{1,2} | 708,600 | 2,664,336 |
| Daewoo Securities | 5,000 | 84,155 |
| Eaton Vance | 85,300 | 2,578,619 |
| Egyptian Financial Group-Hermes Holding ² | 774,500 | 2,607,791 |
| Epoch Holding Corporation | 25,000 | 446,250 |
| Equity Trustees | 36,709 | 547,169 |
| F&C Asset Management | 60,000 | 72,189 |
| FBR & Company ² | 249,600 | 848,640 |
| Federated Investors Cl. B | 307,700 | 7,335,568 |

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| | | |
|---------------------------------|---------|-----------|
| Fiducian Portfolio Services | 227,000 | 324,516 |
| GAMCO Investors Cl. A | 90,575 | 4,192,717 |
| GFI Group | 166,247 | 763,074 |
| GIMV | 22,500 | 1,432,774 |
| Gleacher & Company ² | 293,000 | 597,720 |
| GP Investments BDR ² | 15,604 | 60,290 |
| HQ ² | 40,000 | 43,638 |
| Investec | 118,000 | 955,500 |
| IOOF Holdings | 123,592 | 878,614 |
| KKR & Co. L.P. | 415,000 | 6,772,800 |
| Lazard Cl. A | 109,300 | 4,055,030 |
| MF Global Holdings ² | 749,000 | 5,797,260 |
| Mizuho Securities ² | 492,300 | 1,186,316 |
| MVC Capital | 214,200 | 2,833,866 |
| Oppenheimer Holdings Cl. A | 75,000 | 2,115,750 |
| Paris Orleans et Cie | 183,785 | 5,199,691 |
| Partners Group Holding | 11,300 | 1,999,965 |
| Perpetual | 13,541 | 362,222 |
| Phatra Capital | 775,000 | 732,084 |

June 30, 2011 (unaudited)

| | SHARES | VALUE |
|---|-----------|-------------|
| Financials (continued) | | |
| Capital Markets (continued) | | |
| Platinum Asset Management | 149,000 | \$ 658,660 |
| Rathbone Brothers | 35,400 | 642,597 |
| Reinet Investments ² | 133,127 | 2,414,411 |
| Schroders | 41,100 | 1,020,497 |
| SEI Investments | 352,900 | 7,943,779 |
| SHUAA Capital ² | 485,000 | 125,565 |
| SPARX Group ² | 1,320 | 131,957 |
| Sprott | 269,600 | 2,065,782 |
| Teton Advisors Cl. A ⁴ | 723 | 12,219 |
| Treasury Group | 51,500 | 219,162 |
| Trust Company (The) | 97,283 | 576,035 |
| UOB-Kay Hian Holdings | 190,000 | 250,777 |
| Value Partners Group | 7,407,800 | 6,366,914 |
| Vontobel Holding | 20,400 | 691,314 |
| VZ Holding | 8,500 | 1,434,321 |
| Waddell & Reed Financial Cl. A | 139,300 | 5,063,555 |
| Westwood Holdings Group | 23,460 | 893,826 |
| Woori Investment & Securities | 11,000 | 177,954 |
| | | 118,486,212 |
| Commercial Banks - 1.4% | | |
| Ameriana Bancorp | 40,000 | 200,000 |
| Bank of N.T. Butterfield & Son ^{2,3} | 942,504 | 1,319,505 |
| BCB Holdings ² | 598,676 | 518,857 |
| Center Bancorp | 44,868 | 468,422 |
| CNB Financial | 11,116 | 154,401 |
| Commercial National Financial | 54,900 | 1,056,825 |
| Farmers & Merchants Bank of Long Beach | 1,200 | 5,088,000 |
| Fauquier Bankshares | 160,800 | 1,960,152 |
| Hawthorn Bancshares | 49,944 | 382,570 |
| M&T Bank | 20,027 | 1,761,375 |
| Mauritius Commercial Bank | 40,000 | 266,195 |
| Mechanics Bank | 200 | 2,320,000 |
| Old Point Financial | 25,000 | 293,250 |
| Peapack-Gladstone Financial | 10,500 | 123,690 |
| Sumitomo Mitsui Trust Holdings | 118,000 | 411,658 |
| | | 16,324,900 |
| Consumer Finance - 0.3% | | |
| World Acceptance ^{1,2} | 42,000 | 2,753,940 |
| Diversified Financial Services - 1.0% | | |
| Banca Finnat Euramerica | 870,000 | 549,165 |

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| | | |
|---------------------------------|---------|-----------|
| Hellenic Exchanges | 169,613 | 1,209,863 |
| Interactive Brokers Group Cl. A | 100,000 | 1,565,000 |
| KKR Financial Holdings LLC | 381,404 | 3,741,573 |
| PICO Holdings ² | 106,100 | 3,076,900 |
| RHJ International ² | 102,500 | 738,875 |
| State Bank of Mauritius | 46,000 | 156,318 |

11,037,694

Insurance - 5.1%

| | | |
|---|---------|-----------|
| Alleghany Corporation ² | 29,230 | 9,736,805 |
| Argo Group International Holdings | 64,751 | 1,924,400 |
| Aspen Insurance Holdings | 47,000 | 1,209,310 |
| Brown & Brown | 300,100 | 7,700,566 |
| Crawford & Company Cl. B | 1,160 | 8,201 |

SHARES VALUE

Financials (continued)

Insurance (continued)

| | | |
|---------------------------------------|---------|--------------|
| Discovery Holdings | 255,000 | \$ 1,454,869 |
| eHealth ^{1,2} | 32,000 | 427,520 |
| E-L Financial | 17,900 | 8,166,313 |
| Enstar Group ² | 20,217 | 2,112,474 |
| Erie Indemnity Cl. A | 50,000 | 3,536,000 |
| First American Financial | 44,000 | 688,600 |
| Gallagher (Arthur J.) & Co. | 111,200 | 3,173,648 |
| Hilltop Holdings ² | 290,400 | 2,567,136 |
| Independence Holding | 317,658 | 3,316,350 |
| Markel Corporation ² | 4,200 | 1,666,602 |
| Montpelier Re Holdings | 32,000 | 576,000 |
| Platinum Underwriters Holdings | 94,000 | 3,124,560 |
| ProAssurance Corporation ² | 22,000 | 1,540,000 |
| RLI | 80,724 | 4,998,430 |
| Validus Holdings | 16,300 | 504,485 |
| White Mountains Insurance Group | 1,050 | 441,168 |
| | | 58,873,437 |

Real Estate Management & Development - 1.1%

| | | |
|---|---------|------------|
| Altisource Portfolio Solutions ² | 41,199 | 1,516,123 |
| Consolidated-Tomoka Land | 13,564 | 387,930 |
| E-House China Holdings ADR | 346,100 | 3,395,241 |
| Forestar Group ² | 108,000 | 1,774,440 |
| IFM Investments ADR ^{1,2} | 90,452 | 132,965 |
| Kennedy-Wilson Holdings | 150,000 | 1,837,500 |
| Midland Holdings | 927,800 | 543,489 |
| Soho China | 750,000 | 673,666 |
| Tejon Ranch ² | 80,996 | 2,761,964 |
| | | 13,023,318 |

Thriffs & Mortgage Finance - 0.6%

| | | |
|------------------------------|---------|-----------|
| CFS Bancorp | 75,000 | 402,750 |
| HopFed Bancorp | 106,590 | 843,127 |
| Kearny Financial | 70,862 | 645,553 |
| MyState | 152,000 | 572,565 |
| Ocwen Financial ² | 123,600 | 1,577,136 |

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| | | |
|---|---------|-----------|
| Timberland Bancorp ^{2,5} ₋₋ | 469,200 | 2,772,972 |
| | | 6,814,103 |

Total (Cost \$225,543,590) 227,313,604

Health Care 7.8%

Biotechnology - 0.2%

| | | |
|--|---------|-----------|
| Pharmacyclics ^{1,2} ₋₋ | 158,746 | 1,657,308 |
| Sunesis Pharmaceuticals ^{1,2} ₋₋ | 35,249 | 73,671 |
| 3SBio ADR ^{1,2} ₋₋ | 22,500 | 392,175 |
| | | 2,123,154 |

Health Care Equipment & Supplies - 2.1%

| | | |
|---|---------|-----------|
| Allied Healthcare Products ^{1,2} ₋₋ | 180,512 | 714,827 |
| Analogic Corporation | 40,135 | 2,110,700 |
| Atrion Corporation | 15,750 | 3,115,350 |
| bioMerieux | 8,800 | 1,021,699 |
| Carl Zeiss Meditec | 163,700 | 3,646,237 |
| Cochlear | 7,500 | 578,932 |
| CONMED Corporation ² ₋₋ | 81,500 | 2,321,120 |
| DiaSorin | 20,000 | 960,038 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

2011 Semiannual Report to Stockholders | 23

Royce Value Trust

Schedule of Investments

| | SHARES | VALUE |
|---|-----------|------------|
| Health Care (continued) | | |
| Health Care Equipment & Supplies (continued) | | |
| DynaVox Cl. A ² | 55,000 | \$ 418,000 |
| IDEXX Laboratories ² | 40,201 | 3,117,990 |
| Kinetic Concepts ^{1,2} | 6,300 | 363,069 |
| Kossan Rubber Industries | 200,600 | 207,470 |
| Nihon Kohden | 43,100 | 1,068,052 |
| Straumann Holding | 6,500 | 1,568,838 |
| Top Glove | 260,000 | 452,165 |
| Urologix ^{1,2} | 445,500 | 423,225 |
| Young Innovations | 62,550 | 1,783,926 |
| Zoll Medical ² | 400 | 22,664 |
| | | 23,894,302 |
| Health Care Providers & Services - 0.6% | | |
| Cross Country Healthcare ² | 30,000 | 228,000 |
| Landauer | 75,500 | 4,650,045 |
| MWI Veterinary Supply ² | 10,000 | 807,700 |
| VCA Antech ² | 74,500 | 1,579,400 |
| | | 7,265,145 |
| Life Sciences Tools & Services - 3.1% | | |
| Affymetrix ^{1,2} | 10,000 | 79,300 |
| Albany Molecular Research ² | 85,000 | 408,850 |
| EPS | 683 | 1,608,101 |
| Furiex Pharmaceuticals ² | 8,333 | 148,244 |
| ICON ADR ² | 262,350 | 6,180,966 |
| Luminex Corporation ^{1,2} | 20,000 | 418,000 |
| Mettler-Toledo International ² | 33,500 | 5,650,445 |
| PAREXEL International ² | 312,400 | 7,360,144 |
| PerkinElmer | 185,800 | 4,999,878 |
| Pharmaceutical Product Development | 100,000 | 2,684,000 |
| Techne Corporation | 71,000 | 5,919,270 |
| | | 35,457,198 |
| Pharmaceuticals - 1.8% | | |
| Adcock Ingram Holdings | 180,000 | 1,581,545 |
| Almirall | 100,000 | 1,074,703 |
| Boiron | 50,000 | 2,234,717 |
| Bukwang Pharmaceutical | 55,300 | 613,422 |
| China Animal Healthcare | 2,140,000 | 481,473 |
| Daewoong Pharmaceutical | 17,070 | 613,747 |
| Endo Pharmaceuticals Holdings ² | 144,400 | 5,800,548 |
| Green Cross | 4,500 | 680,283 |
| Hikma Pharmaceuticals | 60,000 | 731,883 |

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| | | |
|---------------------------------------|---------|-----------|
| Kalbe Farma | 500,000 | 196,924 |
| Questcor Pharmaceuticals ² | 51,300 | 1,236,330 |
| Recordati | 190,000 | 2,089,946 |
| Santen Pharmaceutical | 57,000 | 2,317,080 |
| Virbac | 9,000 | 1,538,098 |

21,190,699

Total (Cost \$55,643,169) 89,930,498

Industrials 26.3%

Aerospace & Defense - 1.6%

| | | |
|------------------------------|---------|-----------|
| AerCap Holdings ² | 45,000 | 585,450 |
| Ducommun | 117,200 | 2,410,804 |
| HEICO Corporation | 168,281 | 9,211,702 |

| | SHARES | VALUE |
|--|---------|--------------|
| Industrials (continued) | | |
| Aerospace & Defense (continued) | | |
| HEICO Corporation Cl. A | 51,718 | \$ 2,056,307 |
| Hexcel Corporation ² | 47,500 | 1,039,775 |
| Moog Cl. A ² | 25,000 | 1,088,000 |
| Teledyne Technologies ² | 31,630 | 1,592,887 |
| | | 17,984,925 |
| Air Freight & Logistics - 1.8% | | |
| C. H. Robinson Worldwide | 50,000 | 3,942,000 |
| Forward Air | 209,750 | 7,087,453 |
| Hub Group Cl. A ² | 164,400 | 6,191,304 |
| UTi Worldwide | 175,000 | 3,445,750 |
| | | 20,666,507 |
| Airlines - 0.0% | | |
| Spirit Airlines ^{1,2} | 11,200 | 134,288 |
| Building Products - 1.2% | | |
| American Woodmark | 123,335 | 2,136,162 |
| Burnham Holdings Cl. B ⁴ | 36,000 | 513,000 |
| NCI Building Systems ² | 2,780 | 31,664 |
| Simpson Manufacturing | 258,400 | 7,718,408 |
| Sung Kwang Bend | 125,700 | 2,595,768 |
| USG Corporation ^{1,2} | 50,000 | 717,000 |
| | | 13,712,002 |
| Commercial Services & Supplies - 2.8% | | |
| Brink's Company (The) | 206,320 | 6,154,526 |
| Cintas Corporation | 79,300 | 2,619,279 |
| CompX International Cl. A | 185,300 | 2,442,254 |
| Copart ² | 110,386 | 5,143,987 |
| Kimball International Cl. B | 286,180 | 1,840,137 |
| Moshi Moshi Hotline | 118,450 | 1,922,877 |
| Ritchie Bros. Auctioneers | 337,700 | 9,283,373 |
| Societe BIC | 9,000 | 869,775 |
| US Ecology | 101,000 | 1,727,100 |

32,003,308

Construction & Engineering - 1.6%

| | | |
|---|---------|-----------|
| EMCOR Group ² | 199,400 | 5,844,414 |
| Integrated Electrical Services ^{1,2} | 355,400 | 1,115,956 |
| Jacobs Engineering Group ² | 81,400 | 3,520,550 |
| KBR | 175,000 | 6,595,750 |
| Raubex Group | 525,000 | 1,252,050 |

18,328,720

Electrical Equipment - 4.3%

| | | |
|--|---------|-----------|
| AZZ | 57,500 | 2,633,500 |
| Belden | 57,800 | 2,014,908 |
| Brady Corporation Cl. A | 94,600 | 3,032,876 |
| Franklin Electric | 104,600 | 4,910,970 |
| Fushi Copperweld ² | 244,445 | 1,400,670 |
| GrafTech International ² | 388,190 | 7,868,611 |
| Jinpan International | 169,684 | 1,897,067 |
| Powell Industries ² | 92,400 | 3,372,600 |
| Preformed Line Products | 91,600 | 6,520,088 |
| Regal-Beloit | 121,000 | 8,079,170 |
| Woodward | 231,600 | 8,073,576 |

49,804,036

June 30, 2011 (unaudited)

| | SHARES | VALUE |
|--|-----------|--------------|
| Industrials (continued) | | |
| Industrial Conglomerates - 0.5% | | |
| Raven Industries | 96,200 | \$ 5,359,302 |
| Machinery - 8.2% | | |
| Armstrong Industrial | 2,533,200 | 715,083 |
| Burckhardt Compression Holding | 12,000 | 3,661,747 |
| China Automation Group | 494,800 | 347,434 |
| CLARCOR | 92,500 | 4,373,400 |
| Columbus McKinnon ^{1,2} | 101,500 | 1,822,940 |
| Decker Manufacturing ⁴ | 6,022 | 206,253 |
| Donaldson Company | 92,800 | 5,631,104 |
| FAG Bearings India | 28,000 | 746,140 |
| Gardner Denver | 25,900 | 2,176,895 |
| Graco | 116,376 | 5,895,608 |
| Hardinge | 26,193 | 285,766 |
| IDEX Corporation | 67,400 | 3,090,290 |
| Industrea | 437,400 | 633,734 |
| Kennametal | 155,000 | 6,542,550 |
| Lincoln Electric Holdings | 188,360 | 6,752,706 |
| Mueller Water Products Cl. A | 72,500 | 288,550 |
| NN ² | 197,100 | 2,948,616 |
| Nordson Corporation | 204,200 | 11,200,370 |
| Pfeiffer Vacuum Technology | 24,300 | 3,047,015 |
| PMFG ^{1,2} | 314,900 | 6,250,765 |
| Rational | 6,000 | 1,581,296 |
| RBC Bearings ² | 47,000 | 1,774,720 |
| Rotork | 25,000 | 676,523 |
| Semperit AG Holding | 60,000 | 2,992,798 |
| Spirax-Sarco Engineering | 40,000 | 1,284,664 |
| Valmont Industries | 47,500 | 4,578,525 |
| WABCO Holdings ² | 103,800 | 7,168,428 |
| Wabtec Corporation | 112,825 | 7,414,859 |
| | | 94,088,779 |
| Marine - 0.5% | | |
| Kirby Corporation ² | 111,000 | 6,290,370 |
| Professional Services - 2.0% | | |
| Advisory Board (The) ² | 128,500 | 7,437,580 |
| CRA International ² | 57,187 | 1,549,196 |
| FTI Consulting ^{1,2} | 7,850 | 297,829 |
| JobStreet Corporation | 50,000 | 48,518 |
| ManpowerGroup | 78,600 | 4,216,890 |
| Michael Page International | 125,000 | 1,073,367 |
| On Assignment ² | 375,400 | 3,690,182 |
| Robert Half International | 139,600 | 3,773,388 |
| SFN Group ² | 162,800 | 1,479,852 |

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23,566,802

Road & Rail - 1.2%

| | | |
|---|---------|-----------|
| Frozen Food Express Industries ² | 286,635 | 1,023,287 |
| Landstar System | 129,900 | 6,037,752 |
| Patriot Transportation Holding ² | 212,958 | 4,763,870 |
| Universal Truckload Services ² | 129,476 | 2,217,924 |

14,042,833

Trading Companies & Distributors - 0.6%

| | | |
|-----------------|---------|-----------|
| Lawson Products | 161,431 | 3,175,348 |
|-----------------|---------|-----------|

SHARES VALUE

Industrials (continued)

Trading Companies & Distributors
(continued)

MSC Industrial Direct Cl. A 58,448 \$ 3,875,687

7,051,035

Total (Cost \$176,001,478)

303,032,907

Information Technology 20.3%

Communications Equipment - 2.0%

AAC Acoustic Technologies

| | | |
|-----------------------------------|---------|-----------|
| Holdings | 224,700 | 529,806 |
| ADTRAN | 65,000 | 2,516,150 |
| Arris Group ² | 140,350 | 1,629,464 |
| Bel Fuse Cl. A | 36,672 | 850,790 |
| Black Box | 43,798 | 1,369,563 |
| Cogo Group ^{1,2} | 173,615 | 927,104 |
| Comba Telecom Systems Holdings | 487,928 | 515,138 |
| Comtech Telecommunications | 30,000 | 841,200 |
| Emulex Corporation ^{1,2} | 415,000 | 3,569,000 |
| EVS Broadcast Equipment | 27,500 | 1,861,537 |
| Globecomm Systems ² | 233,700 | 3,636,372 |
| Sonus Networks ^{1,2} | 704,000 | 2,280,960 |
| Sycamore Networks | 48,100 | 1,069,744 |
| VTech Holdings | 49,050 | 585,388 |
| Zhone Technologies ² | 324,000 | 767,880 |

22,950,096

Computers & Peripherals - 1.0%

| | | |
|--|-----------|-----------|
| ADPT Corporation ^{2,4} | 1,568,800 | 4,706,400 |
| Avid Technology ² | 66,000 | 1,243,440 |
| China Digital TV Holding Co. ADR | 5,000 | 25,500 |
| Diebold | 151,600 | 4,701,116 |
| Electronics for Imaging ^{1,2} | 8,517 | 146,663 |
| Intermec ² | 23,000 | 253,920 |
| Intevac ² | 57,450 | 586,564 |
| SMART Technologies Cl. A ² | 75,000 | 427,500 |

12,091,103

| Electronic Equipment, Instruments & Components - 8.7% | | |
|---|-----------|------------|
| Agilysys ² | 165,125 | 1,377,142 |
| Anixter International | 61,795 | 4,037,685 |
| Benchmark Electronics ² | 165,200 | 2,725,800 |
| China 3C Group ² | 6,600 | 792 |
| China High Precision Automation Group | 1,685,700 | 1,321,788 |
| Chroma Ate | 139,406 | 444,143 |
| Cognex Corporation | 236,200 | 8,368,566 |
| Coherent ² | 235,500 | 13,016,085 |
| Dolby Laboratories Cl. A ² | 30,700 | 1,303,522 |
| FLIR Systems | 105,000 | 3,539,550 |
| Hana Microelectronics | 685,000 | 520,362 |
| Hollysys Automation Technologies ² | 73,727 | 687,136 |
| Image Sensing Systems ² | 8,310 | 93,903 |
| IPG Photonics ^{1,2} | 5,000 | 363,550 |
| Kingboard Chemical Holdings | 66,900 | 311,886 |
| Mercury Computer Systems ² | 40,500 | 756,540 |
| Molex | 72,600 | 1,870,902 |
| National Instruments | 251,850 | 7,477,427 |
| Newport Corporation ² | 523,500 | 9,511,995 |
| Perceptron ² | 357,700 | 2,274,972 |
| Plexus Corporation ^{1,2} | 195,700 | 6,812,317 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

2011 Semiannual Report to Stockholders | 25

Royce Value Trust

Schedule of Investments

| | SHARES | VALUE |
|---|---------|--------------|
| Information Technology (continued) | | |
| Electronic Equipment, Instruments & Components (continued) | | |
| Pulse Electronics | 286,200 | \$ 1,265,004 |
| Richardson Electronics | 495,712 | 6,736,726 |
| Rofin-Sinar Technologies ² | 293,500 | 10,023,025 |
| Tech Data ² | 136,500 | 6,673,485 |
| TTM Technologies ² | 211,400 | 3,386,628 |
| Vaisala Cl. A | 176,000 | 5,701,478 |
| | | 100,602,409 |
| Internet Software & Services - 0.5% | | |
| Monster Worldwide ² | 36,800 | 539,488 |
| NetEase.com ADR ² | 14,300 | 644,787 |
| Perficient ² | 10,000 | 102,600 |
| RealNetworks ² | 245,400 | 834,360 |
| Sohu.com ² | 10,500 | 758,835 |
| ValueClick ² | 145,000 | 2,407,000 |
| | | 5,287,070 |
| IT Services - 4.3% | | |
| Camelot Information Systems | | |
| ADS ^{1,2} | 25,000 | 373,750 |
| Convergys Corporation ² | 121,000 | 1,650,440 |
| CoreLogic ² | 284,000 | 4,745,640 |
| Forrester Research | 40,300 | 1,328,288 |
| Gartner ² | 121,000 | 4,875,090 |
| Hackett Group ² | 655,000 | 3,333,950 |
| ManTech International Cl. A | 35,400 | 1,572,468 |
| MAXIMUS | 103,600 | 8,570,828 |
| MoneyGram International ² | 646,900 | 2,147,708 |
| NeuStar Cl. A ^{1,2} | 119,000 | 3,117,800 |
| Sapient Corporation ² | 756,602 | 11,371,728 |
| SRA International Cl. A ² | 67,100 | 2,074,732 |
| Total System Services | 171,500 | 3,186,470 |
| Unisys Corporation ^{1,2} | 11,800 | 303,260 |
| Yucheng Technologies ² | 175,646 | 574,362 |
| | | 49,226,514 |
| Semiconductors & Semiconductor Equipment - 2.1% | | |
| Aixtron ADR | 34,000 | 1,160,080 |
| Analog Devices | 16,004 | 626,397 |
| ASM Pacific Technology | 100,000 | 1,382,511 |
| BE Semiconductor Industries ⁴ | 58,000 | 493,580 |
| Cymer ² | 113,000 | 5,594,630 |
| Diodes ² | 252,450 | 6,588,945 |
| Energy Conversion Devices ^{1,2} | 562,700 | 663,986 |

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| | | |
|--|---------|-----------|
| Exar Corporation ² | 157,576 | 997,456 |
| Himax Technologies ADR | 221,900 | 488,180 |
| International Rectifier ² | 120,000 | 3,356,400 |
| Power Integrations | 49,000 | 1,883,070 |
| Vimicro International ADR ² | 240,000 | 568,800 |

23,804,035

Software - 1.7%

| | | |
|---------------------------------|---------|-----------|
| ACI Worldwide ² | 181,150 | 6,117,435 |
| Advent Software ² | 68,500 | 1,929,645 |
| ANSYS ² | 95,600 | 5,226,452 |
| Aspen Technology ² | 42,100 | 723,278 |
| Aveva Group | 20,000 | 549,878 |
| Blackbaud | 41,890 | 1,161,191 |
| JDA Software Group ² | 49,900 | 1,541,411 |

SHARES VALUE

Information Technology (continued)

Software (continued)

| | | | |
|--------------------------------------|--------|----|-----------|
| LiveWire Mobile ^{2,4} | 38,000 | \$ | 83,600 |
| Majesco Entertainment ^{1,2} | 36,255 | | 109,490 |
| Net 1 UEPS Technologies ² | 50,000 | | 434,000 |
| SimCorp | 8,000 | | 1,578,198 |
| THQ ² | 20,000 | | 72,400 |

19,526,978

Total (Cost \$173,472,382)

233,488,205

Materials 10.2%

Chemicals - 1.7%

| | | | |
|--------------------------------|-----------|--|-----------|
| Agrium | 5,600 | | 491,456 |
| Cabot Corporation | 58,000 | | 2,312,460 |
| CF Industries Holdings | 4,500 | | 637,515 |
| Fufeng Group | 2,456,400 | | 1,596,683 |
| Hanfeng Evergreen ² | 7,700 | | 36,007 |
| Hawkins | 156,178 | | 5,656,767 |
| Huchems Fine Chemical | 30,056 | | 727,437 |
| Intrepid Potash ² | 85,227 | | 2,769,878 |
| OM Group ² | 90,000 | | 3,657,600 |
| Victrex | 45,000 | | 1,083,359 |

18,969,162

Construction Materials - 0.8%

| | | | |
|--|---------|--|-----------|
| Ash Grove Cement Cl. B ⁴ | 50,518 | | 8,082,880 |
| Mardin Cimento Sanayii | 325,000 | | 1,397,646 |

9,480,526

Containers & Packaging - 0.8%

| | | | |
|---------------------------|-----------|--|-----------|
| Broadway Industrial Group | 1,558,300 | | 526,517 |
| Greif Cl. A | 93,944 | | 6,109,178 |
| Mayr-Melnhof Karton | 22,600 | | 2,666,532 |

9,302,227

| Metals & Mining - 6.7% | | |
|--|---------|-----------|
| Allegheny Technologies | 3,500 | 222,145 |
| Aquarius Platinum | 350,000 | 1,786,476 |
| AuRico Gold ² | 218,300 | 2,399,117 |
| Centamin Egypt ² | 700,000 | 1,408,056 |
| Central Steel & Wire ⁴ | 6,062 | 3,849,370 |
| Cliffs Natural Resources | 29,500 | 2,727,275 |
| Commercial Metals | 36,600 | 525,210 |
| Endeavour Mining ^{1,2} | 300,000 | 718,544 |
| Endeavour Mining (Warrants) ² | 75,000 | 46,659 |
| Franco-Nevada Corporation | 10,000 | 373,270 |
| Fresnillo | 105,000 | 2,366,636 |
| Haynes International | 14,500 | 897,985 |
| Hecla Mining ² | 300,000 | 2,307,000 |
| Hidili Industry International Development | 60,000 | 52,079 |
| Hochschild Mining | 375,500 | 2,773,408 |
| IAMGOLD Corporation | 95,620 | 1,793,831 |
| Kimber Resources ^{1,2} | 560,000 | 924,000 |
| Maharashtra Seamless | 265,000 | 2,233,034 |
| Major Drilling Group International | 384,100 | 4,998,139 |
| Medusa Mining | 600,000 | 4,258,875 |
| New Gold ^{1,2} | 135,000 | 1,389,150 |
| Northam Platinum | 345,000 | 2,171,259 |

June 30, 2011 (unaudited)

| | SHARES | VALUE |
|---|-----------|---------------|
| Materials (continued) | | |
| Metals & Mining | | |
| (continued) | | |
| Northgate Minerals ² | 160,000 | \$ 416,000 |
| Nucor Corporation | 156,050 | 6,432,381 |
| Orbit Garant Drilling ² | 36,100 | 207,740 |
| Pan American Silver | 10,000 | 308,900 |
| Reliance Steel & Aluminum | | |
| | 176,920 | 8,784,078 |
| Royal Gold | 34,400 | 2,014,808 |
| Schnitzer Steel Industries Cl. A | 100,000 | 5,760,000 |
| Sims Metal Management ADR | 295,475 | 5,611,070 |
| Synalloy Corporation ² | 198,800 | 2,697,716 |
| Worthington Industries | 185,000 | 4,273,500 |
| | | 76,727,711 |
| Paper & Forest Products - 0.2% | | |
| China Forestry Holdings | | |
| ^{2,3} | 3,563,800 | 675,509 |
| Duratex | 160,000 | 1,354,307 |
| QX Paper ³ | 3,296,000 | 436,265 |
| | | 2,466,081 |
| Total (Cost \$78,517,605) | | 116,945,707 |
| Miscellaneous⁶ 3.8% | | |
| Total (Cost \$43,668,565) | | 44,182,885 |
| TOTAL COMMON STOCKS | | |
| (Cost \$915,060,083) | | 1,257,330,639 |
| PREFERRED STOCKS 0.1% | | |
| Bank of N.T. Butterfield & Son 0.00% Conv. ³ | | |
| | 39,800 | 41,445 |
| Seneca Foods Conv. ^{2,3} | 55,000 | 1,247,895 |
| TOTAL PREFERRED STOCKS | | |
| (Cost \$844,625) | | 1,289,340 |

PRINCIPAL
AMOUNT VALUE

| | | |
|--|------------|-------------------------|
| CORPORATE BOND 0.0% | | |
| GAMCO Investors (Debentures) 0.00% due 12/31/15 (Cost \$289,840) | \$ 289,800 | \$ 193,578 |
| REPURCHASE AGREEMENT 10.3% | | |
| Fixed Income Clearing Corp., 0.01% dated 6/30/11, due 7/1/11, maturity value \$118,464,033 (collateralized by obligations of various U.S. Government Agencies, 0.33%-1.00% due 7/1/11-7/16/12, valued at \$121,427,294) (Cost \$118,464,000) | | 118,464,000 |
| COLLATERAL RECEIVED FOR SECURITIES LOANED 1.5% | | |
| Money Market Funds Federated Government Obligations Fund (7 day yield-0.009864%) (Cost \$17,036,797) | | 17,036,797 |
| TOTAL INVESTMENTS 121.1% | | |
| (Cost \$1,051,695,345) | | 1,394,314,354 |
| LIABILITIES LESS CASH AND OTHER ASSETS (2.0)% | | (22,952,208) |
| PREFERRED STOCK (19.1)% | | (220,000,000) |
| NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS 100.0% | | \$ 1,151,362,146 |

New additions in 2011.

¹ All or a portion of these securities were on loan at June 30, 2011. Total market value of loaned securities at June 30, 2011, was \$16,556,866.

² Non-income producing.

³ Securities for which market quotations are not readily available represent 0.3% of net assets. These securities have been valued at their fair value under procedures approved by the Fund's Board of Directors. These securities are defined as Level 3 securities due to the use of significant unobservable inputs in the determination of fair value. See Notes to Financial Statements.

⁴ These securities are defined as Level 2 securities due to fair value being based on quoted prices for similar securities. See Notes to Financial Statements.

⁵ At June 30, 2011, the Fund owned 5% or more of the Company's outstanding voting securities thereby making the Company an Affiliated Company as that term is defined in the Investment Company Act of 1940. See Notes to Financial Statements.

⁶ Includes securities first acquired in 2011 and less than 1% of net assets applicable to Common Stockholders.

Bold indicates the Fund's 20 largest equity holdings in terms of June 30, 2011, market value.

TAX INFORMATION: The cost of total investments for Federal income tax purposes was \$1,052,688,720. At June 30, 2011, net unrealized appreciation for all securities was \$341,625,634, consisting of aggregate gross unrealized appreciation of \$438,680,593 and aggregate gross unrealized depreciation of \$97,054,959. The primary difference

between book and tax basis cost is the timing of the recognition of losses on securities sold.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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Stockholders | 27

Royce Value Trust

June 30, 2011 (unaudited)

Statement of Assets and Liabilities**ASSETS:**

| | |
|--|----------------------|
| Investments at value (including collateral on loaned securities) | |
| Non-Affiliated Companies (cost \$927,493,029) | \$ 1,273,077,382 |
| Affiliated Companies (cost \$5,738,316) | 2,772,972 |
| Total investments at value | 1,275,850,354 |
| Repurchase agreements (at cost and value) | 118,464,000 |
| Cash and foreign currency | 58,863 |
| Receivable for investments sold | 891,280 |
| Receivable for dividends and interest | 906,035 |
| Prepaid expenses and other assets | 410,325 |
| Total Assets | 1,396,580,857 |

LIABILITIES:

| | |
|--|-------------------|
| Payable for collateral on loaned securities | 17,036,797 |
| Payable for investments purchased | 6,670,703 |
| Payable for investment advisory fee | 952,563 |
| Preferred dividends accrued but not yet declared | 288,451 |
| Accrued expenses | 270,197 |
| Total Liabilities | 25,218,711 |

PREFERRED STOCK:

| | |
|--|--------------------|
| 5.90% Cumulative Preferred Stock - \$0.001 par value, \$25 liquidation value per share; 8,800,000 shares outstanding | 220,000,000 |
| Total Preferred Stock | 220,000,000 |

NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS \$ 1,151,362,146

ANALYSIS OF NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:

| | |
|---|-------------------------|
| Common Stock paid-in capital - \$0.001 par value per share; 66,967,780 shares outstanding (150,000,000 shares authorized) | \$ 797,746,402 |
| Undistributed net investment income (loss) | 4,400,832 |
| Accumulated net realized gain (loss) on investments and foreign currency | 37,902,431 |
| Net unrealized appreciation (depreciation) on investments and foreign currency | 342,625,152 |
| Unallocated and accrued distributions | (31,312,671) |
| Net Assets applicable to Common Stockholders (net asset value per share - \$17.19) | \$ 1,151,362,146 |
| Investments at identified cost (including \$17,036,797 of collateral on loaned securities) | \$ 933,231,345 |
| Market value of loaned securities | 16,556,866 |

Royce Value Trust

Six Months Ended June 30, 2011 (unaudited)

Statement of Operations**INVESTMENT INCOME:**

| | |
|--------------------------------------|------------------|
| Income: | |
| Dividends ¹ | \$ 8,413,744 |
| Interest | 64,577 |
| Securities lending | 98,619 |
| Total income | 8,576,940 |
| Expenses: | |
| Investment advisory fees | 5,906,512 |
| Custody and transfer agent fees | 191,950 |
| Stockholder reports | 184,290 |
| Administrative and office facilities | 64,012 |
| Directors fees | 61,661 |
| Professional fees | 52,645 |
| Other expenses | 62,949 |
| Total expenses | 6,524,019 |
| Compensating balance credits | (5) |
| Net expenses | 6,524,014 |
| Net investment income (loss) | 2,052,926 |

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:

| | |
|---|----------------------|
| Net realized gain (loss): | |
| Investments | 32,841,930 |
| Foreign currency transactions | (40,379) |
| Net change in unrealized appreciation (depreciation): | |
| Investments and foreign currency translations | 28,994,852 |
| Other assets and liabilities denominated in foreign currency | 14,664 |
| Net realized and unrealized gain (loss) on investments and foreign currency | 61,811,067 |
| NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS | 63,863,993 |
| DISTRIBUTIONS TO PREFERRED STOCKHOLDERS | (6,490,000) |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS | \$ 57,373,993 |

¹ Net of foreign withholding tax of \$442,142.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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Royce Value Trust

Statement of Changes in Net Assets Applicable to Common Stockholders

| | Six months ended 6/30/11 (unaudited) | Year ended 12/31/10 |
|--|---|------------------------|
| INVESTMENT OPERATIONS: | | |
| Net investment income (loss) | \$ 2,052,926 | \$ 15,554,527 |
| Net realized gain (loss) on investments and foreign currency | 32,801,551 | 111,092,900 |
| Net change in unrealized appreciation (depreciation) on investments and foreign currency | 29,009,516 | 143,429,334 |
| Net increase (decrease) in net assets from investment operations | 63,863,993 | 270,076,761 |
| DISTRIBUTIONS TO PREFERRED STOCKHOLDERS: | | |
| Net investment income | | (12,980,000) |
| Net realized gain on investments and foreign currency | | |
| Unallocated distributions ¹ | (6,490,000) | |
| Total distributions to Preferred Stockholders | (6,490,000) | (12,980,000) |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS | 57,373,993 | 257,096,761 |
| DISTRIBUTIONS TO COMMON STOCKHOLDERS: | | |
| Net investment income | | (1,980,699) |
| Net realized gain on investments and foreign currency | | |
| Unallocated distributions ¹ | (24,534,221) | |
| Total distributions to Common Stockholders | (24,534,221) | (1,980,699) |
| CAPITAL STOCK TRANSACTIONS: | | |
| Reinvestment of distributions to Common Stockholders | 12,643,237 | 986,327 |
| Total capital stock transactions | 12,643,237 | 986,327 |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS | 45,483,009 | 256,102,389 |
| NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS: | | |
| Beginning of period | 1,105,879,137 | 849,776,748 |
| End of period (including undistributed net investment income (loss) of \$4,400,832 at 6/30/11 and \$2,347,906 at 12/31/10) | \$ 1,151,362,146 | \$ 1,105,879,137 |

¹ To be allocated to net investment income, net realized gains and/or return of capital at year end.

Royce Value Trust

Financial Highlights

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

| | Six months ended June 30, 2011 (unaudited) | | Years ended December 31, | | | |
|---|--|----------|--------------------------|----------|----------|----------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| NET ASSET VALUE, BEGINNING OF PERIOD | \$ 16.73 | \$ 12.87 | \$ 9.37 | \$ 19.74 | \$ 20.62 | \$ 18.87 |
| INVESTMENT OPERATIONS: | | | | | | |
| Net investment income (loss) | 0.03 | 0.24 | 0.17 | 0.14 | 0.09 | 0.13 |
| Net realized and unrealized gain (loss) on investments and foreign currency | 0.93 | 3.85 | 3.87 | (8.50) | 1.13 | 3.63 |
| Total investment operations | 0.96 | 4.09 | 4.04 | (8.36) | 1.22 | 3.76 |
| DISTRIBUTIONS TO PREFERRED STOCKHOLDERS: | | | | | | |
| Net investment income | | (0.20) | (0.18) | (0.01) | (0.01) | (0.02) |
| Net realized gain on investments and foreign currency | | | | (0.20) | (0.21) | (0.21) |
| Return of capital | | | (0.02) | | | |
| Unallocated distributions ¹ | (0.10) | | | | | |
| Total distributions to Preferred Stockholders | (0.10) | (0.20) | (0.20) | (0.21) | (0.22) | (0.23) |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS | 0.86 | 3.89 | 3.84 | (8.57) | 1.00 | 3.53 |
| DISTRIBUTIONS TO COMMON STOCKHOLDERS: | | | | | | |
| Net investment income | | (0.03) | | (0.06) | (0.09) | (0.14) |
| Net realized gain on investments and foreign currency | | | | (1.18) | (1.76) | (1.64) |

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| | | | | | | | | | | | | |
|--|--------------------|---------------|---------------|---------------|---------------|---------------|------|---------|-------|-----------|-------|-----------|
| Return of capital | | | (0.32) | (0.48) | | | | | | | | |
| Unallocated distributions ¹ | (0.37) | | | | | | | | | | | |
| Total distributions to Common Stockholders | (0.37) | (0.03) | (0.32) | (1.72) | (1.85) | (1.78) | | | | | | |
| CAPITAL STOCK TRANSACTIONS: | | | | | | | | | | | | |
| Effect of reinvestment of distributions by Common Stockholders | (0.03) | (0.00) | (0.02) | (0.08) | (0.03) | (0.00) | | | | | | |
| Total capital stock transactions | (0.03) | (0.00) | (0.02) | (0.08) | (0.03) | (0.00) | | | | | | |
| NET ASSET VALUE, END OF PERIOD | | | | | | | | | | | | |
| \$ | 17.19 | \$ | 16.73 | \$ | 12.87 | \$ | 9.37 | \$ | 19.74 | \$ | 20.62 | |
| MARKET VALUE, END OF PERIOD | | | | | | | | | | | | |
| \$ | 14.92 | \$ | 14.54 | \$ | 10.79 | \$ | 8.39 | \$ | 18.58 | \$ | 22.21 | |
| TOTAL RETURN:² | | | | | | | | | | | | |
| Market Value | 5.25% ³ | 35.05% | 35.39% | (48.27)% | (8.21)% | 20.96% | | | | | | |
| Net Asset Value | 5.39% ³ | 30.27% | 44.59% | (45.62)% | 5.04% | 19.50% | | | | | | |
| RATIOS BASED ON AVERAGE NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS: | | | | | | | | | | | | |
| Total expenses ^{4,5} | 1.14% ⁶ | 0.23% | 0.16% | 1.39% | 1.38% | 1.29% | | | | | | |
| Investment advisory fee expense ⁷ | 1.03% ⁶ | 0.11% | 0.00% | 1.27% | 1.29% | 1.20% | | | | | | |
| Other operating expenses | 0.11% ⁶ | 0.12% | 0.16% | 0.12% | 0.09% | 0.09% | | | | | | |
| Net investment income (loss) | 0.36% ⁶ | 1.69% | 1.66% | 0.94% | 0.43% | 0.62% | | | | | | |
| SUPPLEMENTAL DATA: | | | | | | | | | | | | |
| Net Assets Applicable to Common Stockholders, End of Period (in thousands) | \$ | 1,151,362 | \$ | 1,105,879 | \$ | 849,777 | \$ | 603,234 | \$ | 1,184,669 | \$ | 1,180,428 |
| Liquidation Value of Preferred Stock, End of Period (in thousands) | \$ | 220,000 | \$ | 220,000 | \$ | 220,000 | \$ | 220,000 | \$ | 220,000 | \$ | 220,000 |
| Portfolio Turnover Rate | | 12% | | 30% | | 31% | | 25% | | 26% | | 21% |
| PREFERRED STOCK: | | | | | | | | | | | | |
| Total shares outstanding | 8,800,000 | 8,800,000 | 8,800,000 | 8,800,000 | 8,800,000 | 8,800,000 | | | | | | |
| Asset coverage per share | \$ | 155.84 | \$ | 150.67 | \$ | 121.57 | \$ | 93.55 | \$ | 159.62 | \$ | 159.14 |
| Liquidation preference per share | \$ | 25.00 | \$ | 25.00 | \$ | 25.00 | \$ | 25.00 | \$ | 25.00 | \$ | 25.00 |
| Average month-end market value per share | \$ | 25.18 | \$ | 25.06 | \$ | 23.18 | \$ | 22.51 | \$ | 23.68 | \$ | 23.95 |

¹ To be allocated to net investment income, net realized gains and/or return of capital at year end.

² The Market Value Total Return is calculated assuming a purchase of Common Stock on the opening of the first business day and a sale on the closing of the last business day of each period reported. Dividends and distributions

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are assumed for the purposes of this calculation to be reinvested at prices obtained under the Fund's Distribution Reinvestment and Cash Purchase Plan. Net Asset Value Total Return is calculated on the same basis, except that the Fund's net asset value is used on the purchase and sale dates instead of market value.

³ Not annualized

⁴ Expense ratios based on total average net assets including liquidation value of Preferred Stock were 0.96%, 0.18%, 0.12%, 1.13%, 1.17% and 1.08% for the periods ended June 30, 2011, and December 31, 2010, 2009, 2008, 2007 and 2006, respectively.

⁵ Expense ratios based on average net assets applicable to Common Stockholders before waiver of fees and after earnings credits would have been 1.14%, 0.23%, 0.16%, 1.39%, 1.38% and 1.29% for the periods ended June 30, 2011, and December 31, 2010, 2009, 2008, 2007 and 2006, respectively.

⁶ Annualized

⁷ The investment advisory fee is calculated based on average net assets over a rolling 60-month basis, while the above ratios of investment advisory fee expenses are based on the average net assets applicable to Common Stockholders over a 12-month basis.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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Royce Value Trust

Notes to Financial Statements (unaudited)

Summary of Significant Accounting Policies:

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

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

Under the Fund's organizational documents, the officers and directors are indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

Valuation of Investments:

Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq's Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price, except in the case of some bonds and other fixed income securities which may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. The Fund values its non-U.S. dollar denominated securities in U.S. dollars daily at the prevailing foreign currency exchange rates as quoted by a major bank. Securities for which market quotations are not readily available are valued at their fair value under procedures approved by the Fund's 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. Investments in money market funds are valued at net asset value per share.

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

- Level 1 quoted prices in active markets for identical securities.
- Level 2 other significant observable inputs (including quoted prices for similar securities, foreign securities that may be fair valued and repurchase agreements). The table below includes all Level 2 securities. Any Level 2 securities with values based on quoted prices for similar securities would be noted in the Schedule of Investments.
- Level 3 significant unobservable inputs (including 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 June 30, 2011. For a detailed breakout of common stocks by sector classification, please refer to the Schedule of Investments.

| | Level 1 | Level 2 | Level 3 | Total |
|------------------|----------------|----------------|--------------|------------------|
| Common stocks | \$ 996,828,494 | \$ 257,957,451 | \$ 2,544,694 | \$ 1,257,330,639 |
| Preferred stocks | | | 1,289,340 | 1,289,340 |
| Corporate bonds | | 193,578 | | 193,578 |

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Cash equivalents 17,036,797 118,464,000 135,500,797

Level 3 Reconciliation:

| | Balance as of 12/31/10 | Purchases | Transfers In | Transfers Out | Sales | Realized and Unrealized Gain (Loss)¹ | Balance as of 6/30/11 |
|---------------------|---------------------------------------|------------------|---------------------|--------------------------|--------------|--|--------------------------------------|
| Common stocks | \$ 1,925,934 | \$ 1,777,190 | \$ 1,741,414 | \$ 1,251,677 | \$ 66,625 | \$ (1,581,542) | \$ 2,544,694 |
| Preferred stocks | 1,372,514 | | | | | (83,174) | 1,289,340 |
| Corporate bonds | 197,064 | | | 197,064 | | | |

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

Royce Value Trust

Notes to Financial Statements (unaudited) (continued)

Repurchase Agreements:

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

Foreign Currency:

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

Securities Lending:

The Fund loans securities to qualified institutional investors for the purpose of realizing additional income. Collateral for the Fund on all securities loaned is accepted in cash and cash equivalents and invested temporarily by the custodian. The collateral maintained is at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund retains the risk of any loss on the securities on loan as well as incurring the potential loss on investments purchased with cash collateral received for securities lending.

Taxes:

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

Distributions:

Commencing March 2011, the Fund pays quarterly distributions on the Fund's Common Stock at the annual rate of 5% of the rolling average of the prior four calendar quarter-end NAVs of the Fund's Common Stock, with the fourth quarter distribution being the greater of 1.25% of the rolling average or the distribution required by IRS regulations. Distributions to Preferred Stockholders are accrued daily and paid quarterly and distributions to Common Stockholders are recorded on ex-dividend date. Distributable capital gains and/or net investment income are first allocated to Preferred Stockholder distributions, with any excess allocable to Common Stockholders. If capital gains and/or net investment income are allocated to both Preferred and Common Stockholders, the tax character of such allocations is proportional. To the extent that distributions are not paid from long-term capital gains, net investment income or net short-term capital gains, they will represent a return of capital. Distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. Permanent book and tax differences relating to stockholder distributions will result in reclassifications within the capital accounts. Undistributed net investment income may include temporary book and tax basis differences, which will reverse in a subsequent period. Any taxable income or gain remaining undistributed at fiscal year end is distributed in the following year.

Investment Transactions and Related Investment Income:

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

Expenses:

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

Compensating Balance Credits:

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

Royce Value Trust

Notes to Financial Statements (unaudited) (continued)

Capital Stock:

The Fund issued 873,255 and 71,215 shares of Common Stock as reinvestment of distributions by Common Stockholders for the six months ended June 30, 2011, and the year ended December 31, 2010, respectively.

At June 30, 2011, 8,800,000 shares of 5.90% Cumulative Preferred Stock were outstanding. The Fund, at its option, may redeem the Cumulative Preferred Stock, in whole or in part, at the redemption price. The Cumulative Preferred Stock is classified outside of permanent equity (net assets applicable to Common Stockholders) in the accompanying financial statements in accordance with accounting for redeemable equity instruments, that requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer.

The Fund is required to meet certain asset coverage tests with respect to the Cumulative Preferred Stock as required by the 1940 Act. In addition, pursuant to the Rating Agency Guidelines established by Moody's, the Fund is required to maintain a certain discounted asset coverage. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Cumulative Preferred Stock at a redemption price of \$25.00 per share, plus an amount equal to the accumulated and unpaid dividends, whether or not declared on such shares, in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to Common Stockholders and could lead to sales of portfolio securities at inopportune times. The Fund has met these requirements since issuing the Cumulative Preferred Stock.

Investment Advisory Agreement:

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

The Basic Fee is a monthly fee equal to 1/12 of 1% (1% on an annualized basis) of the average of the Fund's month-end net assets applicable to Common Stockholders, plus the liquidation value of Preferred Stock, for the rolling 60-month period ending with such month (the performance period). The Basic Fee for each month is increased or decreased at the rate of 1/12 of .05% for each percentage point that the investment performance of the Fund exceeds, or is exceeded by, the percentage change in the investment record of the S&P 600 for the performance period by more than two percentage points. The performance period for each such month is a rolling 60-month period ending with such month. The maximum increase or decrease in the Basic Fee for any month may not exceed 1/12 of .5%. Accordingly, for each month, the maximum monthly fee rate as adjusted for performance is 1/12 of 1.5% and is payable if the investment performance of the Fund exceeds the percentage change in the investment record of the S&P 600 by 12 or more percentage points for the performance period, and the minimum monthly fee rate as adjusted for performance is 1/12 of .5% and is payable if the percentage change in the investment record of the S&P 600 exceeds the investment performance of the Fund by 12 or more percentage points for the performance period.

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

Royce has voluntarily committed to waive the portion of its investment advisory fee attributable to an issue of the Fund's Preferred Stock for any month in which the Fund's average annual NAV total return since issuance of the Preferred Stock fails to exceed the applicable Preferred Stock's dividend rate.

For the six rolling 60-month periods ended June 2011, the Fund's investment performance ranged from 1% above to 3% below the investment performance of the S&P 600. Accordingly, the net investment advisory fee consisted of a Basic Fee of \$6,006,751 and a net downward adjustment of \$100,239 for the performance of the Fund relative to that of the S&P 600. For the six months ended June 30, 2011, the Fund accrued and paid Royce investment advisory fees totaling \$5,906,512.

Purchases and Sales of Investment Securities:

For the six months ended June 30, 2011, the costs of purchases and proceeds from sales of investment securities, other than short-term securities and collateral received for securities loaned, amounted to \$152,513,320 and \$147,515,548, respectively.

Transactions in Affiliated Companies:

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

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such companies for the six months ended June 30, 2011:

| Affiliated Company | Shares 12/31/10 | Market Value 12/31/10 | Cost of Purchases | Cost of Sales | Realized Gain (Loss) | Dividend Income | Shares 6/30/11 | Market Value 6/30/11 |
|--------------------|-----------------|-----------------------|-------------------|---------------|----------------------|-----------------|----------------|----------------------|
| Timberland Bancorp | 469,200 | \$ 1,731,348 | | | | | 469,200 | \$ 2,772,972 |
| | | \$ 1,731,348 | | | | | | \$ 2,772,972 |

34 | 2011 Semiannual Report to Stockholders

Royce Micro-Cap Trust

June 30, 2011 (unaudited)

Schedule of Investments

| | SHARES | VALUE |
|---|---------|-----------|
| COMMON STOCKS 102.3% | | |
| Consumer Discretionary 12.6% | | |
| Auto Components - 1.6% | | |
| China XD Plastics ^{1,2} ₋₋ | 21,500 | \$ 90,515 |
| Drew Industries | 127,000 | 3,139,440 |
| Norstar Founders Group ^{2,3} ₋₋ | 771,500 | 36,187 |
| SORL Auto Parts ^{1,2} ₋₋ | 58,913 | 265,109 |
| Williams Controls | 125,000 | 1,437,500 |
| | | 4,968,751 |
| Distributors - 0.4% | | |
| Weyco Group | 48,000 | 1,180,800 |
| Diversified Consumer Services - 0.3% | | |
| ChinaCast Education ² | 134,500 | 696,710 |
| Lincoln Educational Services | 21,300 | 365,295 |
| Spectrum Group International ^{1,2,4} ₋₋ | 6,925 | 19,390 |
| | | 1,081,395 |
| Hotels, Restaurants & Leisure - 0.2% | | |
| Benihana Cl. A ^{1,2} ₋₋ | 57,200 | 600,028 |
| Household Durables - 2.6% | | |
| Cavco Industries ² | 3,091 | 139,095 |
| CSS Industries | 20,243 | 423,686 |
| Ethan Allen Interiors | 81,600 | 1,737,264 |
| Flexsteel Industries | 172,500 | 2,509,875 |
| Hanssem | 33,400 | 420,352 |
| Koss Corporation | 73,400 | 455,080 |
| Natuzzi ADR ² | 409,800 | 1,442,496 |
| Universal Electronics ² | 47,200 | 1,192,272 |
| | | 8,320,120 |
| Internet & Catalog Retail - 1.2% | | |
| Geeknet ^{1,2} ₋₋ | 87,500 | 2,338,000 |
| NutriSystem | 21,800 | 306,508 |
| US Auto Parts Network ² | 140,900 | 1,079,294 |
| | | 3,723,802 |
| Leisure Equipment & Products - 0.4% | | |
| Leapfrog Enterprises Cl. A ² | 123,200 | 519,904 |

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| | | |
|--------------------|--------|-----------|
| Sturm, Ruger & Co. | 32,000 | 702,400 |
| | | 1,222,304 |

Media - 0.4%

| | | |
|----------------------------------|--------|-----------|
| Global Sources ² | 23,411 | 215,147 |
| Rentrak Corporation ² | 45,000 | 798,300 |
| Value Line | 32,487 | 435,651 |
| | | 1,449,098 |

Specialty Retail - 4.1%

| | | |
|--|---------|-----------|
| America's Car-Mart ² | 92,800 | 3,062,400 |
| Charming Shoppes ² | 667,200 | 2,775,552 |
| Dickson Concepts (International) | 604,700 | 473,346 |
| Kirkland's ² | 25,500 | 306,510 |
| Le Chateau Cl. A | 72,800 | 641,609 |
| Lewis Group | 57,000 | 713,408 |
| Shoe Carnival ² | 12,752 | 384,473 |
| Stein Mart | 178,900 | 1,724,596 |
| Systemax ² | 102,000 | 1,523,880 |
| West Marine ² | 86,000 | 891,820 |

SHARES VALUE

**Consumer Discretionary
(continued)**

Specialty Retail (continued)

| | | |
|-----------------------------------|--------|------------|
| Wet Seal (The) Cl. A ² | 87,579 | \$ 391,478 |
| | | 12,889,072 |

Textiles, Apparel & Luxury

Goods - 1.4%

| | | |
|---|--------|-----------|
| China Xiniya Fashion ADR ^{1,2} | 40,000 | 116,800 |
| J.G. Boswell Company ⁴ | 2,490 | 1,867,500 |
| K-Swiss Cl. A ² | 72,400 | 769,612 |
| Movado Group | 77,633 | 1,328,300 |
| True Religion Apparel ² | 15,000 | 436,200 |

4,518,412

Total (Cost \$29,213,765)

39,953,782

Consumer Staples 3.1%

Beverages - 0.4%

| | | |
|-------------------------------------|---------|-----------|
| Heckmann Corporation ^{1,2} | 200,000 | 1,208,000 |
|-------------------------------------|---------|-----------|

Food & Staples Retailing - 0.1%

| | | |
|--------------------------------|--------|---------|
| Winn-Dixie Stores ² | 50,000 | 422,500 |
|--------------------------------|--------|---------|

Food Products - 2.4%

| | | |
|------------------------------|-----------|-----------|
| Asian Citrus Holdings | 1,060,000 | 968,434 |
| Binggrae | 9,700 | 561,282 |
| BW Plantation | 744,900 | 103,429 |
| Farmer Bros. ¹ | 51,400 | 521,196 |
| Griffin Land & Nurseries | 46,473 | 1,509,908 |
| Origin Agritech ² | 121,488 | 483,522 |

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| | | |
|---|---------|------------|
| Seneca Foods Cl. A ² | 51,400 | 1,314,812 |
| Seneca Foods Cl. B ² | 42,500 | 1,060,800 |
| Westway Group ² | 220,000 | 1,067,000 |
| | | 7,590,383 |
| Household Products - 0.1% | | |
| Oil-Dri Corporation of America | 10,000 | 214,200 |
| Personal Products - 0.1% | | |
| Schiff Nutrition International Cl. A | 27,803 | 311,116 |
| Total (Cost \$7,945,225) | | 9,746,199 |
| Energy 4.4% | | |
| Energy Equipment & Services - 3.6% | | |
| CE Franklin ² | 37,750 | 362,778 |
| Dawson Geophysical ² | 53,213 | 1,817,224 |
| Global Geophysical Services ² | 35,000 | 623,000 |
| Gulf Island Fabrication | 29,116 | 939,864 |
| Lamprell | 202,400 | 1,226,056 |
| North American Energy Partners ² | 50,000 | 383,000 |
| OYO Geospace ² | 7,130 | 713,000 |
| Pason Systems | 139,200 | 2,098,572 |
| Pioneer Drilling ² | 57,500 | 876,300 |
| SinoTech Energy ADR ^{1,2} | 103,200 | 427,248 |
| Tesco Corporation ² | 50,000 | 970,500 |
| Willbros Group ² | 131,100 | 1,119,594 |
| | | 11,557,136 |
| Oil, Gas & Consumable Fuels - 0.8% | | |
| Approach Resources ² | 12,000 | 272,040 |
| BPZ Resources ^{1,2} | 164,000 | 537,920 |
| Credo Petroleum ^{1,2} | 98,000 | 918,260 |
| GeoMet ^{1,2} | 75,000 | 88,500 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

2011 Semiannual Report to Stockholders | 35

Royce Micro-Cap Trust

Schedule of Investments

| | SHARES | VALUE |
|--|---------|------------|
| Energy (continued) | | |
| Oil, Gas & Consumable Fuels (continued) | | |
| Uranerz Energy ^{1,2} | 29,000 | \$ 87,580 |
| VAALCO Energy ² | 98,900 | 595,378 |
| | | 2,499,678 |
| Total (Cost \$8,727,847) | | 14,056,814 |
| | | |
| Financials 16.9% | | |
| Capital Markets - 7.4% | | |
| ASA Gold and Precious Metals | 30,000 | 858,000 |
| BKF Capital Group ^{2,4} | 130,200 | 165,354 |
| Cohen & Steers | 27,900 | 924,885 |
| Cowen Group Cl. A ^{1,2} | 367,834 | 1,383,056 |
| Diamond Hill Investment Group | | |
| Duff & Phelps Cl. A | 34,479 | 2,802,798 |
| Edelman Financial Group (The) | 50,000 | 641,500 |
| Epoch Holding Corporation | 209,000 | 1,649,010 |
| FBR & Company ² | 196,500 | 3,507,525 |
| Fiera Sceptre | 326,600 | 1,110,440 |
| Fiera Sceptre | 78,000 | 586,345 |
| INTL FCStone ^{1,2} | 24,910 | 603,071 |
| JZ Capital Partners | 343,999 | 2,186,750 |
| MVC Capital | 126,200 | 1,669,626 |
| NGP Capital Resources | 99,225 | 813,645 |
| Queen City Investments ⁴ | 948 | 933,780 |
| U.S. Global Investors Cl. A | 91,500 | 658,800 |
| Urbana Corporation ² | 237,600 | 305,484 |
| Virtus Investment Partners ² | 45,000 | 2,731,500 |
| | | 23,531,569 |
| | | |
| Commercial Banks - 2.0% | | |
| BCB Holdings ² | 806,207 | 698,718 |
| Chemung Financial | 40,000 | 916,000 |
| Commercial National Financial | 20,000 | 385,000 |
| Fauquier Bankshares | 135,800 | 1,655,402 |
| Financial Institutions | 36,000 | 591,120 |
| First Bancorp | 40,200 | 597,372 |
| LCNB Corporation | 30,000 | 357,600 |
| Mechanics Bank | 5 | 58,000 |
| Orrstown Financial Services | 12,700 | 334,137 |
| Peapack-Gladstone Financial | 64,316 | 757,643 |
| | | 6,350,992 |
| | | |
| Consumer Finance - 0.1% | | |

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World Acceptance ² 6,900 452,433

Diversified Financial Services - 0.9%

Banca Finnat Euramerica 1,010,118 637,611
 Bolsa Mexicana de Valores 300,000 602,639
 Gain Capital Holdings ^{1,2} 25,000 170,250
 PICO Holdings ² 45,700 1,325,300

2,735,800

Insurance - 1.5%

Hilltop Holdings ² 101,400 896,376
 Independence Holding 95,800 1,000,152
 Presidential Life 188,100 1,963,764
 SeaBright Holdings 102,000 1,009,800

4,870,092

SHARES VALUE

Financials (continued)

Real Estate Investment Trusts

(REITs) - 1.3%

Colony Financial 139,717 \$ 2,524,686
 PennyMac Mortgage Investment Trust 80,000 1,325,600
 Vestin Realty Mortgage II ² 214,230 297,780

4,148,066

Real Estate Management & Development - 2.9%

Consolidated-Tomoka Land 57,506 1,644,672
 IFM Investments ADR ² 58,885 86,561
Kennedy-Wilson Holdings 465,358 5,700,635
 Tejon Ranch ² 44,985 1,533,988
 ZipRealty ² 25,000 57,500

9,023,356

Thrifts & Mortgage Finance - 0.8%

Alliance Bancorp, Inc. of Pennsylvania 41,344 453,957
 BofI Holding ^{1,2} 88,362 1,273,296
 CFS Bancorp 75,000 402,750
 HopFed Bancorp 56,100 443,751

2,573,754

Total (Cost \$49,830,059)

53,686,062

Health Care 7.1%

Biotechnology - 0.3%

3SBio ADR ² 26,280 458,060
 Vical ^{1,2} 120,000 494,400

952,460

Health Care Equipment & Supplies

- 4.0%

| | | |
|---|---------|------------|
| Allied Healthcare Products ² | 226,798 | 898,120 |
| Atrion Corporation | 6,500 | 1,285,700 |
| CryoLife ² | 50,573 | 283,209 |
| DynaVox Cl. A ² | 20,000 | 152,000 |
| Exactech ² | 121,000 | 2,179,210 |
| Hansen Medical ^{1,2} | 320,000 | 1,091,200 |
| Kensey Nash ^{1,2} | 42,078 | 1,061,628 |
| Medical Action Industries ² | 125,250 | 1,020,787 |
| NMT Medical ^{2,4} | 118,500 | 972 |
| STRATEC Biomedical Systems | 14,000 | 622,036 |
| Syneron Medical ^{1,2} | 69,200 | 839,396 |
| Theragenics Corporation ² | 306,900 | 540,144 |
| Utah Medical Products | 42,300 | 1,110,798 |
| Young Innovations | 61,450 | 1,752,554 |
| | | 12,837,754 |

Health Care Providers & Services -

0.8%

| | | |
|--------------------------------------|--------|-----------|
| Gentiva Health Services ² | 23,000 | 479,090 |
| LHC Group ² | 14,800 | 341,288 |
| PDI ^{1,2} | 65,383 | 463,566 |
| PharMerica Corporation ² | 40,000 | 510,400 |
| Psychemedics Corporation | 37,500 | 356,625 |
| U.S. Physical Therapy | 10,000 | 247,300 |
| | | 2,398,269 |

Health Care Technology - 0.3%

| | | |
|---------------------------------|--------|-----------|
| Transcend Services ² | 37,200 | 1,093,308 |
|---------------------------------|--------|-----------|

Life Sciences Tools & Services -

0.9%

| | | |
|-------------------------------------|--------|-----------|
| EPS | 710 | 1,671,671 |
| Furiex Pharmaceuticals ² | 23,758 | 422,655 |

June 30, 2011 (unaudited)

| | SHARES | VALUE |
|---|---------|------------|
| Health Care (continued) | | |
| Life Sciences Tools & Services (continued) | | |
| PAREXEL International ² | 28,800 | \$ 678,528 |
| | | 2,772,854 |
| Pharmaceuticals - 0.8% | | |
| Adolor Corporation ² | 460,500 | 916,395 |
| Bukwang Pharmaceutical | 44,700 | 495,840 |
| Daewoong Pharmaceutical | 11,904 | 428,005 |
| Hi-Tech Pharmacal ^{1,2} | 21,700 | 627,781 |
| | | 2,468,021 |
| Total (Cost \$17,782,065) | | 22,522,666 |
| Industrials 25.9% | | |
| Aerospace & Defense - 1.8% | | |
| Ducommun | 72,100 | 1,483,097 |
| HEICO Corporation | 52,500 | 2,873,850 |
| Innovative Solutions and Support ² | 100,000 | 547,000 |
| SIFCO Industries | 45,800 | 748,830 |
| | | 5,652,777 |
| Air Freight & Logistics - 0.6% | | |
| Forward Air | 50,700 | 1,713,153 |
| Pacer International ² | 35,000 | 165,200 |
| | | 1,878,353 |
| Building Products - 3.4% | | |
| AAON | 109,500 | 2,391,480 |
| American Woodmark | 72,000 | 1,247,040 |
| Apogee Enterprises | 57,900 | 741,699 |
| Burnham Holdings Cl. A ⁴ | 113,000 | 1,610,250 |
| Griffon Corporation ² | 89,500 | 902,160 |
| NCI Building Systems ² | 8,400 | 95,676 |
| Sung Kwang Bend | 28,000 | 578,214 |
| Trex Company ^{1,2} | 90,000 | 2,203,200 |
| WaterFurnace Renewable Energy | 48,400 | 1,114,086 |
| | | 10,883,805 |
| Commercial Services & Supplies - 2.7% | | |
| CompX International Cl. A | 107,500 | 1,416,850 |

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| | | |
|-------------------------------------|---------|-----------|
| Courier Corporation | 30,450 | 336,473 |
| Heritage-Crystal Clean ² | 113,301 | 2,173,113 |
| Interface Cl. A | 27,000 | 522,990 |
| Team ² | 107,040 | 2,582,875 |
| US Ecology | 82,000 | 1,402,200 |

8,434,501

Construction & Engineering - 0.9%

| | | |
|---|---------|---------|
| Comfort Systems USA | 27,096 | 287,488 |
| Integrated Electrical Services ² | 305,090 | 957,983 |
| MYR Group ² | 28,500 | 666,900 |
| Pike Electric ² | 73,900 | 653,276 |
| Sterling Construction ² | 25,000 | 344,250 |

2,909,897

Electrical Equipment - 2.7%

| | | |
|-------------------------------|---------|-----------|
| AZZ | 18,247 | 835,713 |
| Deswell Industries | 564,371 | 1,636,676 |
| Encore Wire | 15,000 | 363,300 |
| Fushi Copperweld ² | 204,063 | 1,169,281 |
| Jinpan International | 124,124 | 1,387,706 |

SHARES VALUE

Industrials (continued)

Electrical Equipment (continued)

| | | |
|--------------------------------|--------|------------|
| LSI Industries | 79,812 | \$ 633,707 |
| Powell Industries ² | 40,600 | 1,481,900 |
| Preformed Line Products | 16,000 | 1,138,880 |
| | | 8,647,163 |

Industrial Conglomerates - 1.0%

| | | |
|-------------------------|--------|-----------|
| Raven Industries | 58,400 | 3,253,464 |
|-------------------------|--------|-----------|

Machinery - 6.8%

| | | |
|---------------------------------|-----------|-----------|
| Armstrong Industrial | 2,166,800 | 611,654 |
| Cascade Corporation | 8,600 | 409,102 |
| CIRCOR International | 14,000 | 599,620 |
| Columbus McKinnon ² | 26,050 | 467,858 |
| Eastern Company (The) | 39,750 | 637,987 |
| FAG Bearings India | 23,700 | 631,554 |
| Force Protection ² | 126,700 | 629,066 |
| Foster (L.B.) Company Cl. A | 69,700 | 2,293,827 |
| FreightCar America ² | 42,900 | 1,087,086 |
| Graham Corporation | 46,100 | 940,440 |
| Hurco Companies ² | 45,966 | 1,480,565 |
| NN ² | 114,300 | 1,709,928 |
| PMFG ² | 143,800 | 2,854,430 |
| Semperit AG Holding | 12,500 | 623,499 |
| Sun Hydraulics | 58,925 | 2,816,615 |
| Tennant Company | 92,300 | 3,685,539 |

21,478,770

Professional Services - 3.5%

| | | |
|--|--------|---------|
| Acacia Research-Acacia Technologies ² | 23,500 | 862,215 |
|--|--------|---------|

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| | | |
|--|---------|------------|
| Advisory Board (The) ² | 41,400 | 2,396,232 |
| CBIZ ² | 47,000 | 345,920 |
| Exponent ² | 58,400 | 2,540,984 |
| GP Strategies ² | 41,385 | 565,319 |
| Heidrick & Struggles International | 20,000 | 452,800 |
| JobStreet Corporation | 50,000 | 48,518 |
| Kforce ² | 60,000 | 784,800 |
| On Assignment ² | 41,100 | 404,013 |
| SFN Group ² | 300,000 | 2,727,000 |
| | | 11,127,801 |
| Road & Rail - 1.7% | | |
| Frozen Food Express Industries ² | 157,000 | 560,490 |
| Patriot Transportation Holding ² | 111,681 | 2,498,304 |
| Universal Truckload Services ² | 134,200 | 2,298,846 |
| | | 5,357,640 |
| Trading Companies & Distributors - 0.8% | | |
| Aceto Corporation | 72,219 | 484,590 |
| Houston Wire & Cable | 67,375 | 1,047,681 |
| Lawson Products | 50,269 | 988,791 |
| | | 2,521,062 |
| Total (Cost \$54,212,842) | | 82,145,233 |
| Information Technology 18.8% | | |
| Communications Equipment - 1.1% | | |
| Anaren ² | 8,000 | 170,000 |
| Bel Fuse Cl. A | 67,705 | 1,570,756 |
| Cogo Group ² | 104,275 | 556,829 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE
FINANCIAL STATEMENTS.

2011 Semiannual Report to Stockholders | 37

Royce Micro-Cap Trust

Schedule of Investments

| | SHARES | VALUE |
|--|---------|------------|
| Information Technology | | |
| (continued) | | |
| Communications Equipment | | |
| (continued) | | |
| PC-Tel ² | 44,100 | \$ 285,768 |
| Zhone Technologies ² | 316,320 | 749,678 |
| | | 3,333,031 |
| Computers & Peripherals - 1.5% | | |
| Imation Corporation ² | 112,312 | 1,060,225 |
| Intevac ² | 31,400 | 320,594 |
| Rimage Corporation | 79,200 | 1,063,656 |
| Super Micro Computer ² | 55,754 | 897,082 |
| TransAct Technologies ² | 78,600 | 919,620 |
| Xyratex ² | 31,500 | 323,190 |
| | | 4,584,367 |
| Electronic Equipment, Instruments & Components - 6.1% | | |
| Agilysys ² | 90,000 | 750,600 |
| Diguang International | | |
| Development ² | 230,000 | 4,600 |
| Diploma | 50,000 | 301,105 |
| Domino Printing Sciences | 80,000 | 875,685 |
| Frequency Electronics ² | 115,000 | 1,092,500 |
| Hana Microelectronics | 500,000 | 379,826 |
| Hollysys Automation Technologies ² | 252,100 | 2,349,572 |
| Inficon Holding | 3,600 | 751,942 |
| Mercury Computer Systems ² | 20,900 | 390,412 |
| Mesa Laboratories | 48,267 | 1,528,133 |
| Methode Electronics | 28,400 | 329,724 |
| Newport Corporation ² | 80,900 | 1,469,953 |
| Park Electrochemical | 15,400 | 430,430 |
| Pulse Electronics | 150,000 | 663,000 |
| Research Frontiers ^{1,2} | 30,150 | 137,786 |
| Richardson Electronics | 250,900 | 3,409,731 |
| Rogers Corporation ² | 58,400 | 2,698,080 |
| TTM Technologies ² | 114,400 | 1,832,688 |
| | | 19,395,767 |
| Internet Software & Services - 1.1% | | |
| Bitauto Holdings ADR ^{1,2} | 50,000 | 390,000 |
| CryptoLogic ^{1,2} | 88,300 | 131,567 |
| Marchex Cl. B | 95,000 | 843,600 |
| Support.com ² | 215,000 | 1,032,000 |
| WebMediaBrands ² | 525,000 | 703,500 |
| World Energy Solutions ^{1,2} | 72,920 | 306,264 |

3,406,931

IT Services - 4.9%

| | | |
|---|---------|-----------|
| Cass Information Systems | 15,000 | 566,400 |
| Computer Task Group ² | 161,100 | 2,121,687 |
| Forrester Research | 54,900 | 1,809,504 |
| iGATE Corporation ^{1,2} | 81,200 | 1,325,184 |
| Innodata Isogen ² | 593,832 | 1,573,655 |
| Integral Systems ² | 123,000 | 1,496,910 |
| Sapient Corporation ² | 350,000 | 5,260,500 |
| Tier Technologies ^{1,2} | 181,980 | 909,900 |
| Yucheng Technologies ² | 138,244 | 452,058 |

15,515,798

Semiconductors & Semiconductor Equipment - 1.5%

| | | |
|---|--------|---------|
| Advanced Analogic Technologies ² | 80,000 | 484,400 |
| Amtech Systems ^{1,2} | 12,200 | 251,808 |

SHARES VALUE

**Information Technology
(continued)**

Semiconductors & Semiconductor Equipment (continued)

| | | |
|--|---------|--------------|
| Exar Corporation ² | 311,208 | \$ 1,969,947 |
| Himax Technologies ADR | 118,968 | 261,729 |
| Integrated Silicon Solution ² | 93,000 | 899,310 |
| PLX Technology ² | 110,000 | 381,700 |
| Rudolph Technologies ² | 58,900 | 630,819 |

4,879,713

Software - 2.6%

| | | |
|----------------------------------|---------|-----------|
| ACI Worldwide ² | 69,600 | 2,350,392 |
| Actuate Corporation ² | 210,800 | 1,233,180 |
| American Software Cl. A | 67,200 | 558,432 |
| Fundtech | 73,500 | 1,467,060 |
| Pegasystems | 49,000 | 2,280,950 |
| S1 Corporation ² | 60,000 | 448,800 |

8,338,814

Total (Cost \$38,345,174)

59,454,421

Materials 8.9%

Chemicals - 2.4%

| | | |
|---------------------------------|--------|-----------|
| Balchem Corporation | 63,375 | 2,774,558 |
| Hawkins | 54,697 | 1,981,125 |
| Landec Corporation ² | 60,300 | 397,980 |
| Quaker Chemical | 53,700 | 2,309,637 |

7,463,300

Construction Materials - 0.8%

| | | |
|-------------------------------|--------|-----------|
| Ash Grove Cement ⁴ | 8,000 | 1,280,000 |
| Monarch Cement | 52,303 | 1,297,114 |

2,577,114

Metals & Mining - 4.9%

| | | |
|--|---------|------------|
| AuRico Gold ² | 74,636 | 820,250 |
| Aurizon Mines ² | 47,000 | 262,730 |
| Central Steel & Wire ⁴ | 1,088 | 690,880 |
| Chesapeake Gold ² | 20,000 | 226,865 |
| Endeavour Mining ^{1,2} | 618,200 | 1,480,680 |
| Endeavour Mining (Warrants) ² | 50,000 | 31,106 |
| Exeter Resource ² | 140,000 | 585,200 |
| Extorre Gold Mines ² | 140,000 | 1,790,600 |
| Haynes International | 11,400 | 706,002 |
| Horsehead Holding Corporation ² | 43,700 | 582,084 |
| MAG Silver ² | 74,750 | 746,005 |
| Materion Corporation ² | 27,000 | 998,190 |
| Midway Gold ^{1,2} | 345,000 | 676,200 |
| Minefinders Corporation ^{1,2} | 36,000 | 468,360 |
| Northgate Minerals ² | 270,000 | 702,000 |
| RTI International Metals ² | 25,000 | 959,250 |
| Seabridge Gold ² | 16,700 | 471,107 |
| Sprott Resource ² | 104,400 | 496,860 |
| Synalloy Corporation ² | 58,200 | 789,774 |
| Universal Stainless & Alloy Products ^{1,2} | 36,299 | 1,697,341 |
| Victoria Gold ² | 200,000 | 124,423 |
| Vista Gold ^{1,2} | 50,000 | 141,500 |
| | | 15,447,407 |

Paper & Forest Products - 0.8%

| | | |
|---------------------|--------|-----------|
| Pope Resources L.P. | 51,205 | 2,330,339 |
|---------------------|--------|-----------|

June 30, 2011 (unaudited)

| | SHARES | VALUE |
|---|-----------|-------------|
| Materials (continued) | | |
| Paper & Forest Products (continued) | | |
| .QX Paper ³ | 1,500,000 | \$ 198,543 |
| | | 2,528,882 |
| Total (Cost \$16,655,110) | | 28,016,703 |
| Telecommunication Services | | |
| 0.5% | | |
| Diversified Telecommunication Services - 0.5% | | |
| Neutral Tandem ² | 90,000 | 1,567,800 |
| Total (Cost \$1,163,871) | | 1,567,800 |
| Utilities 0.1% | | |
| Independent Power Producers & Energy Traders - 0.1% | | |
| China Hydroelectric ADS ^{1,2} | 83,100 | 339,048 |
| Total (Cost \$664,490) | | 339,048 |
| Miscellaneous⁵ 4.0% | | |
| Total (Cost \$13,021,512) | | 12,781,197 |
| TOTAL COMMON STOCKS | | |
| (Cost \$237,561,960) | | 324,269,925 |
| PREFERRED STOCK 0.4% | | |
| Seneca Foods Conv.^{2,4} | | |
| (Cost \$578,719) | 45,409 | 1,156,113 |

| | VALUE |
|--|---------------|
| REPURCHASE AGREEMENT 16.6% | |
| Fixed Income Clearing Corp., 0.01% dated 6/30/11, due 7/1/11, maturity value \$52,666,015 (collateralized by obligations of various U.S. Government Agencies, 1.00% due 4/30/12, valued at | \$ 52,666,000 |

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\$53,984,275)
(Cost \$52,666,000)

**COLLATERAL RECEIVED FOR
SECURITIES LOANED 3.4%**

Money Market Funds
Federated Government Obligations Fund
(7 day yield-0.009864%)
(Cost \$10,869,503) 10,869,503

TOTAL INVESTMENTS 122.7%
(Cost \$301,676,182) 388,961,541

**LIABILITIES LESS CASH
AND OTHER ASSETS (3.8)%** (12,013,716)

PREFERRED STOCK (18.9)% (60,000,000)

**NET ASSETS APPLICABLE TO COMMON
STOCKHOLDERS 100.0%** **\$ 316,947,825**

New additions in 2011.

¹ All or a portion of these securities were on loan at June 30, 2011. Total market value of loaned securities at June 30, 2011, was \$10,560,798.

² Non-income producing.

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

⁴ These securities are defined as Level 2 securities due to fair value being based on quoted prices for similar securities. See Notes to Financial Statements.

⁵ Includes securities first acquired in 2011 and less than 1% of net assets applicable to Common Stockholders.

Bold indicates the Fund's 20 largest equity holdings in terms of June 30, 2011, market value.

TAX INFORMATION: The cost of total investments for Federal income tax purposes was \$302,239,388. At June 30, 2011, net unrealized appreciation for all securities was \$86,722,153, consisting of aggregate gross unrealized appreciation of \$114,347,581 and aggregate gross unrealized depreciation of \$27,625,428. The primary difference between book and tax basis cost is the timing of the recognition of losses on securities sold.

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE
FINANCIAL STATEMENTS.**

2011 Semiannual Report to Stockholders | 39

Royce Micro-Cap Trust

June 30, 2011 (unaudited)

Statement of Assets and Liabilities**ASSETS:**

| | |
|--|----------------|
| Total investments at value (including collateral on loaned securities) | \$ 336,295,541 |
| Repurchase agreements (at cost and value) | 52,666,000 |
| Cash and foreign currency | 3,777 |
| Receivable for investments sold | 143,405 |
| Receivable for dividends and interest | 306,749 |
| Prepaid expenses and other assets | 24,538 |

| | |
|---------------------|--------------------|
| Total Assets | 389,440,010 |
|---------------------|--------------------|

LIABILITIES:

| | |
|--|------------|
| Payable for collateral on loaned securities | 10,869,503 |
| Payable for investments purchased | 1,219,389 |
| Payable for investment advisory fee | 203,522 |
| Preferred dividends accrued but not yet declared | 80,000 |
| Accrued expenses | 119,771 |

| | |
|--------------------------|-------------------|
| Total Liabilities | 12,492,185 |
|--------------------------|-------------------|

PREFERRED STOCK:

| | |
|--|------------|
| 6.00% Cumulative Preferred Stock - \$0.001 par value, \$25 liquidation value per share; 2,400,000 shares outstanding | 60,000,000 |
|--|------------|

| | |
|------------------------------|-------------------|
| Total Preferred Stock | 60,000,000 |
|------------------------------|-------------------|

| | |
|---|-----------------------|
| NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS | \$ 316,947,825 |
|---|-----------------------|

ANALYSIS OF NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:

| | |
|---|----------------|
| Common Stock paid-in capital - \$0.001 par value per share; 27,823,031 shares outstanding (150,000,000 shares authorized) | \$ 229,856,846 |
| Undistributed net investment income (loss) | (1,328,983) |
| Accumulated net realized gain (loss) on investments and foreign currency | 9,911,219 |
| Net unrealized appreciation (depreciation) on investments and foreign currency | 87,273,829 |
| Unallocated and accrued distributions | (8,765,086) |

| | |
|---|-----------------------|
| Net Assets applicable to Common Stockholders (net asset value per share - \$11.39) | \$ 316,947,825 |
|---|-----------------------|

| | |
|--|----------------|
| Investments at identified cost (including \$10,869,503 of collateral on loaned securities) | \$ 249,010,182 |
| Market value of loaned securities | 10,560,798 |

Royce Micro-Cap Trust

Six Months Ended June 30, 2011 (unaudited)

Statement of Operations**INVESTMENT INCOME:**

| | |
|------------------------|--------------|
| Income: | |
| Dividends ¹ | \$ 1,649,476 |
| Interest | 8,812 |
| Securities lending | 50,572 |

| | |
|--------------|-----------|
| Total income | 1,708,860 |
|--------------|-----------|

Expenses:

| | |
|--------------------------------------|-----------|
| Investment advisory fees | 1,125,541 |
| Stockholder reports | 58,241 |
| Custody and transfer agent fees | 55,303 |
| Professional fees | 33,042 |
| Directors' fees | 31,872 |
| Administrative and office facilities | 17,870 |
| Other expenses | 30,163 |

| | |
|----------------|-----------|
| Total expenses | 1,352,032 |
|----------------|-----------|

| | |
|------------------------------|------|
| Compensating balance credits | (11) |
|------------------------------|------|

| | |
|--------------|-----------|
| Net expenses | 1,352,021 |
|--------------|-----------|

| | |
|------------------------------|---------|
| Net investment income (loss) | 356,839 |
|------------------------------|---------|

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:

Net realized gain (loss):

| | |
|--|-----------|
| Investments | 7,050,577 |
| Foreign currency transactions | (9,291) |
| Net change in unrealized appreciation (depreciation): | |
| Investments and foreign currency translations | 3,412,535 |
| Other assets and liabilities denominated in foreign currency | 35,868 |

| | |
|---|------------|
| Net realized and unrealized gain (loss) on investments and foreign currency | 10,489,689 |
|---|------------|

| | |
|---|-------------------|
| NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS | 10,846,528 |
|---|-------------------|

| | |
|--|--------------------|
| DISTRIBUTIONS TO PREFERRED STOCKHOLDERS | (1,800,000) |
|--|--------------------|

| | |
|---|---------------------|
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS | \$ 9,046,528 |
|---|---------------------|

¹ Net of foreign withholding tax of \$32,922.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

2011 Semiannual Report to Stockholders | 41

Royce Micro-Cap Trust

Statement of Changes in Net Assets Applicable to Common Stockholders

| | Six months ended 6/30/11 (unaudited) | Year ended 12/31/10 |
|--|---|------------------------|
| INVESTMENT OPERATIONS: | | |
| Net investment income (loss) | \$ 356,839 | \$ 2,194,992 |
| Net realized gain (loss) on investments and foreign currency | 7,041,286 | 43,946,229 |
| Net change in unrealized appreciation (depreciation) on investments and foreign currency | 3,448,403 | 26,663,923 |
| Net increase (decrease) in net assets from investment operations | 10,846,528 | 72,805,144 |
| DISTRIBUTIONS TO PREFERRED STOCKHOLDERS: | | |
| Net investment income | | (2,832,980) |
| Net realized gain on investments and foreign currency | | (767,020) |
| Unallocated distributions ¹ | (1,800,000) | |
| Total distributions to Preferred Stockholders | (1,800,000) | (3,600,000) |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS | | |
| | 9,046,528 | 69,205,144 |
| DISTRIBUTIONS TO COMMON STOCKHOLDERS: | | |
| Net investment income | | (1,720,810) |
| Net realized gain on investments and foreign currency | | (465,903) |
| Unallocated distributions ¹ | (6,885,086) | |
| Total distributions to Common Stockholders | (6,885,086) | (2,186,713) |
| CAPITAL STOCK TRANSACTIONS: | | |
| Reinvestment of distributions to Common Stockholders | 3,507,568 | 1,104,264 |
| Total capital stock transactions | 3,507,568 | 1,104,264 |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS | | |
| | 5,669,010 | 68,122,695 |
| NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS: | | |
| Beginning of period | 311,278,815 | 243,156,120 |
| End of period (including undistributed net investment income (loss) of \$(1,328,983) at 6/30/11 and \$(1,685,821) at 12/31/10) | \$ 316,947,825 | \$ 311,278,815 |

¹ To be allocated to net investment income, net realized gains and/or return of capital at year end.

Royce Micro-Cap Trust

Financial Highlights

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

| | Six months ended June 30, 2011 (unaudited) | | Years ended December 31, | | | |
|---|--|---------------|--------------------------|---------------|---------------|---------------|
| | | 2010 | 2009 | 2008 | 2007 | 2006 |
| NET ASSET VALUE, BEGINNING OF PERIOD | \$ 11.34 | \$ 8.90 | \$ 6.39 | \$ 13.48 | \$ 14.77 | \$ 13.43 |
| INVESTMENT OPERATIONS: | | | | | | |
| Net investment income (loss) | 0.01 | 0.08 | 0.00 | 0.02 | (0.00) | 0.01 |
| Net realized and unrealized gain (loss) on investments and foreign currency | 0.38 | 2.58 | 2.88 | (5.70) | 0.24 | 3.04 |
| Total investment operations | 0.39 | 2.66 | 2.88 | (5.68) | 0.24 | 3.05 |
| DISTRIBUTIONS TO PREFERRED STOCKHOLDERS: | | | | | | |
| Net investment income | | (0.10) | (0.04) | (0.01) | (0.01) | (0.02) |
| Net realized gain on investments and foreign currency | | (0.03) | | (0.13) | (0.14) | (0.14) |
| Return of capital | | | (0.09) | | | |
| Unallocated distributions ¹ | (0.07) | | | | | |
| Total distributions to Preferred Stockholders | (0.07) | (0.13) | (0.13) | (0.14) | (0.15) | (0.16) |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS | | | | | | |
| | 0.32 | 2.53 | 2.75 | (5.82) | 0.09 | 2.89 |
| DISTRIBUTIONS TO COMMON STOCKHOLDERS: | | | | | | |
| Net investment income | | (0.06) | | (0.09) | (0.08) | (0.20) |
| Net realized gain on investments and foreign currency | | (0.02) | | (0.83) | (1.27) | (1.35) |
| Return of capital | | | (0.22) | (0.27) | | |
| Unallocated distributions ¹ | (0.25) | | | | | |

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| | | | | | | |
|--|--------------------|------------|------------|------------|------------|------------|
| Total distributions to Common Stockholders | (0.25) | (0.08) | (0.22) | (1.19) | (1.35) | (1.55) |
| CAPITAL STOCK TRANSACTIONS: | | | | | | |
| Effect of reinvestment of distributions by Common Stockholders | (0.02) | (0.01) | (0.02) | (0.08) | (0.03) | (0.00) |
| Total capital stock transactions | (0.02) | (0.01) | (0.02) | (0.08) | (0.03) | (0.00) |
| NET ASSET VALUE, END OF PERIOD | \$ 11.39 | \$ 11.34 | \$ 8.90 | \$ 6.39 | \$ 13.48 | \$ 14.77 |
| MARKET VALUE, END OF PERIOD | \$ 9.86 | \$ 9.80 | \$ 7.37 | \$ 5.62 | \$ 11.94 | \$ 16.57 |
| TOTAL RETURN:² | | | | | | |
| Market Value | 3.29% ³ | 34.10% | 37.91% | (45.84)% | (20.54)% | 26.72% |
| Net Asset Value | 3.12% ³ | 28.50% | 46.47% | (45.45)% | 0.64% | 22.46% |
| RATIOS BASED ON AVERAGE NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS: | | | | | | |
| Total expenses ^{4,5} | 0.86% ⁶ | 1.12% | 1.59% | 1.55% | 1.56% | 1.64% |
| Investment advisory fee expense ⁷ | 0.72% ⁶ | 0.97% | 1.38% | 1.39% | 1.44% | 1.49% |
| Other operating expenses | 0.14% ⁶ | 0.15% | 0.21% | 0.16% | 0.12% | 0.15% |
| Net investment income (loss) | 0.23% ⁶ | 0.84% | 0.02% | 0.15% | (0.07)% | 0.05% |
| SUPPLEMENTAL DATA: | | | | | | |
| Net Assets Applicable to Common Stockholders, End of Period (in thousands) | \$ 316,948 | \$ 311,279 | \$ 243,156 | \$ 169,854 | \$ 331,476 | \$ 343,682 |
| Liquidation Value of Preferred Stock, End of Period (in thousands) | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 60,000 |
| Portfolio Turnover Rate | 13% | 27% | 30% | 42% | 41% | 34% |
| PREFERRED STOCK: | | | | | | |
| Total shares outstanding | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 |
| Asset coverage per share | \$ 157.06 | \$ 154.70 | \$ 126.32 | \$ 95.77 | \$ 163.11 | \$ 168.20 |
| Liquidation preference per share | \$ 25.00 | \$ 25.00 | \$ 25.00 | \$ 25.00 | \$ 25.00 | \$ 25.00 |
| Average month-end market value per share | \$ 25.21 | \$ 25.11 | \$ 23.47 | \$ 23.08 | \$ 24.06 | \$ 24.15 |

¹ To be allocated to net investment income, net realized gains and/or return of capital at year end.

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

³ Not annualized

⁴

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Expense ratios based on total average net assets including liquidation value of Preferred Stock were 0.72%, 0.91%, 1.21%, 1.26%, 1.33% and 1.38% for the periods ended June 30, 2011, and December 31, 2010, 2009, 2008, 2007 and 2006, respectively.

⁵ Expense ratios based on average net assets applicable to Common Stockholders before waiver of fees by the investment adviser would have been 1.17%, 1.74% and 1.58% for the years ended December 31, 2010, 2009 and 2008, respectively; before waiver of fees and after earnings credits would have been 0.86%, 1.17%, 1.74%, 1.58%, 1.56% and 1.64% for the periods ended June 30, 2011, and December 31, 2010, 2009, 2008, 2007 and 2006, respectively.

⁶ Annualized

⁷ The investment advisory fee is calculated based on average net assets over a rolling 36-month basis, while the above ratios of investment advisory fee expenses are based on the average net assets applicable to Common Stockholders over a 12-month basis.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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Royce Micro-Cap Trust

Notes to Financial Statements (unaudited)

Summary of Significant Accounting Policies:

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

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

Under the Fund's organizational documents, the officers and directors are indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

Valuation of Investments:

Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq's Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price, except in the case of some bonds and other fixed income securities which may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. The Fund values its non-U.S. dollar denominated securities in U.S. dollars daily at the prevailing foreign currency exchange rates as quoted by a major bank. Securities for which market quotations are not readily available are valued at their fair value under procedures approved by the Fund's 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. Investments in money market funds are valued at net asset value per share.

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

- Level 1 quoted prices in active markets for identical securities.
- Level 2 other significant observable inputs (including quoted prices for similar securities, foreign securities that may be fair valued and repurchase agreements). The table below includes all Level 2 securities. Any Level 2 securities with values based on quoted prices for similar securities would be noted in the Schedule of Investments.
- Level 3 significant unobservable inputs (including 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 June 30, 2011. For a detailed breakout of common stocks by sector classification, please refer to the Schedule of Investments.

| | Level 1 | Level 2 | Level 3 | Total |
|------------------|----------------|---------------|------------|----------------|
| Common stocks | \$ 286,239,391 | \$ 37,795,804 | \$ 234,730 | \$ 324,269,925 |
| Preferred stocks | | 1,156,113 | | 1,156,113 |

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| | | | |
|------------------|------------|------------|------------|
| Cash equivalents | 10,869,503 | 52,666,000 | 63,535,503 |
|------------------|------------|------------|------------|

Level 3 Reconciliation:

| | Balance as of 12/31/10 | Purchases | Transfers Out | Sales | Realized and Unrealized Gain (Loss)¹ | Balance as of 6/30/11 |
|---------------|-----------------------------------|------------------|--------------------------|--------------|--|----------------------------------|
| Common stocks | \$ 36,229 | \$ 459,067 | \$ | \$ | \$ (260,566) | \$ 234,730 |

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

Royce Micro-Cap Trust

Notes to Financial Statements (unaudited) (continued)

Repurchase Agreements:

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

Foreign Currency:

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

Securities Lending:

The Fund loans securities to qualified institutional investors for the purpose of realizing additional income. Collateral for the Fund on all securities loaned is accepted in cash and cash equivalents and invested temporarily by the custodian. The collateral maintained is at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund retains the risk of any loss on the securities on loan as well as incurring the potential loss on investments purchased with cash collateral received for securities lending.

Taxes:

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

Distributions:

Commencing March 2011, the Fund pays quarterly distributions on the Fund's Common Stock at the annual rate of 5% of the rolling average of the prior four calendar quarter-end NAVs of the Fund's Common Stock, with the fourth quarter distribution being the greater of 1.25% of the rolling average or the distribution required by IRS regulations. Distributions to Preferred Stockholders are accrued daily and paid quarterly and distributions to Common Stockholders are recorded on ex-dividend date. Distributable capital gains and/or net investment income are first allocated to Preferred Stockholder distributions, with any excess allocable to Common Stockholders. If capital gains and/or net investment income are allocated to both Preferred and Common Stockholders, the tax character of such allocations is proportional. To the extent that distributions are not paid from long-term capital gains, net investment income or net short-term capital gains, they will represent a return of capital. Distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. Permanent book and tax differences relating to stockholder distributions will result in reclassifications within the capital accounts. Undistributed net investment income may include temporary book and tax basis differences, which will reverse in a subsequent period. Any taxable income or gain remaining undistributed at fiscal year end is distributed in the following year.

Investment Transactions and Related Investment Income:

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

Expenses:

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

Compensating Balance Credits:

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

Royce Micro-Cap Trust

Notes to Financial Statements (unaudited) (continued)

Capital Stock:

The Fund issued 371,641 and 117,475 shares of Common Stock as reinvestment of distributions by Common Stockholders for the six months ended June 30, 2011, and the year ended December 31, 2010, respectively.

At June 30, 2011, 2,400,000 shares of 6.00% Cumulative Preferred Stock were outstanding. The Fund, at its option, may redeem the Cumulative Preferred Stock, in whole or in part, at the redemption price. The Cumulative Preferred Stock is classified outside of permanent equity (net assets applicable to Common Stockholders) in the accompanying financial statements in accordance with accounting for redeemable equity instruments, that requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer.

The Fund is required to meet certain asset coverage tests with respect to the Cumulative Preferred Stock as required by the 1940 Act. In addition, pursuant to the Rating Agency Guidelines established by Moody's, the Fund is required to maintain a certain discounted asset coverage. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Cumulative Preferred Stock at a redemption price of \$25.00 per share, plus an amount equal to the accumulated and unpaid dividends, whether or not declared on such shares, in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to Common Stockholders and could lead to sales of portfolio securities at inopportune times. The Fund has met these requirements since issuing the Cumulative Preferred Stock.

Investment Advisory Agreement:

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

The Basic Fee is a monthly fee equal to 1/12 of 1% (1% on an annualized basis) of the average of the Fund's month-end net assets applicable to Common Stockholders, plus the liquidation value of Preferred Stock, for the rolling 36-month period ending with such month (the performance period). The Basic Fee for each month is increased or decreased at the rate of 1/12 of .05% for each percentage point that the investment performance of the Fund exceeds, or is exceeded by, the percentage change in the investment record of the Russell 2000 for the performance period by more than two percentage points. The performance period for each such month is a rolling 36-month period ending with such month. The maximum increase or decrease in the Basic Fee for any month may not exceed 1/12 of .5%. Accordingly, for each month, the maximum monthly fee rate as adjusted for performance is 1/12 of 1.5% and is payable if the investment performance of the Fund exceeds the percentage change in the investment record of the Russell 2000 by 12 or more percentage points for the performance period, and the minimum monthly fee rate as adjusted for performance is 1/12 of .5% and is payable if the percentage change in the investment record of the Russell 2000 exceeds the investment performance of the Fund by 12 or more percentage points for the performance period.

Royce has voluntarily committed to waive the portion of its investment advisory fee attributable to an issue of the Fund's Preferred Stock for any month in which the Fund's average annual NAV total return since issuance of the Preferred Stock fails to exceed the applicable Preferred Stock's dividend rate.

For the six rolling 36-month periods ended June 2011, the Fund's investment performance ranged from 5% to 10% below the investment performance of the Russell 2000. Accordingly, the net investment advisory fee consisted of a Basic Fee of \$1,517,526 and a net downward adjustment of \$391,985 for the performance of the Fund relative to that of the Russell 2000. For the six months ended June 30, 2011, the Fund accrued and paid Royce investment advisory fees totaling \$1,125,541.

Purchases and Sales of Investment Securities:

For the six months ended June 30, 2011, the costs of purchases and proceeds from sales of investment securities, other than short-term securities and collateral received for securities loaned, amounted to \$40,508,082 and \$40,927,150, respectively.

Royce Focus Trust

June 30, 2011 (unaudited)

Schedule of Investments

| | SHARES | VALUE |
|--|---------|--------------|
| COMMON STOCKS 101.2% | | |
| Consumer Discretionary 7.5% | | |
| Automobiles - 1.6% | | |
| Thor Industries | 100,000 | \$ 2,884,000 |
| Specialty Retail - 5.9% | | |
| Buckle (The) | 120,000 | 5,124,000 |
| GameStop Corporation Cl. A ¹ | 195,000 | 5,200,650 |
| | | 10,324,650 |
| Total (Cost \$11,319,256) | | 13,208,650 |
| Consumer Staples 5.6% | | |
| Food Products - 4.3% | | |
| Cal-Maine Foods | 75,000 | 2,397,000 |
| Industrias Bachoco ADR | 90,000 | 2,169,000 |
| Sanderson Farms | 65,000 | 3,105,700 |
| | | 7,671,700 |
| Personal Products - 1.3% | | |
| Nu Skin Enterprises Cl. A | 60,000 | 2,253,000 |
| Total (Cost \$7,619,440) | | 9,924,700 |
| Energy 13.4% | | |
| Energy Equipment & Services - 11.1% | | |
| Ensco ADR | 75,000 | 3,997,500 |
| Helmerich & Payne | 50,000 | 3,306,000 |
| Pason Systems | 150,000 | 2,261,393 |
| Tesco Corporation ¹ | 100,000 | 1,941,000 |
| Trican Well Service | 220,000 | 5,168,956 |
| Unit Corporation ¹ | 50,000 | 3,046,500 |
| | | 19,721,349 |
| Oil, Gas & Consumable Fuels - 2.3% | | |
| Exxon Mobil | 50,000 | 4,069,000 |
| Total (Cost \$15,043,210) | | 23,790,349 |

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Financials 20.8%

Capital Markets - 14.3%

| | | |
|-------------------------------------|-----------|-----------|
| Affiliated Managers Group <u>1</u> | 20,000 | 2,029,000 |
| Ashmore Group | 650,000 | 4,154,435 |
| Franklin Resources | 45,000 | 5,908,050 |
| INTL FCStone <u>1</u> | 65,000 | 1,573,650 |
| Knight Capital Group Cl. A <u>1</u> | 175,000 | 1,928,500 |
| Partners Group Holding | 10,000 | 1,769,880 |
| Sprott | 350,000 | 2,681,839 |
| U.S. Global Investors Cl. A | 147,849 | 1,064,513 |
| Value Partners Group | 4,800,000 | 4,125,542 |

25,235,409

Diversified Financial Services - 0.8%

| | | |
|------------------------|--------|-----------|
| PICO Holdings <u>1</u> | 50,000 | 1,450,000 |
|------------------------|--------|-----------|

Insurance - 3.3%

| | | |
|--|--------|-----------|
| Berkshire Hathaway Cl. B <u>1</u> | 75,000 | 5,804,250 |
|--|--------|-----------|

Real Estate Management & Development - 2.4%

| | | |
|--------------------------------|---------|-----------|
| Kennedy-Wilson Holdings | 349,170 | 4,277,333 |
|--------------------------------|---------|-----------|

Total (Cost \$30,888,381) 36,766,992

| | SHARES | VALUE |
|-----------------------------------|---------|--------------|
| Health Care 0.9% | | |
| Biotechnology - 0.9% | | |
| Myriad Genetics <u>1</u> | 70,000 | \$ 1,589,700 |
| Total (Cost \$1,757,953) | | 1,589,700 |
| Industrials 9.0% | | |
| Building Products - 1.8% | | |
| Simpson Manufacturing | 50,000 | 1,493,500 |
| WaterFurnace Renewable Energy | 70,000 | 1,611,281 |
| | | 3,104,781 |
| Construction & Engineering - 1.2% | | |
| Jacobs Engineering Group <u>1</u> | 50,000 | 2,162,500 |
| Electrical Equipment - 1.1% | | |
| GrafTech International <u>1</u> | 100,000 | 2,027,000 |
| Machinery - 3.8% | | |
| Lincoln Electric Holdings | 50,000 | 1,792,500 |
| Pfeiffer Vacuum Technology | 15,000 | 1,880,873 |
| Semperit AG Holding | 60,000 | 2,992,798 |
| | | 6,666,171 |

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| | | |
|---|--------|------------|
| Road & Rail - 1.1% | | |
| Patriot Transportation Holding ¹ | 90,000 | 2,013,300 |
| Total (Cost \$11,294,092) | | 15,973,752 |

Information Technology
18.1%

| | | |
|-------------------------------------|---------|-----------|
| Computers & Peripherals - 4.7% | | |
| SanDisk Corporation ¹ | 60,000 | 2,490,000 |
| Western Digital ¹ | 160,000 | 5,820,800 |
| | | 8,310,800 |

Semiconductors &
Semiconductor Equipment -
10.5%

| | | |
|----------------------------------|---------|------------|
| Aixtron ADR ² | 65,000 | 2,217,800 |
| Analog Devices | 142,000 | 5,557,880 |
| MKS Instruments | 160,000 | 4,227,200 |
| Teradyne ¹ | 280,000 | 4,144,000 |
| Veeco Instruments ^{1,2} | 50,000 | 2,420,500 |
| | | 18,567,380 |

Software - 2.9%

| | | |
|----------------------------------|---------|------------|
| Microsoft Corporation | 200,000 | 5,200,000 |
| Total (Cost \$30,368,842) | | 32,078,180 |

Materials 25.9%

| | | |
|-----------------------------|--------|-----------|
| Chemicals - 4.0% | | |
| Mosaic Company (The) | 60,000 | 4,063,800 |
| Westlake Chemical | 60,000 | 3,114,000 |
| | | 7,177,800 |

Metals & Mining - 21.9%

| | | |
|--|-----------|-----------|
| Alamos Gold | 120,000 | 1,987,039 |
| Allied Nevada Gold ¹ | 160,000 | 5,659,200 |
| Centamin Egypt ¹ | 1,200,000 | 2,413,811 |
| Endeavour Mining ¹ | 1,100,000 | 2,634,662 |
| Fresnillo | 75,000 | 1,690,454 |
| Major Drilling Group International | 220,000 | 2,862,772 |
| Newmont Mining | 60,000 | 3,238,200 |
| Nucor Corporation | 50,000 | 2,061,000 |
| Pan American Silver | 118,500 | 3,660,465 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS. 2011 Semiannual Report to Stockholders | 47

Royce Focus Trust

June 30, 2011 (unaudited)

Schedule of Investments

| | SHARES | VALUE |
|--|---------|-----------------------|
| Materials (continued) | | |
| Metals & Mining (continued) | | |
| Reliance Steel & Aluminum | 75,000 | \$ 3,723,750 |
| Schnitzer Steel Industries Cl. A | 75,000 | 4,320,000 |
| Seabridge Gold ¹ | 160,000 | 4,513,600 |
| | | 38,764,953 |
| Total (Cost \$35,842,053) | | 45,942,753 |
| TOTAL COMMON STOCKS (Cost \$144,133,227) | | 179,275,076 |
| REPURCHASE AGREEMENT 13.6% | | |
| Fixed Income Clearing Corp., 0.01% dated 6/30/11, due 7/1/11, maturity value \$24,148,007 (collateralized by obligations of various U.S. Government Agencies, 0.45% due 7/1/11, valued at \$24,751,725) (Cost \$24,148,000) | | |
| | | 24,148,000 |
| COLLATERAL RECEIVED FOR SECURITIES LOANED 1.0% | | |
| Money Market Funds Federated Government Obligations Fund (7 day yield-0.009864%) (Cost \$1,689,546) | | |
| | | 1,689,546 |
| TOTAL INVESTMENTS 115.8% (Cost \$169,970,773) | | 205,112,622 |
| LIABILITIES LESS CASH AND OTHER ASSETS (1.7)% | | (3,050,367) |
| PREFERRED STOCK (14.1)% | | (25,000,000) |
| NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS 100.0% | | \$ 177,062,255 |

New additions in 2011.

¹ Non-income producing.

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² All or a portion of these securities were on loan at June 30, 2011. Total market value of loaned securities at June 30, 2011, was \$1,678,953.

Bold indicates the Fund's 20 largest equity holdings in terms of June 30, 2011, market value.

TAX INFORMATION: The cost of total investments for Federal income tax purposes was \$169,970,773. At June 30, 2011, net unrealized appreciation for all securities was \$35,141,849, consisting of aggregate gross unrealized appreciation of \$42,826,537 and aggregate gross unrealized depreciation of \$7,684,688.

Royce Focus Trust

June 30, 2011 (unaudited)

Statement of Assets and Liabilities**ASSETS:**

| | |
|--|----------------|
| Total investments at value (including collateral on loaned securities) | \$ 180,964,622 |
| Repurchase agreements (at cost and value) | 24,148,000 |
| Cash and foreign currency | 36 |
| Receivable for investments sold | 1,788,452 |
| Receivable for dividends and interest | 138,684 |
| Prepaid expenses and other assets | 27,960 |

| | |
|--------------|-------------|
| Total Assets | 207,067,754 |
|--------------|-------------|

LIABILITIES:

| | |
|--|-----------|
| Payable for collateral on loaned securities | 1,689,546 |
| Payable for investments purchased | 3,053,033 |
| Payable for investment advisory fee | 161,674 |
| Preferred dividends accrued but not yet declared | 33,324 |
| Accrued expenses | 67,922 |

| | |
|-------------------|-----------|
| Total Liabilities | 5,005,499 |
|-------------------|-----------|

PREFERRED STOCK:

| | |
|--|------------|
| 6.00% Cumulative Preferred Stock - \$0.001 par value, \$25 liquidation value per share; 1,000,000 shares outstanding | 25,000,000 |
|--|------------|

| | |
|-----------------------|------------|
| Total Preferred Stock | 25,000,000 |
|-----------------------|------------|

| | |
|---|-----------------------|
| NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS | \$ 177,062,255 |
|---|-----------------------|

ANALYSIS OF NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:

| | |
|---|----------------|
| Common Stock paid-in capital - \$0.001 par value per share; 20,073,105 shares outstanding (150,000,000 shares authorized) | \$ 131,248,399 |
| Undistributed net investment income (loss) | (1,108,707) |
| Accumulated net realized gain (loss) on investments and foreign currency | 16,327,378 |
| Net unrealized appreciation (depreciation) on investments and foreign currency | 35,146,908 |
| Unallocated and accrued distributions | (4,551,723) |

| | |
|---|----------------|
| Net Assets applicable to Common Stockholders (net asset value per share - \$8.82) | \$ 177,062,255 |
|---|----------------|

| | |
|---|----------------|
| Investments at identified cost (including \$1,689,546 of collateral on loaned securities) | \$ 145,822,773 |
| Market value of loaned securities | 1,678,953 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

2011 Semiannual Report to Stockholders | 49

Royce Focus Trust

Six Months Ended June 30, 2011 (unaudited)

Statement of Operations**INVESTMENT INCOME:**

| | |
|------------------------|--------------|
| Income: | |
| Dividends ¹ | \$ 1,294,819 |
| Interest | 3,702 |
| Securities lending | 73,795 |

| | |
|--------------|-----------|
| Total income | 1,372,316 |
|--------------|-----------|

Expenses:

| | |
|--------------------------------------|-----------|
| Investment advisory fees | 1,011,068 |
| Stockholder reports | 36,057 |
| Custody and transfer agent fees | 32,143 |
| Professional fees | 20,424 |
| Directors' fees | 19,103 |
| Administrative and office facilities | 9,472 |
| Other expenses | 34,208 |

| | |
|------------------------------|-----------|
| Total expenses | 1,162,475 |
| Compensating balance credits | (3) |

| | |
|--------------|-----------|
| Net expenses | 1,162,472 |
|--------------|-----------|

| | |
|------------------------------|---------|
| Net investment income (loss) | 209,844 |
|------------------------------|---------|

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:

| | |
|--|-------------|
| Net realized gain (loss): | |
| Investments | 15,532,593 |
| Foreign currency transactions | (19,712) |
| Net change in unrealized appreciation (depreciation): | |
| Investments and foreign currency translations | (8,805,394) |
| Other assets and liabilities denominated in foreign currency | 2,408 |

| | |
|---|-----------|
| Net realized and unrealized gain (loss) on investments and foreign currency | 6,709,895 |
|---|-----------|

| | |
|---|------------------|
| NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS | 6,919,739 |
|---|------------------|

| | |
|--|------------------|
| DISTRIBUTIONS TO PREFERRED STOCKHOLDERS | (750,000) |
|--|------------------|

| | |
|---|---------------------|
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS | \$ 6,169,739 |
|---|---------------------|

¹ Net of foreign withholding tax of \$103,150.

Royce Focus Trust

Statement of Changes in Net Assets Applicable to Common Stockholders

| | Six months ended 6/30/11 (unaudited) | Year ended 12/31/10 |
|--|---|------------------------|
| INVESTMENT OPERATIONS: | | |
| Net investment income (loss) | \$ 209,844 | \$ (214,447) |
| Net realized gain (loss) on investments and foreign currency | 15,512,881 | 13,893,721 |
| Net change in unrealized appreciation (depreciation) on investments and foreign currency | (8,802,986) | 18,614,471 |
| Net increase (decrease) in net assets from investment operations | 6,919,739 | 32,293,745 |
| DISTRIBUTIONS TO PREFERRED STOCKHOLDERS: | | |
| Net investment income | | (941,621) |
| Net realized gain on investments and foreign currency | | (558,379) |
| Unallocated distributions ¹ | (750,000) | |
| Total distributions to Preferred Stockholders | (750,000) | (1,500,000) |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS | | |
| | 6,169,739 | 30,793,745 |
| DISTRIBUTIONS TO COMMON STOCKHOLDERS: | | |
| Net investment income | | |
| Net realized gain on investments and foreign currency | | |
| Unallocated distributions ¹ | (3,768,391) | |
| Total distributions to Common Stockholders | (3,768,391) | |
| CAPITAL STOCK TRANSACTIONS: | | |
| Reinvestment of distributions to Common Stockholders | 2,370,134 | |
| Total capital stock transactions | 2,370,134 | |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS | | |
| | 4,771,482 | 30,793,745 |
| NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS: | | |
| Beginning of period | 172,290,773 | 141,497,028 |
| End of period (including undistributed net investment income (loss) of \$(1,108,707) at 6/30/11 and \$(1,318,551) at 12/31/10) | \$ 177,062,255 | \$ 172,290,773 |

¹ To be allocated to net investment income, net realized gains and/or return of capital at year end.

Royce Focus Trust

Financial Highlights

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

| | Six months ended June 30, 2011 | | Years ended December 31, | | | |
|---|---|---------|--------------------------|---------|---------|---------|
| | (unaudited) | 2010 | 2009 | 2008 | 2007 | 2006 |
| NET ASSET VALUE, BEGINNING OF PERIOD | \$ 8.72 | \$ 7.16 | \$ 4.76 | \$ 8.92 | \$ 9.75 | \$ 9.76 |
| INVESTMENT OPERATIONS: | | | | | | |
| Net investment income (loss) | 0.01 | (0.01) | 0.03 | 0.07 | 0.15 | 0.16 |
| Net realized and unrealized gain (loss) on investments and foreign currency | 0.34 | 1.65 | 2.54 | (3.67) | 1.12 | 1.50 |
| Total investment operations | 0.35 | 1.64 | 2.57 | (3.60) | 1.27 | 1.66 |
| DISTRIBUTIONS TO PREFERRED STOCKHOLDERS: | | | | | | |
| Net investment income | | (0.05) | (0.08) | (0.01) | (0.02) | (0.01) |
| Net realized gain on investments and foreign currency | | (0.03) | | (0.07) | (0.07) | (0.09) |
| Unallocated distributions ¹ | (0.04) | | | | | |
| Total distributions to Preferred Stockholders | (0.04) | (0.08) | (0.08) | (0.08) | (0.09) | (0.10) |
| NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS | | | | | | |
| | 0.31 | 1.56 | 2.49 | (3.68) | 1.18 | 1.56 |
| DISTRIBUTIONS TO COMMON STOCKHOLDERS: | | | | | | |
| Net investment income | | | (0.00) | (0.07) | (0.44) | (0.20) |
| Net realized gain on investments and foreign currency | | | | (0.37) | (1.57) | (1.37) |

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| | | | | | | | | | |
|--|----|--------------------|----|---------------|----|---------------|----|---------------|-----------------------|
| Return of capital | | | | (0.09) | | (0.03) | | | |
| Unallocated distributions ¹ | | (0.19) | | | | | | | |
| Total distributions to Common Stockholders | | (0.19) | | (0.09) | | (0.47) | | (2.01) | (1.57) |
| CAPITAL STOCK TRANSACTIONS: | | | | | | | | | |
| Effect of reinvestment of distributions by Common Stockholders | | (0.02) | | (0.00) | | (0.01) | | (0.00) | (0.00) |
| Total capital stock transactions | | (0.02) | | (0.00) | | (0.01) | | (0.00) | (0.00) |
| NET ASSET VALUE, END OF PERIOD | | | | | | | | | |
| | \$ | 8.82 | \$ | 8.72 | \$ | 7.16 | \$ | 4.76 | \$ 8.92 \$ 9.75 |
| MARKET VALUE, END OF PERIOD | | | | | | | | | |
| | \$ | 7.79 | \$ | 7.57 | \$ | 6.33 | \$ | 4.60 | \$ 8.97 \$ 10.68 |
| TOTAL RETURN:² | | | | | | | | | |
| Market Value | | 5.51% ³ | | 19.59% | | 40.84% | | (44.94)% | 3.02% 30.50% |
| Net Asset Value | | 3.71% ³ | | 21.79% | | 53.95% | | (42.71)% | 12.22% 16.33% |
| RATIOS BASED ON AVERAGE NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS: | | | | | | | | | |
| Total expenses ^{4,5} | | 1.31% ⁶ | | 1.37% | | 1.42% | | 1.34% | 1.32% 1.36% |
| Investment advisory fee expense | | 1.14% ⁶ | | 1.17% | | 1.16% | | 1.13% | 1.14% 1.16% |
| Other operating expenses | | 0.17% ⁶ | | 0.20% | | 0.26% | | 0.21% | 0.18% 0.20% |
| Net investment income (loss) | | 0.24% ⁶ | | (0.15)% | | 0.49% | | 0.72% | 1.13% 1.54% |
| SUPPLEMENTAL DATA: | | | | | | | | | |
| Net Assets Applicable to Common Stockholders, End of Period (in thousands) | \$ | 177,062 | \$ | 172,291 | \$ | 141,497 | \$ | 92,550 | \$ 165,807 \$ 158,567 |
| Liquidation Value of Preferred Stock, End of Period (in thousands) | \$ | 25,000 | \$ | 25,000 | \$ | 25,000 | \$ | 25,000 | \$ 25,000 \$ 25,000 |
| Portfolio Turnover Rate | | 22% | | 36% | | 46% | | 51% | 62% 30% |
| PREFERRED STOCK: | | | | | | | | | |
| Total shares outstanding | | 1,000,000 | | 1,000,000 | | 1,000,000 | | 1,000,000 | 1,000,000 1,000,000 |
| Asset coverage per share | \$ | 202.06 | \$ | 197.29 | \$ | 166.48 | \$ | 117.55 | \$ 190.81 \$ 183.57 |
| Liquidation preference per share | \$ | 25.00 | \$ | 25.00 | \$ | 25.00 | \$ | 25.00 | \$ 25.00 \$ 25.00 |
| Average month-end market value per share | \$ | 25.42 | \$ | 25.38 | \$ | 23.56 | \$ | 22.89 | \$ 24.37 \$ 24.98 |

¹ To be allocated to net investment income, net realized gains and/or return of capital at year end.

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

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³ Not annualized

⁴ Expense ratios based on total average net assets including liquidation value of Preferred Stock were 1.15% 1.17%, 1.16%, 1.14%, 1.15% and 1.17% for the periods ended June 30, 2011, and December 31, 2010, 2009, 2008, 2007 and 2006, respectively.

⁵ Expense ratios based on average net assets applicable to Common Stockholders before waiver of fees by the investment adviser would have been 1.48% and 1.39% for the years ended December 31, 2009 and 2008, respectively; before waiver of fees and after earnings credits would have been 1.31%, 1.37%, 1.48%, 1.39%, 1.31% and 1.36% for the periods ended June 30, 2011, and December 31, 2010, 2009, 2008, 2007 and 2006, respectively.

⁶ Annualized

Royce Focus Trust

Notes to Financial Statements (unaudited)

Summary of Significant Accounting Policies:

Royce Focus Trust, Inc. (the Fund), is a diversified closed-end investment company incorporated under the laws of the State of Maryland. The Fund commenced operations on March 2, 1988, and Royce & Associates, LLC (Royce) assumed investment management responsibility for the Fund on November 1, 1996.

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

Under the Fund's organizational documents, the officers and directors are indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

At June 30, 2011, officers, employees of Royce, Fund directors, the Royce retirement plans and other affiliates owned 24% of the Fund.

Valuation of Investments:

Securities are valued as of the close of trading on the New York Stock Exchange (NYSE) (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange, and securities traded on Nasdaq's Electronic Bulletin Board, are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their bid price. Other over-the-counter securities for which market quotations are readily available are valued at their highest bid price, except in the case of some bonds and other fixed income securities which may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services. The Fund values its non-U.S. dollar denominated securities in U.S. dollars daily at the prevailing foreign currency exchange rates as quoted by a major bank. Securities for which market quotations are not readily available are valued at their fair value under procedures approved by the Fund's 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. Investments in money market funds are valued at net asset value per share.

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

Level 1 quoted prices in active markets for identical securities.

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

Level 3 significant unobservable inputs (including 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 June 30, 2011. For a detailed breakout of common stocks by sector classification, please refer to the Schedule of Investments.

Level 1

Level 2

Level 3

Total

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| | | | |
|------------------|---------------|--------------|---------------|
| Common stocks | \$141,039,341 | \$38,235,735 | \$179,275,076 |
| Cash equivalents | 1,689,546 | 24,148,000 | 25,837,546 |

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.

Foreign Currency:

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

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Royce Focus Trust

Notes to Financial Statements (unaudited) (continued)

Securities Lending:

The Fund loans securities to qualified institutional investors for the purpose of realizing additional income. Collateral for the Fund on all securities loaned is accepted in cash and cash equivalents and invested temporarily by the custodian. The collateral maintained is at least 100% of the current market value of the loaned securities. The market value of the loaned securities is determined at the close of business of the Fund and any additional required collateral is delivered to the Fund on the next business day. The Fund retains the risk of any loss on the securities on loan as well as incurring the potential loss on investments purchased with cash collateral received for securities lending.

Taxes:

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

Distributions:

Commencing March 2011, the Fund pays quarterly distributions on the Fund's Common Stock at the annual rate of 5% of the rolling average of the prior four calendar quarter-end NAVs of the Fund's Common Stock, with the fourth quarter distribution being the greater of 1.25% of the rolling average or the distribution required by IRS regulations. Distributions to Preferred Stockholders are accrued daily and paid quarterly and distributions to Common Stockholders are recorded on ex-dividend date. Distributable capital gains and/or net investment income are first allocated to Preferred Stockholder distributions, with any excess allocable to Common Stockholders. If capital gains and/or net investment income are allocated to both Preferred and Common Stockholders, the tax character of such allocations is proportional. To the extent that distributions are not paid from long-term capital gains, net investment income or net short-term capital gains, they will represent a return of capital. Distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. Permanent book and tax differences relating to stockholder distributions will result in reclassifications within the capital accounts. Undistributed net investment income may include temporary book and tax basis differences, which will reverse in a subsequent period. Any taxable income or gain remaining undistributed at fiscal year end is distributed in the following year.

Investment Transactions and Related Investment Income:

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

Expenses:

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

Compensating Balance Credits:

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

Capital Stock:

The Fund issued 314,042 shares of Common Stock as reinvestment of distributions by Common Stockholders for the six months ended June 30, 2011.

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At June 30, 2011, 1,000,000 shares of 6.00% Cumulative Preferred Stock were outstanding. The Fund, at its option, may redeem the Cumulative Preferred Stock, in whole or in part, at the redemption price. The Cumulative Preferred Stock is classified outside of permanent equity (net assets applicable to Common Stockholders) in the accompanying financial statements in accordance with accounting for redeemable equity instruments, that requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer.

The Fund is required to meet certain asset coverage tests with respect to the Cumulative Preferred Stock as required by the 1940 Act. In addition, pursuant to the Rating Agency Guidelines established by Moody's, the Fund is required to maintain a certain discounted asset coverage. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Cumulative Preferred

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Royce Focus Trust

Notes to Financial Statements (unaudited) (continued)

Capital Stock (continued):

Stock at a redemption price of \$25.00 per share, plus an amount equal to the accumulated and unpaid dividends, whether or not declared on such shares, in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to Common Stockholders and could lead to sales of portfolio securities at inopportune times. The Fund has met these requirements since issuing the Cumulative Preferred Stock.

Investment Advisory Agreement:

The Investment Advisory Agreement between Royce and the Fund provides for fees to be paid at an annual rate of 1.0% of the Fund's average daily net assets applicable to Common Stockholders plus the liquidation value of Preferred Stock. Royce has voluntarily committed to waive the portion of its investment advisory fee attributable to an issue of the Fund's Preferred Stock for any month in which the Fund's average annual NAV total return since issuance of the Preferred Stock fails to exceed the applicable Preferred Stock's dividend rate. For the six months ended June 30, 2011, the Fund accrued and paid Royce investment advisory fees totaling \$1,011,068.

Purchases and Sales of Investment Securities:

For the six months ended June 30, 2011, the costs of purchases and proceeds from sales of investment securities, other than short-term securities and collateral received for securities loaned, amounted to \$39,357,009 and \$42,403,191, respectively.

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Directors and Officers

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

Charles M. Royce, Trustee¹, President

Age: 71 | Number of Funds Overseen: 35 | Tenure: Since 1982
Non-Royce Directorships: Director of TICC Capital Corp.

Principal Occupation(s) During Past Five Years: President, Co-Chief Investment Officer and Member of Board of Managers of Royce & Associates, LLC (Royce), the Trust s investment adviser.

Mark R. Fetting, Trustee¹

Age: 56 | Number of Funds Overseen: 51 | Tenure: Since 2001
Non-Royce Directorships: Director of Legg Mason, Inc. and Director/Trustee of registered investment companies constituting the 16 Legg Mason Funds.

Principal Occupation(s) During Past 5 Years: President, CEO, Chairman and Director of Legg Mason, Inc. and Chairman of Legg Mason Funds. Mr. Fetting s prior business experience includes having served as a member of the Board of Managers of Royce; President of all Legg Mason Funds; Senior Executive Vice President of Legg Mason, Inc.; Director and/or officer of various Legg Mason, Inc. affiliates; Division President and Senior Officer of Prudential Financial Group, Inc. and related companies.

Patricia W. Chadwick, Trustee

Age: 62 | Number of Funds Overseen: 35 | Tenure: Since 2009
Non-Royce Directorships: Trustee of ING Mutual Funds and Director of Wisconsin Energy Corp.

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

Richard M. Galkin, Trustee

Age: 73 | Number of Funds Overseen: 35 | Tenure: Since 1982
Non-Royce Directorships: None

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

Stephen L. Isaacs, Trustee

Age: 71 | Number of Funds Overseen: 35 | Tenure: Since 1989
Non-Royce Directorships: None

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

Arthur S. Mehlman, Trustee

Age: 69 | Number of Funds Overseen: 51 | Tenure: Since 2004
Non-Royce Directorships: Director/Trustee of registered investment companies constituting the 16 Legg Mason Funds.

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

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David L. Meister, Trustee

Age: 71 | Number of Funds Overseen: 35 | Tenure: Since 1982
Non-Royce Directorships: None

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

G. Peter O'Brien, Trustee

Age: 65 | Number of Funds Overseen: 51 | Tenure: Since 2001
Non-Royce Directorships: Director/Trustee of registered investment companies constituting the 16 Legg Mason Funds; Director of TICC Capital Corp.

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

John D. Diederich, Vice President and Treasurer

Age: 59 | Tenure: Since 2001

Principal Occupation(s) During Past Five Years: Chief Operating Officer, Managing Director and member of the Board of Managers of Royce; Chief Financial Officer of Royce; Director of Administration of the Trust; and President of RFS, having been employed by Royce since April 1993.

Jack E. Fockler, Jr., Vice President

Age: 52 | Tenure: Since 1995

Principal Occupation(s) During Past Five Years: Managing Director and Vice President of Royce, and Vice President of RFS, having been employed by Royce since October 1989.

W. Whitney George, Vice President

Age: 53 | Tenure: Since 1995

Principal Occupation(s) During Past Five Years: Co-Chief Investment Officer, Managing Director and Vice President of Royce, having been employed by Royce since October 1991.

Daniel A. O'Byrne, Vice President and Assistant Secretary

Age: 49 | Tenure: Since 1994

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

John E. Denneen, Secretary and Chief Legal Officer

Age: 44 | Tenure: 1996-2001 and Since April 2002

Principal Occupation(s) During Past Five Years: General Counsel, Principal, Chief Legal and Compliance Officer and Secretary of Royce; Secretary and Chief Legal Officer of *The Royce Funds*.

Lisa Curcio, Chief Compliance Officer

Age: 51 | Tenure: Since 2004

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

¹ Interested Trustee.

Trustees will hold office until their successors have been duly elected and qualified or until their earlier resignation or removal. The Statement of Additional Information, which contains additional information about the Trust's trustees and officers, is available and can be obtained without charge at www.roycefunds.com or by calling (800) 221-4268.

Notes to Performance and Other Important Information

The thoughts expressed in this *Review and Report* concerning recent market movements and future prospects for small company stocks are solely the opinion of Royce at June 30, 2011, and, of course, historical market trends are not necessarily indicative of future market movements. Statements regarding the future prospects for particular securities held in the Funds' portfolios and Royce's investment intentions with respect to those securities reflect Royce's opinions as of June 30, 2011 and are subject to change at any time without notice. There can be no assurance that securities mentioned in this *Review and Report* will be included in any Royce-managed portfolio in the future. Investments in securities of micro-cap, small-cap and/or mid-cap companies may involve considerably more risk than investments in securities of larger-cap companies. All publicly released material information is always disclosed by the Funds on the website at www.roycefunds.com.

Sector weightings are determined using the Global Industry Classification Standard (GICS). GICS was developed by, and is the exclusive property of, Standard & Poor's Financial Services LLC (S&P) and MSCI Inc. (MSCI). GICS is the trademark of S&P and MSCI. Global Industry Classification Standard (GICS) and GICS Direct are service marks of S&P and MSCI.

All indexes referred to are unmanaged and capitalization weighted. Each index's returns include net reinvested dividends and/or interest income. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group. The Russell 2000 Index is an index of domestic small-cap stocks. It measures the performance of the 2,000 smallest publicly traded U.S. companies in the Russell 3000 Index. The Russell 2000 Value and Growth Indexes consist of the respective value and growth stocks within the Russell 2000 as determined by Russell Investments. The Russell Microcap Index includes 1,000 of the smallest securities in the Russell 2000 Index. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. It includes approximately 800 of the smallest securities in the Russell 1000 Index. The Russell Global ex-U.S. Large Cap Index is an index of global large-cap stocks, excluding the United States. The Russell Global ex-U.S. Small Cap Index is an index of global small-cap stocks, excluding the United States. The S&P 500 and SmallCap 600 are indexes of U.S. large- and small-cap stocks, respectively, selected by Standard & Poor's based on market size, liquidity and industry grouping, among other factors. The Nasdaq Composite is an index of the more than 3,000 common equities listed on the Nasdaq stock exchange. Returns for the market indexes used in this report were based on information supplied to Royce by Russell Investments. Royce has not independently verified the above described information.

Forward-Looking Statements

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

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

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

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

Authorized Share Transactions

Royce Value Trust, Royce Micro-Cap Trust and Royce Focus Trust may each repurchase up to 5% of the issued and outstanding shares of its respective common stock and up to 10% of the issued and outstanding shares of its respective preferred stock during the year ending December 31, 2011. Any such repurchases would take place at then prevailing prices in the open market or in other transactions. Common stock repurchases would be effected at a price per share that is less than the share's then current net asset value, and preferred stock repurchases would be effected at a price per share that is less than the share's liquidation value.

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

Annual Certifications

As required, the Funds have submitted to the New York Stock Exchange (NYSE) for Royce Value Trust and Royce Micro-Cap Trust and to Nasdaq for Royce Focus Trust, respectively, the annual certification of the Funds' Chief Executive Officer that he is not aware of any violation of the NYSE's or Nasdaq's Corporate Governance listing standards. The Funds also have included the certification of the Funds' Chief Executive Officer and Chief Financial Officer required by section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to the Funds' form N-CSR for the period ended December 31, 2010, filed with the Securities and Exchange Commission.

Proxy Voting

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

Form N-Q Filing

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

Board Approval of Investment Advisory Agreements

At meetings held on June 1-2, 2011, each of the Funds' respective Boards of Directors, including all of the non-interested directors, approved the continuance of the Investment Advisory Agreements between Royce & Associates, LLC (R&A) and each of Royce Value Trust, Royce Micro-Cap Trust and Royce Focus Trust (the Funds). In reaching these decisions, the Board reviewed the materials provided by R&A, which included, among other things, information prepared internally by R&A and independently by Morningstar Associates, LLC (Morningstar) containing detailed expense ratio and investment performance comparisons for the Funds with other funds in their peer group, information regarding the past performance of Funds managed by R&A and a memorandum outlining the legal duties of the Board prepared by independent counsel to the non-interested directors. R&A also provided the directors with an analysis of its profitability with respect to providing investment advisory services to each of the Funds. In addition, the Board took into account information furnished throughout the year at regular Board meetings, including reports on investment performance, stockholder services, regulatory compliance, brokerage commissions and research, and brokerage and execution products and services provided to the Funds. The Board also considered other matters they deemed important to the approval process such as allocation of Fund brokerage commissions and other direct and indirect benefits to R&A and its affiliates, from their relationship with the Funds. The directors also met throughout the year with investment advisory personnel from R&A. The Board, in its deliberations, recognized that, for many of the Funds' stockholders, the decision to purchase Fund shares included a decision to select R&A as the investment adviser and that there was a strong association in the minds of Fund stockholders between R&A and each Fund. In considering factors relating to the approval of the continuance of the Investment Advisory Agreements, the non-interested directors received assistance and advice from, and met separately with, their independent counsel. While the Investment Advisory Agreements were considered at the same Board meetings, the Board dealt with each agreement separately. Among other factors, the directors considered the following:

The nature, extent and quality of services provided by R&A: The Board considered the following factors to be of fundamental importance to their consideration of whether to approve the continuance of the Funds' Investment Advisory Agreements: (i) R&A's more than 35 years of value investing experience and track record; (ii) the history of long-tenured R&A portfolio managers managing the Funds; (iii) R&A's focus on mid-cap, small-cap and micro-cap value investing; (iv) the consistency of R&A's approach to managing both the Funds and open-end mutual funds over more than 35 years; (v) the integrity and high ethical standards adhered to at R&A; (vi) R&A's specialized experience in the area of trading small- and micro-cap securities; (vii) R&A's historical ability to attract and retain portfolio management talent and (viii) R&A's focus on stockholder interests as exemplified by its voluntary fee waiver policy on preferred stock assets in certain circumstances where the Funds' total return performance from the issuance of the preferred does not exceed the coupon rate on the preferred, and expansive stockholder reporting and communications. The Board reviewed the services that R&A provides to the Funds, including, but not limited to, managing each Fund's investments in accordance with the stated policies of each Fund. The Board considered the fact that R&A provided certain administrative services to the Funds at cost pursuant to the Administration Agreement between the Funds and R&A which went into effect on January 1, 2008. The Board determined that the services to be provided to each Fund by R&A would be the same as those it previously provided to the Funds. They also took into consideration the histories, reputations and backgrounds of R&A's portfolio managers for the Funds, finding that these would likely have an impact on the continued success of the

Funds. Lastly, the Board noted R&A's ability to attract and retain quality and experienced personnel. The directors concluded that the investment advisory services provided by R&A to each Fund compared favorably to services provided by R&A to other R&A client accounts, including other funds, in both nature and quality, and that the scope of services provided by R&A would continue to be suitable for the Funds.

Investment performance of the Funds and R&A: In light of R&A's risk-averse approach to investing, the Board believes that risk-adjusted performance continues to be an appropriate measure of each Fund's investment performance. One measure of risk-adjusted performance the Board has historically used in its review of the Funds' performance is the Sharpe Ratio. The Sharpe Ratio is a risk-adjusted measure of performance developed by Nobel Laureate William Sharpe. It is calculated by dividing a fund's annualized excess returns by its annualized standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better a fund's historical risk-adjusted performance. The Board attaches primary importance to risk-adjusted performance over relatively long periods of time, typically three to ten years. Using Morningstar data, Royce Value Trust's Sharpe Ratio placed in the middle quintile within the Small Blend category assigned by Morningstar for the three-year period and in the second quartile for the five-year and ten-year periods ended December 31, 2010. As measured against its open-end peers, Royce Micro-Cap Trust's Sharpe Ratio placed in the middle quintile for the three-year period and the second quartile within the Small Blend, Growth or Value category assigned by Morningstar for the five-year and ten-year periods ended December 31, 2010. Finally, Royce Focus Trust's Sharpe Ratio placed in the top quartile within the Small Growth category assigned by Morningstar for the three-year, five-year and ten-year periods ended December 31, 2010.

The Board noted that R&A manages a number of funds that invest in small-cap and micro-cap issuers, many of which were outperforming the Russell 2000 Index and their competitors. Although the Board recognized that past performance is not necessarily an indicator of future results, they found that R&A had the necessary qualifications, experience and track record in managing small-cap and micro-cap securities to manage the Funds. The directors determined that R&A continued to be an

appropriate investment adviser for the Funds and concluded that each Fund's performance supported the renewal of its Investment Advisory Agreement.

Cost of the services provided and profits realized by R&A from its relationship with the Funds: The Board considered the cost of the services provided by R&A and profits realized by R&A from its relationship with each Fund. As part of the analysis, the Board discussed with R&A its methodology in allocating its costs to each Fund and concluded that its allocations were reasonable. The Board concluded that R&A's profits were reasonable in relation to the nature and quality of services provided.

The extent to which economies of scale would be realized as the Funds grow and whether fee levels would reflect such economies of scale: The Board considered whether there have been economies of scale in respect of the management of the Funds, whether the Funds have appropriately benefited from any economies of scale and whether there is potential for realization of any further economies of scale. The Board noted the time and effort involved in managing portfolios of small- and micro-cap stocks and that they did not involve the same efficiencies as do portfolios of large cap stocks. The Board concluded that the current fee structure for each Fund was reasonable, and that no changes were currently necessary.

Comparison of services to be rendered and fees to be paid to those under other investment advisory contracts, such as contracts of the same and other investment advisers or other clients: The Board reviewed the investment

advisory fee paid by each Fund and compared both the services to be rendered and the fees to be paid under the Investment Advisory Agreements to other contracts of R&A and to contracts of other investment advisers to registered investment companies investing in small- and micro-cap stocks, as provided by Morningstar. The Board noted that, in the case of Royce Value Trust, the Fund had a 1.00% basic fee that is subject to adjustment up or down (up to 0.50% in either direction) based on the Fund's performance versus the S&P 600 SmallCap Index over a rolling period of sixty months. The fee is charged on average net assets over that rolling period. As a result, in a rising market, the fee will be smaller than a fee calculated on the current year's average net assets, and vice versa. The Board determined that the performance adjustment feature continued to serve as an appropriate incentive to R&A to manage the Fund for the benefit of its long-term common stockholders. The Board noted that R&A had also agreed to waive its management fee on that portion of the Fund's assets equal to the liquidation preference of the Fund's outstanding preferred stock if the Fund's total return from issuance of the preferred on such amount is less than the preferred's fixed dividend rate. The Board also noted that the fee arrangement, which also includes a provision for no fee in periods where the Fund's trailing three-year performance is negative, requires R&A to measure the Fund's performance monthly against the S&P 600, an unmanaged index. Instead of receiving a set fee regardless of its performance, R&A is penalized for poor performance. The Board noted that the Fund's performance earned R&A no fee during the period January 1, 2010 through November 30, 2010.

In the case of Royce Micro-Cap Trust, the directors noted that the Fund had a 1.00% basic fee subject to adjustment up or down based on the Fund's performance versus the Russell 2000 Index over a rolling 36 month period. The fee is charged on average net assets over that rolling period. As a result,

in a rising market, the fee will be smaller than a fee calculated on the current year's average net assets, and visa versa. The Board determined that the performance adjustment feature continued to serve as an incentive to R&A to manage the Fund for the benefit of its long-term stockholders. The Board also noted R&A's voluntary waiver of its fee on the liquidation value of the outstanding preferred stock in circumstances where the Fund's total return performance from the issuance of the preferred is less than the fixed dividend rate on the preferred for each month during the year. The Board noted that if the Fund's expense ratio were based on total average net assets including net assets applicable to Preferred Stock, it would rank in the second quartile when compared against its Morningstar-assigned open-end peer group.

Finally, in the case of Royce Focus Trust, the Board noted that R&A had agreed to waive its management fee on the liquidation value of outstanding preferred stock if the Fund's total return from issuance of the preferred is less than the preferred's fixed dividend rate. The Board noted that if the Fund's expense ratio were based on total average net assets including net assets applicable to Preferred Stock, it would place within the median of its Morningstar-assigned open-end peer group.

The Board also considered fees charged by R&A to institutional and other clients and noted that, given the greater levels of services that R&A provides to registered investment companies such as the Funds as compared to other accounts, the Funds' base advisory fees compared favorably to the advisory fees charged to those other accounts.

The entire Board, including all the non-interested directors, approved the renewal of the existing Investment Advisory Agreements, concluding that a contract renewal on the existing terms was in the best interest of the stockholders of each Fund and that each investment advisory fee rate was reasonable in relation to the services provided.

2011: In Quotes

Between 2000 and 2010 China's demand for oil doubled on a per day basis from 4.5 million barrels a day to nine million barrels per day. Over the same period of time, the U.S. is basically unchanged at about 19 million barrels per day. In the past year and a half, Asia has surpassed North America in demand of oil per day; a fundamental structural change.

Robert Rodriguez, First Pacific Advisors, *No-Load Fund Analyst*, June 2011

Points To Ponder

Since 1928, the average bull market has lasted 57 months providing a 164% gain. Our current baby bull has furnished investors with a 91% price return in a mere 23 months. The data are similarly as compelling if one looks at the duration of economic expansions. Our current recovery has been underway for 20 months while the average duration has been 45 months over the last 110 years.

Jason Trennert, *Investment Strategy Viewpoint*, February 4, 2011

Usually the first third of a bull market is led by stocks bouncing back from getting crushed in the prior bear. But the last two-thirds of bulls are usually led by high-quality stocks, and particularly ones that weren't perceived to be high quality early on.

Ken Fisher, *Forbes*, May 9, 2011

Statisticians deal with things that repeat themselves. This housing boom and bust is so historic and unprecedented, you can't forecast the future because you have no comparison.

Robert Shiller, Yale University, *Bloomberg*, June 9, 2011

The central irony of financial crisis is that while it is caused by too much confidence, borrowing and lending, and spending, it is resolved only by increases in confidence, borrowing and lending, and spending.

In Absolute Agreement

The saving grace is that, although value is a weak force in any single year, it becomes a monster over several years. Like gravity, it slowly wears down the opposition.

Jeremy Grantham, *GMO Quarterly Letter*, January 2011

During the dot-com bubble, you met lots of people with tech stocks. Taxi drivers told you what dot-coms they owned. During the housing bubble you met normal, ordinary people who were trading up to expensive homes using adjustable-rate mortgages, buying new condos off plan to flip, and cashing out their fictional equity through a refinance mortgage. But who actually owns gold? I keep hearing about the gold bubble, but every time I ask people if they own any themselves, they say, no, no, of course not, it's a bubble.

Brett Arends, *MarketWatch.com*, May 4, 2011

The genius of investing is recognizing the direction of a trend not catching highs and lows.

Anonymous

As long as inflation doesn't ramp up to the double-digit levels of the 1970s and early 1980s a scenario I consider extremely unlikely stocks will act as an excellent hedge. The reason is simple: Stocks are claims on real assets, such as land and plant and equipment, which appreciate in value as overall prices increase.

To the extent that some managers are trying to replace active security selection with active allocation across sectors, that is another name for market timing. History suggests that is rarely a durable strategy.

Edward Bernard, T. Rowe Price Vice Chairman, *Bloomberg*, June 9, 2011

Cocktail Conversation

Turn on the television or surf the Web and you're inundated with information about the market. But that access to information hasn't made people better investors.

Norm Rothery, *The Globe and Mail*, January 1, 2011

We have to realize that the world is a different place and that the number of consumers in the world is in the process of doubling. That means that resources are going to be scarce. That means energy is going to be scarce, and the prices of energy in general and commodities in particular are going to be high.

Dennis Stattman, *Barron's*, May 28, 2011

Timeless Tidbits

Nothing in the world can take the place of persistence. Talent will not; nothing is more common than successful men with talent.

Calvin Coolidge

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Larry Summers, *CNN Money*, June 13, 2011

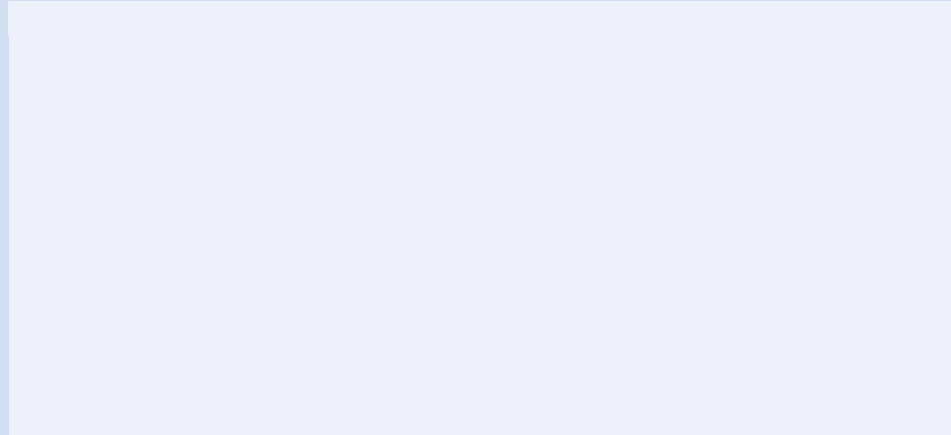
Jeremy J. Siegel, *Kiplinger's Personal Finance*, June 2011

Talent hits a target no one else can hit; genius hits a target no one else can see.

Arthur Schopenhauer

The thoughts expressed above represent solely the opinions of the persons quoted and, of course, there can be no assurance of future market trends or performance.

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About The Royce Funds

Wealth Of Experience

With approximately \$41 billion in open and closed-end fund assets under management, Royce & Associates is committed to the same small-company investing principles that have served us well for more than 35 years. Charles M. Royce, our President and Co-Chief Investment Officer, enjoys one of the longest tenures of any active mutual fund manager. Royce's investment staff also includes Co-Chief Investment Officer W. Whitney George, 18 Portfolio Managers, five assistant portfolio managers and analysts, and nine traders.

Multiple Funds, Common Focus

Our goal is to offer both individual and institutional investors the best available smaller-cap portfolios. Unlike a lot of mutual fund groups with broad product offerings, we have chosen to concentrate on smaller-company investing by providing investors with a range of funds that take full advantage of this large and diverse sector.

Consistent Discipline

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

Co-Ownership Of Funds

It is important that our employees and shareholders share a common financial goal; our officers, employees and their families currently have approximately \$153 million invested in *The Royce Funds*.

Contact

Us

General Information

Additional Report Copies and Prospectus Inquiries (800) 221-4268

RIA Services

Fund Materials and Performance Updates (800) 33-ROYCE (337-6923)

Broker/Dealer Services

Fund Materials and Performance Updates (800) 59-ROYCE (597-6923)

Computershare

Transfer Agent and Registrar (800) 426-5523

CE-REP-0611

Item 2. Code(s) of Ethics. Not applicable to this semi-annual report.

Item 3. Audit Committee Financial Expert. Not applicable to this semi-annual report.

Item 4. Principal Accountant Fees and Services. Not applicable to this semi-annual report.

Item 5. Audit Committee of Listed Registrants. Not applicable to this semi-annual report.

Item 6. Investments.

(a) See Item 1.

(b) Not applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies. Not applicable to this semi-annual report.

Item 8. Portfolio Managers of Closed-End Management Investment Companies. Not applicable to this semi-annual report.

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

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

Item 11. Controls and Procedures.

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

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

Item 12. Exhibits. Attached hereto.

(a)(1) Not applicable to this semi-annual report.

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

(a)(3) Not Applicable

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

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

ROYCE VALUE TRUST, INC.

BY: /s/Charles M. Royce

Charles M. Royce

President

Date: August 22, 2011

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

ROYCE VALUE TRUST, INC.

ROYCE VALUE TRUST, INC.

BY: /s/Charles M. Royce

BY: /s/John D. Diederich

Charles M. Royce

John D. Diederich

President

Chief Financial Officer

Date: August 22, 2011

Date: August 22, 2011
