ROYCE FOCUS TRUST INC
Form N-CSR
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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: 811-05379

Name of Registrant: Royce Focus Trust, Inc.

Address of Registrant: 745 Fifth Avenue

New York, NY 10151

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

745 Fifth Avenue

New York, NY 10151

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

Date of fiscal year end: December 31

Date of reporting period: January 1, 2010   December 31, 2010

Item 1. Reports to Shareholders.

Royce Value Trust

Royce Micro-Cap Trust

Royce Focus Trust

ANNUAL 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. In January 2011, the Funds announced the resumption of the quarterly distribution policies for their common stock, at a 5% annual rate, beginning in March 2011. As of December 31, 2010, each Fund had fully utilized its capital loss carryforwards for federal income tax purposes, allowing the managed distribution policies to be reinstated. Please see page 18-19 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 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 19 or visit our website at www.roycefunds.com.

This page is not part of the 2010 Annual 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.

Performance Table

NAV Average Annual Total Returns

Through December 31, 2010

	Royce Value Trust	Royce Micro-Cap Trust	Royce Focus Trust	Russell 2000
Fourth Quarter 2010*	16.68%	17.66%	18.32%	16.25%
One-Year	30.27	28.50	21.79	26.86
Three-Year	0.81	0.88	2.41	2.22
Five-Year	5.16	4.82	6.91	4.47
10-Year	8.77	10.25	11.80	6.33
15-Year	10.70	10.89	n.a.	7.64
20-Year	12.65	n.a.	n.a.	10.83
Since Inception	11.06	11.19	11.56	
Inception Date	11/26/86	12/14/93	11/1/96**	—

* Not annualized

** 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. The Royce Funds invest primarily in securities of micro-cap, small-cap and mid-cap companies, which may involve considerably more risk than investments in securities of larger-cap companies.

Letter to Our Stockholders

Into The Great Wide Open

The stock market enjoyed a very good year in 2010. In a normal year, this would be an unremarkable observation, perhaps one not even worth making, at least not as a statement on its own. Twenty-ten, however, was no normal year, even applying the most generous range to that modifier. One could even argue that the mostly terrific results for equities were one of the major symptoms of the year's glaring lack of normalcy. Consider the fact that equity markets across the globe did all right to very well in the midst of ongoing economic uncertainty not just here in the United States, but in fellow economic heavyweights China and Europe as well.

The nature and direction of that uncertainty is also worth noting, as it took on a generally western drift and included crises some real, others perceived and a few arguably exaggerated in each of the aforementioned locales. It began early in 2010 with an economic slowdown in China, which hurt hard asset prices everywhere while sending a chill through most of the world's capital markets. By spring, it had rolled into Europe in the form of the sovereign debt crisis before blowing across the Atlantic in the summer with fears of a double-dip recession in the U.S. The prospect of crisis then drifted back to China early in the autumn with attempts by the Chinese government to slow the nation's economy, before again lingering in Europe later in the fall with another sovereign debt problem, this time in Ireland.

Interestingly, and perhaps tellingly, the world's equity markets began to shake off these events, or their possible materialization, in July. Share prices mostly climbed from that

One could even argue that the mostly terrific results for equities were one of the major symptoms of the year's glaring lack of normalcy. Consider the fact that equity markets across the globe did all right to very well in the midst of ongoing economic uncertainty not just here in the United States, but in fellow economic heavyweights China and Europe as well.

Charles M. Royce, President

Here at Royce, we have consistently applied a highly disciplined approach that surveys the entire universe of micro-cap, small-cap and mid-cap companies, striving to uncover mispriced and underappreciated businesses. Our experience over nearly four decades, a span encompassing multiple market and economic cycles, has given us a unique perspective into what makes companies grow, what can lead them to be overvalued and what makes them undervalued.

Our long-term perspective involves an attempt to understand what a business is worth and, consequently, what a private buyer might pay for the entire enterprise. In other words, we think like owners, not renters. So as holding periods have contracted of late, we find our thoughts more closely aligned with private equity investors who seek to buy entire companies because, like them, we evaluate the financial and business dynamics of an enterprise as if we were purchasing the entire company. Our goal is to buy businesses, not just stocks.

This business buyer's mentality has served us very well over the years as styles have gone in and out of favor,

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Letter to Our Stockholders

month through the end of the year, with the third and fourth quarters producing healthy, double-digit returns for most of the world's major indexes. So what happened to swing the mood of investors? **While clearly concerned about a repeat of 2008, even a more muted version, investors at the same time seemed to respond a little better to the news of each impending difficulty. They may have seen some of what we saw—companies that, since the financial crisis erupted in the fall of 2008, have been managing their businesses successfully, providing many pockets of strength in a domestic economy that was slowly and, at least in our estimation, surely recovering.**

So while serious problems remain—housing, unemployment, the sorry state of national, state and municipal balance sheets—we see better times ahead. At the same time, we accept that the coming year (and perhaps longer) represents something like uncharted territory. To some, the immediate future feels like the great wide open, a place where all of the uncertainty and contradictory signals create a free-falling sensation that lacks the solid footing one might otherwise expect two years' worth of strong market returns to supply. After breaking down the year's returns for the major indexes and *The Royce Funds* in this *Review and Report*, we'll make our case that we are on more solid ground than many think.

Breakdown

While the year ended well for most major equity indexes, results through the first half of the year were fairly dismal, with all of the major domestic and non-U.S. indexes posting negative returns. Following domestic market lows in early July, however, share prices began an ascent that took them through the end of the year, making 2010 the second consecutive year of double-digit positive performance for the three major U.S. indexes. Small-caps led the way by a substantial margin. **For the calendar year, the small-cap Russell 2000 gained 26.9%, the large-cap S&P 500 climbed 15.1% and the more tech-heavy Nasdaq Composite rose 16.9%.** (Although returns for the Russell Midcap index were also quite healthy, they lagged those of small-cap in 2010, with the Russell Midcap index up 25.5%.)

Each index's showing from the interim small-cap low on July 6, 2010—a period that coincided with the greatest anxiety over a double-dip recession—was particularly impressive. From that date through December 31, 2010 the Russell 2000 was up 33.6% versus respective gains of 23.6% and 26.7% for the S&P 500 and Nasdaq Composite. **The advantage for small-cap stocks during both the recent bull run and the year as a whole was sealed during the fourth quarter, when the Russell 2000 was up 16.3% versus respective gains of 10.8% and 12.0% for the larger-cap S&P 500 and Nasdaq Composite. Better relative first-half performance was also a factor, as the small-cap index lost less than its larger siblings through the first six months of 2010.** As welcome and strong as 2010's returns were, the three U.S. indexes remained shy of their respective peaks, though the Russell 2000, only 3.8% off its previous peak on July 13, 2007, came closest to setting a new market cycle high. The S&P 500 finished the year 13.6% shy of its peak on October 9, 2007, while the Nasdaq has still not surpassed its peak from March 10, 2000 and ended the year 47.5% off that high.

Non-U.S. indexes performed in line with their U.S. counterparts, though small-cap s edge was even more pronounced in 2010 than it was here at home. For the calendar year, the MSCI World (ex U.S.) Small Core index gained 24.5%, while the MSCI EAFE index was up 7.8%. Both the small-cap and large-cap non-U.S. indexes were strong off the early July domestic small-cap low. From July 6, 2010 through December 31, 2010, the MSCI World (ex U.S.) Small Core index climbed 29.8%, and the MSCI EAFE index rose 21.3%. Three-year average annual returns for both overseas indexes were negative, as they were for the S&P 500. The Nasdaq was essentially flat for the three-year period ended December 31, 2010, while the Russell 2000 gained 2.2%. **For the five-year period ended December 31, 2010, the two non-U.S. and three domestic indexes were all positive, with the Russell 2000 and MSCI World (ex U.S.) Small Core index in the lead, followed by the S&P 500, the MSCI EAFE and the Nasdaq.**

Our work was showing many pockets of strength in the economy that accelerated throughout the year, businesses that were benefiting from the decline of the dollar, and renewed activity in many sectors and industries. So the market s strength through much of 2010 was not a surprise to us.

Within small-cap, growth continued its leadership, outperforming value in 2010. The Russell 2000 Value index rose 24.5% compared to a gain of 29.1% for the Russell 2000 Growth index. Small-cap growth also held an edge for the five-year period ended December 31, 2010, while annualized periods of 10 years or more saw a sizeable edge for small-cap value. Micro-cap companies performed even better in the calendar year, with the Russell Microcap index up 28.9% in 2010. As was the case with small-cap, growth provided an edge relative to value within the Russell Microcap index for the calendar-year period.

Good Enough

Accepting that there is more to portfolio management and life than beating a benchmark, we were very satisfied with performance as a whole for the three close-end funds featured in this *Annual Review and Report.* **We were especially pleased with two developments: All three of our Funds performed very well on a relative basis in 2010 s lone significant correction, the period from the interim small-cap high on April 23, 2010 through the interim small-cap low on July 6, 2010. More importantly, each Fund finished the year with strong returns on an absolute basis.** The two are not unrelated in our view. Key to our disciplined value ethos is the idea that not losing money is as critical as making it.

We suspect that the reign of high-beta, often low-quality companies is likely to end soon, usurped by companies with characteristics such as high returns on invested capital, free cash flow generation and dividends.

Relative results for the calendar year were also strong, with Royce Value Trust and Royce Micro-Cap Trust outpacing the Russell 2000 for the calendar-year period on both an NAV (net asset value) and market price basis. All three of our closed-end portfolios also outpaced the Russell 2000 for the five-year and 10-year periods ended December 31, 2010 on an NAV basis. Factoring in the Funds strong down market results, absolute calendar-year returns and generally better

many times driven by economic cycles. Our analytical work centers first on evaluating what a business is worth today, in recognition of the fact that it is a far more difficult proposition to discern what a business will be worth in the future. Once we have appropriate conviction on the value of an enterprise, we then establish a share price that we are willing to pay that discounts a required rate of return on our capital and adds additional margin for our inevitable mistakes. Generally speaking, we target a discount of at least 30% and preferably 50% below our assessment of a business's worth. This would translate into a 44%-100% return on our investment in the event that our share price objective is met.

So what differentiates a business buyer's analysis from the traditional approach more concerned with earnings growth? First and most importantly, the business is measured over a long-term period and not on financial results from one quarter or even one year. Businesses tend not to change overnight. However, we know from experience that their stock prices certainly can.

Measuring the profitability of a business is not a novel idea, but it's a task that we perform diligently in an attempt to understand the quality and sustainability of a business. Return on Invested Capital (ROIC), Return on Assets (ROA) and Free Cash Flow are our favored metrics, but they are obviously just numbers that are readily available to everyone and,

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Letter to Our Stockholders

longer-term performance records versus their benchmark, we were pleased with overall returns for the calendar year. The strong performance by the Funds allowed their Board to announce in January 2011, the resumption of their managed distribution policy, at a 5% annual rate, commencing in March 2011.

Within the small-cap market as a whole, stocks in the energy and technology sectors were the top performers in 2010, according to data from Russell Investments. Although we organize our own sector and industry breakdowns a little differently than Russell, we saw strength in similar areas, namely our own Technology, Industrial Products and Natural Resources sectors. Net gains for the latter sector were driven by several precious metals and mining companies as well as many energy services stocks. Taken as a whole, the portfolios also had a lot of success with investments in the Industrial Services, Financial Services and Consumer Products sectors. In fact, there were net contributors in nearly all sector and industry group, another testament to the depth and breadth of the market's recovery.

Long After Dark

As wonderful as it was to see a second straight year of terrific equity returns, particularly coming off the financial collapse of late 2008-early 2009, the issue remains that the market rose markedly in a period of intense economic anxiety, which has engendered a host of questions about how and why this happened. It puts us in mind of the old adage that the market climbs a wall of worry. It also dovetails nicely with the notion that the market is almost always looking ahead a few years, which, if nothing else, makes it clear that investors were more optimistic about the global economy than many others.

In fact, both of those ideas define what happened in 2010 pretty well. Looking more closely, we think what happened was that the media focused on a narrow set of economic news, namely deficits, housing and unemployment, and missed much of what was going on elsewhere in the economy. **For months, the dominant stories were budget woes, foreclosures and jobless claims. While these are undoubtedly serious problems, they also offer very narrow lenses through which to view the economy, whether that of the U.S. or the world.** Our own work was showing many pockets of strength in the economy that accelerated throughout the year, businesses that were benefiting from the decline of the dollar, and renewed activity in many sectors and industries. So the market's strength through much of 2010 was not a surprise to us.

If not for those worrisome problems just mentioned, the success of the market in 2010 would be a very different kind of story. However, we remain convinced that what took place in equities last year was simply the historical advantage that small-caps have typically enjoyed coming out of recessions. They are often thought of as being more nimble and thus more responsive to economic events, and 2010 represents to us the latest phase in the post-recession recovery for stocks that began after the market low in March 2009. Of course, the world is not as complacent as it was in the middle part of the decade. Much of the wariness about the recent bull market is symptomatic of the generally more cautious attitude that many people now possess. **As value investors, we are always all for caution, but we see the intelligence with which so many companies have managed themselves over the last two or three years as more meaningful than the economic problems we are currently laboring to solve. This is what inspires our confidence in the economy going forward.**

The Waiting

Returning to the more narrow sphere of stocks, we have noticed that the world seems to have been waiting for a while now for large-cap to post a pronounced gain in performance at the expense of their small-cap counterparts. As of this writing, this grand shift to large-cap leadership has not materialized. From our somewhat biased perspective, we do not see it coming soon, though we do see what we regard as an important change in the market. As indiscriminately good as most of the last 22 months have been for stocks, we suspect that the reign of high-beta, often low-quality companies is likely to end soon, usurped by companies with characteristics such as high returns on invested capital, free cash flow generation and dividends. These elements are more likely to determine leadership than market capitalization. So while it would not be surprising to see large-cap enjoying periods of outperformance in the months to come, we do not expect the spread to be significant. **We believe that the days of wide divergence between small-cap and large-cap, such as we saw in the '90s, are over, at least for the intermediate term.**

As long-established believers in reversion to the mean, we think that the decade ahead should be a positive one for stocks if for no other reason than that the previous one was so difficult. We also see the next few years as something of a reverse of the previous two—our expectation is that the economy will heat up and grow more quickly than the stock market. While we remain essentially confident about the long-

Overall, our outlook is fairly positive. Corrections in the 10% or greater range should create opportunities for us on a global scale. We think that returns will remain positive and that volatility will remain a presence which we seek to use to our advantage in the months and years ahead.

on their own, only reveal so much. While each plays an important part in determining a company's valuation, it is ultimately the subjective assessment of an enterprise that tests our analytical acumen.

Enterprise Conviction (EC) is a proprietary methodology that we developed at Royce to isolate our assessment of conviction in the quality of a business from its valuation. We have developed core tenets designed to reveal the structure of the company's market, the sustainable or competitive edge that it possesses, its future prospects, and the ability of the management team to guide the business going forward.

Importantly, this combination of Enterprise Conviction backed up by traditional analytics has also created a consistent approach to our interactions with company management teams. Meeting and interviewing the key leaders of a business is a critical part of Royce's business evaluation process. Using our specialized process offers a measure of protection against common investor pitfalls such as "value traps," commitment bias or allowing an interesting management story to morph into investment conviction. At Royce, our process centers on uncovering the worth of a business, not on what its stock may do in the near term. By establishing conviction about our knowledge of an entire enterprise, we can more easily assess the financial opportunities, weigh the risks of investment, and determine an appropriate price to pay.

Letter to Our Stockholders

term prospects for stocks, we do not see the kind of returns on an annualized basis that we saw in 2009 and 2010 and instead see annualized returns in the high single digits for the decade as a whole. **There should be a lot of differentiation and an ample number of corrections, some of them, like 2010's spring-summer downturn, more than capable of temporarily suspending investors' confidence. We view this as a near-ideal environment for disciplined and discriminating stock pickers such as ourselves.** Overall, then, our outlook is fairly positive. Corrections in the 10% or greater range should create opportunities for us on a global scale. We think that returns will remain positive and that volatility will remain a presence which we seek to use to our advantage in the months and years ahead.

Sincerely,

Charles M. Royce *President*	W. Whitney George *Vice President*	Jack E. Fockler, Jr. *Vice President*

January 31, 2011

We dedicate this Review and Report to the memory of our beloved partner and colleague, Denis Fitzgerald, who passed away in February. Denis was a valued member of our marketing and research teams and contributed immeasurably to the production and design of our materials. He worked alongside of us for nearly 22 years. His commitment to our firm and its betterment were unsurpassed. His energy and spirit not only define our firm, but will remain with us forever.

Style Points

It is impossible to produce superior performance unless you do something different from the majority.
Sir John Templeton

Every active manager needs an edge. There needs to be something dynamic and at least somewhat unique about the security selection process that sets their portfolios apart. This is especially true if their goal as it is for us here at *The Royce Funds* is to generate strong absolute long-term returns. The quote above from Sir John Templeton illustrates this perfectly. How any superior performance is produced, however, is another matter.

After all, the world is full of ostensibly great investment approaches, seemingly sound strategies and apparently foolproof methods for making money in the stock market. Yet these techniques do not always accomplish what they set out to do. With this in mind, it seems to us that the key questions are, how does one establish a long-term performance edge? How does a manager do something differently from the majority, and do it successfully?

These questions have only grown in importance over the last three years, as the world just barely avoided a collapse of the global financial system late in 2008 and has been struggling to create a more lasting recovery ever since. The difficulties of the more recent period further validate the importance of measuring performance over full market cycles (or rolling five- and 10-year periods), spans that include both up and down phases. On those scores, a close look at page 10 will provide the market cycle returns for several Royce Funds and their showings against their respective benchmarks.

The success that we have enjoyed over these periods is the result of three closely related elements. The first two relate to how we look at companies. First, we use a time tested approach that most commonly focuses on strong balance sheets, high returns on invested capital and a record of success as a business. Second, we pay very close attention to risk at multiple levels. While most managers focus chiefly on potential returns, we devote at least equal and sometimes more attention to the risk side of the equation. Our contention is that failing to do so can erode, or even destroy, long-term returns.

Our Funds seek to help investors build wealth as consistently, and with as little volatility, as possible within our investment universe. Without the requisite discipline, such a goal could not be reached. Our approach and our unshakeable commitment to it are the vital things that we believe have helped us to separate our Funds from the portfolio pack.

Combined with this is an equally important third factor: our managers willingness to stick to their respective approaches, regardless of market movements and trends. Adhering to the discipline is as vital to our success as the approach itself. This is especially relevant during market extremes such as those we have seen over the last several years.

For us, the security selection process and the discipline and commitment to stick with it are inextricably bound together. Our goal is always to grow capital. While we enjoy besting benchmarks as much as any active asset manager, our focus is never on beating the market. When it happens, we see it only as a happy byproduct of the successful execution of our investment discipline. Our Funds seek to help investors build wealth as consistently, and with as little volatility, as possible within our investment universe. Without the requisite discipline, such a goal could not be reached. Our approach and our unshakeable commitment to it are the vital things that we believe have helped us to separate our Funds from the portfolio pack.

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'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 sizeable margin over growth, which finished the period with a loss. Each of our closed-end funds held a sizeable 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 (7/13/07-12/31/10)
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 fall, though it has since recovered significantly, gaining 134.0% from 3/9/09 through 12/31/10.

Royce Focus Trust narrowly outperformed the index during the decline, while all three closed-end funds outpaced the Russell 2000 during the rally from 3/9/09 through 12/31/10.

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 3/9/09-12/31/10	Peak-to Current 7/13/07-12/31/10
Russell 2000	**54.8%**	**-58.9%**	**134.0%**	**-3.8%**
Russell 2000 Value	**189.4**	**-61.1**	**134.2**	**-9.0**
Russell 2000 Growth	**-14.8**	**-56.8**	**133.6**	**1.0**
	161.3	-65.6	176.7	-4.7

Royce Value Trust				
Royce Micro-Cap Trust	175.9	-66.3	174.9	-7.4
Royce Focus Trust	264.2	-58.3	138.3	-0.5

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 12/31/10

July-Dec 2010*	34.34%
One-Year	30.27
Three-Year	0.81
Five-Year	5.16
10-Year	8.77
15-Year	10.70
20-Year	12.65
Since Inception (11/26/86)	11.06

*Not 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

Rofin-Sinar Technologies	1.0%
Oil States International	1.0
HEICO Corporation	0.9
Nordson Corporation	0.9
Coherent	0.8
Sapient Corporation	0.8
Newport Corporation	0.8
E-L Financial	0.8
Alleghany Corporation	0.8
Woodward Governor	0.8

PORTFOLIO SECTOR BREAKDOWN
% of Net Assets Applicable to Common Stockholders

Industrial Products	22.8%
Technology	17.9
Industrial Services	13.1
Natural Resources	11.4
Financial Services	10.3
Financial Intermediaries	9.7
Consumer Products	6.5
Health	5.7
Consumer Services	4.5
Diversified Investment Companies	0.8
Miscellaneous	5.0
Bond and Preferred Stocks	0.1
Cash and Cash Equivalents	12.1

Royce Value Trust

Manager's Discussion

In 2010, Royce Value Trust (RVT) was up 30.3% on an NAV (net asset value) basis and 35.1% on a market price basis, on each front outperforming both of its small-cap benchmarks, the Russell 2000, which rose 26.9%, and the S&P SmallCap 600, which climbed 26.3%, for the same period. As pleased as we were to beat each benchmark in 2010, we drew even more satisfaction from the Fund's strong absolute results on both an NAV and market price basis.

RVT enjoyed a particularly strong second half, participating fully in the market's powerful QE2-induced rally, which helped it overcome the effects of a lackluster first six months. Over this period, defined by sovereign debt concerns in Europe and renewed fears of a double-dip recession in the U.S., the Fund fell 3.0% on an NAV basis and lost 2.0% on a market price basis. During the third quarter, RVT rose 15.1% on an NAV basis and 14.9% on a market price basis, outpacing the Russell 2000, which was up 11.3%, and the S&P SmallCap 600, which gained 9.6%, for that same period. In the fourth quarter, when the bull run gained additional momentum, RVT rose 16.7% on an NAV basis and 20.0% on a market price basis, in both instances outpacing the small-cap indexes' respective gains of 16.3% and 16.2%.

The Fund lost less than its benchmarks on an NAV basis during the year's lone significant correction, while its market price return trailed. From the interim small-cap high on April 23, 2010 through the interim small-cap low on July 6, 2010, RVT lost 19.1% on an NAV basis and 21.1% on a market price basis compared to a loss of 20.3% for the Russell 2000 and 19.2% for the S&P SmallCap 600. The Fund beat the Russell 2000 on both bases over a longer-term market cycle period. From the March 9, 2009 market low through December 31, 2010, the Fund gained 176.7% on an NAV basis and 195.0% on a market price basis, while the Russell 2000 gained 134.0% and the S&P SmallCap 600 rose 133.8%. (Please see page 10 for the Fund's recent market cycle results.) RVT also outpaced the Russell 2000 and the S&P SmallCap 600 on an NAV basis for the five-, 10-, 15-, 20-year and since inception (11/26/86) periods ended December 31, 2010, and for each of these periods except the five-year span on a market price basis. **The Fund's NAV average annual total return since inception was 11.1%.**

GOOD IDEAS THAT WORKED
Top Contributors to 2010 Performance*

Sotheby's	0.81%
Oil States International	0.51
Hawkins	0.50
Newport Corporation	0.49
Value Partners Group	0.48

*Includes dividends

The negative sentiment that marked the first half of 2010 led to high levels of stock correlation and general outperformance of defensive sectors such as Health and Consumer Services. The Fed's decision near the end of the third quarter to initiate a second and

Important Performance and Risk Information

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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 microcap companies, which may involve considerably more risk than investing in a more diversified portfolio of larger-cap companies. The sum of all contributions and detractions for all securities would approximate the Fund's performance for 2010.

Performance and Portfolio Review

surprisingly robust round of quantitative easing markedly changed the trajectory of both the market and the relative performance of individual sectors. Risk taking was quickly back in vogue, leading to strong gains in the second half of the year that were driven by the more volatile and economically sensitive areas of the market.

Following a mixed picture at the halfway point in the year, all eleven of the Fund's equity sectors ended up contributing to the full year's gains. The three leading sectors were particularly impactful, comprising more than half of RVT's total return. Industrial Products, Technology and Natural Resources led the way followed by Industrial Services and Financial Services. Sotheby's, a leading auction house focusing on fine art, antiques, and other rare collectibles, as well as high-end residential real estate properties, was the leading individual gainer for the Fund. Benefitting from a resurgence of demand from traditional markets in the U.S. and Europe, in addition to an explosion of new demand from the rapidly growing Asia Pacific region, shares in this preeminent global brand doubled during the course of the year. Oil States International is a leading provider of specialty products and services to oil and gas drilling and exploration companies. Its share price jumped 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 2009 Performance*

Corinthian Colleges	-0.24%
Artio Global Investors Cl. A	-0.21
Bank of N.T. Butterfield & Son	-0.17
Wilmington Trust	-0.17
Central Steel & Wire	-0.14

*Net of dividends

On the negative side, Corinthian Colleges was the Fund's worst performer. One of North America's largest post-secondary education companies, its share price fell dramatically as massive regulatory uncertainty led to a sharp decline in enrollments. We largely exited the position, maintaining only a small allocation due to an extremely attractive valuation and our long-term belief in the merits of the company's business model. Artio Global Investors, a global asset manager with products across both fixed income and equity asset classes, with primary emphasis in international equity funds, was another trouble spot. Given the substantial dislocation in Europe following the Greek debt crisis, Artio saw outflows and uneven performance in its core international funds. We remain optimistic about the firm's long-term potential as the international equity theme regains traction after the recent spike in risk aversion.

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION (11/26/86) through 12/31/10

Annual distribution totals as indicated

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

Average Market Capitalization*	$1,366 million
Weighted Average P/E Ratio**	17.9x
Weighted Average P/B Ratio	2.0x
U.S. Investments (% of Net Assets applicable to Common Stockholders)	86.9%
Non-U.S. Investments (% of Net Assets applicable to Common Stockholders)	20.9%
Fund Total Net Assets	$1,326 million
Net Leverage	8%
Turnover Rate	30%
Number of Holdings	607
Symbol	
Market Price	RVT
NAV	XRVTX

*Geometrically calculated
**The Fund's P/E ratio calculation excludes companies with zero or negative earnings (10% of portfolio holdings as of 12/31/10).
†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 12/31/10 at NAV or Liquidation Value

66.0 million shares of Common Stock	$1,106 million
5.90% Cumulative Preferred Stock	$220 million

DOWN MARKET PERFORMANCE COMPARISON
All Down Periods of 7.5% or Greater
Over the Last 10 Years, in Percentages(%)

AVERAGE ANNUAL NAV TOTAL RETURNS
Through 12/31/10

July-Dec 2010*	30.55%
One-Year	28.50
Three-Year	0.88
Five-Year	4.82
10-Year	10.25
15-Year	10.89
Since Inception (12/14/93)	11.19

* 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	1.5%
Sapient Corporation	1.4
Seneca Foods	1.2

Tennant Company	1.1
Epoch Holding Corporation	1.0
Flexsteel Industries	1.0
Patriot Transportation Holding	1.0
Richardson Electronics	0.9
SFN Group	0.9
Tejon Ranch	0.9

PORTFOLIO SECTOR BREAKDOWN
% of Net Assets Applicable to Common Stockholders

Industrial Products	22.2%
Technology	16.3
Industrial Services	12.4
Natural Resources	11.0
Financial Intermediaries	8.1
Health	7.5
Financial Services	6.9
Consumer Products	6.3
Consumer Services	4.3
Diversified Investment Companies	1.0
Miscellaneous	4.9
Preferred Stock	0.4
Cash and Cash Equivalents	18.0

Royce Micro-Cap Trust

Manager's Discussion

Following a blistering year for micro-cap stocks in 2009, we entered 2010 cautiously optimistic that this segment of the market would continue to produce solid, albeit more modest, absolute returns in the face of continued challenges in the areas of unemployment and housing in the U.S. Midway through the year, it appeared that these trouble spots, combined with fresh concerns surrounding the fiscal health of Europe and the impact of rapidly rising commodity prices, might challenge our constructive outlook. Our growing unease was dispelled in August when the Fed intervened once again in the capital markets with a second and surprisingly robust program of quantitative easing. Risk taking returned to fashion, leading to very strong second-half and full-year result for stocks broadly and micro-caps in particular.

In 2010, Royce Micro-Cap Trust (RMT) gained 28.5% on an NAV (net asset value) basis and 34.1% on a market price basis, on each front outperforming its small-cap benchmark, the Russell 2000, which rose 26.9% for the same period, and on an NAV basis just shy of the Russell Microcap index's gain of 28.9% for the same period. It is always satisfying to beat the benchmark, but we took even more satisfaction from the Fund's strong absolute results on both an NAV and market price basis. RMT was strong in the second half, especially in the torrid fourth quarter. This helped to alleviate the effects of an uninspiring first six months, in
which the Fund lost 1.6% on an NAV basis and lost 0.4% on a market price basis. During the third quarter, RMT climbed 11.0% on an NAV basis and 12.7% on a market price basis, compared to the Russell 2000, which was up 11.3%, and the Russell Microcap index, which rose 7.8%, for that same period. In the fourth quarter, when the upswing gained momentum, RMT was up 17.7% on an NAV basis and 19.5% on a market price basis, in both instances outpacing the small-cap index's gain of 16.3%. The Russell Microcap index gained 19.4% during the same period.

GOOD IDEAS THAT WORKED
Top Contributors to 2010 Performance*

Geeknet	1.64%
Sapient Corporation	1.09
iGATE Corporation	1.04
SFN Group	0.81
Hawkins	0.68

*Includes dividends

The year saw one substantial correction. From the interim small-cap high on April 23, 2010 through the interim small-cap low on July 6, 2010, RMT lost 19.2% on an NAV basis and 21.4% on a market price basis, compared to a loss of 20.3% for its benchmark and 20.9% for the Russell Microcap index. However, the Fund beat both the Russell 2000 and the micro-cap index on both bases over a longer-term market cycle period. From the March 9, 2009 market low through December 31, 2010, the Fund gained 174.9% on an NAV basis and 190.7% on a market price basis, while the small-cap index gained 134.0% and the micro-cap index was up 139.7%. (Please see page 10 for the Fund's recent market cycle results.) RMT also outpaced the Russell 2000 on an NAV basis for the five-, 10-, 15-year and since inception (12/14/93) periods ended December 31, 2010, and for each of these

Important Performance and Risk Information

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securities would approximate the Fund's performance for 2010.

Performance and Portfolio Review

periods except the five-year span on a market price basis. **The Fund's NAV average annual total return since inception was 11.2%.**

All of the Fund's ten equity sectors contributed positively to the strong calendar-year result, with Technology and, to a lesser extent, Industrial Products leading the way. These sectors were followed by solid net gains for Natural Resources and Industrial Services. Indeed, it was the more economically sensitive segments of the market that responded most fully to the Fed's policy action as market participants began to embrace the notion that the U.S. economy was transitioning from a fragile recovery into a stable expansion. This shift in investor orientation was also reflected at the industry level, as leading gainers included commercial industrial services, IT services, precious metals and mining, software and machinery companies.

The top three individual performers all hailed from the portfolio's Technology sector. Geeknet, a favorite for reasons well beyond its name, took top billing as this network of e-commerce websites focused on technology-oriented professionals rolled out new product offerings that drove substantial revenue growth. Sapient was in second position as this leading business consulting and technology services firm was a direct beneficiary of improved technology and marketing spending from its corporate customers. Broadly speaking, capital spending was an important theme in the technology space as corporations became more comfortable with the economic environment and began to reinvest in crucial aspects of their business after a long period of belt tightening.

GOOD IDEAS AT THE TIME
Top Detractors from 2010 Performance*

Corinthian Colleges	-0.61%
Medical Action Industries	-0.45
Jinpan International	-0.42
FBR Capital Markets	-0.40
Charming Shoppes	-0.37

* Net of dividends

Willbros Group, an engineering and construction company serving primarily the oil and gas industry, fell sharply as concerns regarding project delays as a result of BP’s oil well leak in the Gulf of Mexico weighed on the shares. With the company’s limited direct exposure to offshore construction projects and attractive valuation, we used weakness earlier in the year to add to our position and subsequently trimmed a bit later on as the shares began to recover. Medical Action Industries was another disappointment for the year. This manufacturer of disposable surgical products experienced declining profit margins as resin costs—a primary input expense—escalated along with other commodity prices. The combination of a very attractive valuation with improved resin pricing later in the year encouraged us to add to our position.

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION (12/14/93) through 12/31/10

Annual distribution totals as indicated

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

** 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*	$324 million
Weighted Average P/B Ratio	1.6x
U.S. Investments (% of Net Assets applicable to Common Stockholders)	93.1%
Non-U.S. Investments (% of Net Assets applicable to Common Stockholders)	8.2%
Fund Total Net Assets	$371 million
Net Leverage**	1%
Turnover Rate	27%
Number of Holdings	340
Symbol	
Market Price	RMT
NAV	XOTCX

*Geometrically calculated

**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 12/31/10 at NAV or Liquidation Value

27.5 million shares of Common Stock	$311 million

6.00% Cumulative Preferred Stock	$60 million

DOWN MARKET PERFORMANCE COMPARISON

All Down Periods of 7.5% or Greater Over the Last 10 Years, in Percentages(%)

AVERAGE ANNUAL NAV TOTAL RETURNS
Through 12/31/10

Royce Focus Trust

Manager's Discussion

Royce Focus Trust (FUND) was up 21.8% on an NAV (net asset value) basis and 19.6% on a market price basis for the calendar-year period, in each case underperforming its small-cap benchmark, the Russell 2000, which rose 26.9% for the same period. Underperforming the benchmark in 2010 was just slightly discouraging, as the Fund posted strong absolute results on both an NAV and market price basis. FUND also enjoyed a strong second half, which helped to mitigate the effects of a frankly dismal first half, in which it fell 7.8% on an NAV basis and lost 9.3% on a market price basis. During the third quarter, the Fund was up 11.7% on an NAV basis and 11.0% on a market price basis, bookending the 11.3% return of the Russell 2000 for that same period. The rally gathered force between October and December, when FUND gained 18.3% on an NAV basis and 18.8% on a market price basis, in both instances outpacing the small-cap index's gain of 16.3%.

The Fund's NAV performance was stronger than both its market price showing and the return of the Russell 2000 during the year's lone significant correction. From the interim small-cap high on April 23, 2010 through the interim small-cap low on July 6, 2010, FUND lost 17.5% on an NAV basis and 21.5% on a market price basis compared to a loss of 20.3% for its benchmark. This pattern held during a longer-term market cycle period. From the March 9, 2009 market low through December 31, 2010, the Fund gained 138.3% on an NAV basis and 122.0% on a market price basis while the small-cap index gained 134.0%. (Please see page 10 for the Fund's recent market cycle results.) FUND also outpaced the Russell 2000 on an NAV basis for the three-, five-, 10-year and since inception of our management (11/1/96) periods ended December 31, 2010, and for each of these periods except the three-year span on a market price basis. **The Fund's NAV average annual total return since inception was 11.6%.**

GOOD IDEAS THAT WORKED
Top Contributors to 2009 Performance*

Trican Well Service	1.41%
Pan American Silver	1.34
Major Drilling Group International	1.32
Mosaic Company (The)	1.21
Sprott	1.19

*Includes dividends

The Natural Resources sector dominated in 2010, with net gains more than double that of Industrial Products, the Fund's second-best performing sector that posted a sizable contribution in its own right. The largest industry group in Natural Resources precious metals and mining stocks mirrored the superior results of its home sector in 2010. Our interest in gold and silver miners goes back several years, when we began to build positions in mining companies that looked attractively undervalued in an industry that we suspected was due to rebound after a long period in the doldrums. Our conviction was actually strengthened by the financial catastrophes of late 2008-early 2009, when commodity prices went into freefall and we began to see the increasing likelihood of inflation, events that led us to build several positions in the industry. As metals prices climbed through much of 2009

Important Performance and Risk Information

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Performance and Portfolio Review

and 2010, the stock prices of many portfolio holdings did the same. Pan American Silver is a Canadian company with seven operating mines and others in development in Mexico, Peru and Bolivia. A key test for mining companies is how well they handle the transition from the exploration for metals to their production, and in our view, Pan American handled the transition very effectively.

In the energy services group, long-time favorite Trican Well Service, a Canadian oil well services business, saw the benefits of rising energy prices and increased demand for its services. A company that we have held in the portfolio since 2004, the company has a growing specialty in providing pressure-pumping fluids that allow for more wide-ranging well fracturing, a service in particularly high demand in natural gas shale exploration. We see Trican as very well-positioned to compete in the post-BP disaster world, which helps to explain its place as one of the Fund's fifteen largest holdings at the end of 2010. We were initially drawn to the management and low-debt balance sheet of Major Drilling Group International, a holding that perfectly exemplifies the strength of the second-half rally it was one of FUND's top detractors through June 30, 2010. The company, which provides specialized contract drilling services for metals miners, suffered through reduced levels of activity from larger mining companies late in 2009. As activity began to pick up early in 2010, the company offered an optimistic outlook that at first was largely ignored. Better-than-expected earnings for the second quarter of fiscal 2011 were reported early in December, helping to fuel its surge through the end of the year.

On the losing side, we sold our shares in Artio Global Investors, a New York City-based asset management business. We have historically liked companies in this industry and were also drawn to Artio's impressive long-term track record with non-U.S. equities. However, the performance of its two flagship international funds continued to lag in 2010, increasing fund outflows and driving down the company's share price. We also parted ways with Silver Standard Resources as it proved to be much better at exploration than production.

GOOD IDEAS AT THE TIME
Top Detractors from 2010 Performance*

Artio Global Investors Cl. A	-0.70%
Silver Standard Resources	-0.65
Gammon Gold	-0.63
ProShares UltraShort 20+ Year Treasury	-0.59
U.S. Global Investors Cl. A	-0.51

* Net of dividends

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION (11/1/96)* through 12/31/10

Annual distribution totals as indicated
* Royce & Associates assumed investment management

responsibility for the Fund on 11/1/96.
**Reflects the cumulative total return experience of a continuous common stockholder who reinvested all distributions as indicated and fully participated in the primary subscription of the 2005 rights offering.
Reflects the actual market price of one share as it traded on Nasdaq.

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

Average Market Capitalization*	$3,149 million
Weighted Average P/E Ratio**	13.9x
Weighted Average P/B Ratio	2.1x
U.S. Investments (% of Net Assets applicable to Common Stockholders)	77.0%
Non-U.S. Investments (% of Net Assets applicable to Common Stockholders)	25.0%
Fund Total Net Assets	$197 million
Net Leverage†	2%
Turnover Rate	36%
Number of Holdings	59
Symbol	
Market Price	FUND
NAV	XFUNX

*Geometrically calculated

**The Fund's P/E ratio calculation excludes companies with zero or negative earnings (8% of portfolio holdings as of 12/31/10).

†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 12/31/10
at NAV or Liquidation Value

19.8 million shares of Common Stock	$172 million
6.00% Cumulative Preferred Stock	$25 million

DOWN MARKET PERFORMANCE COMPARISON

All Down Periods of 7.5% or Greater Over the Last 10 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		

12/31/10	**$ 21,922**	**10,743**	**$ 179,730**	**$ 156,203**

1 Beginning with the 1997 (RVT) distributions through 2008, the purchase price of distributions 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.

History Since Inception (continued)

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 $0.08		9.400	40		
12/31/10		**$ 8,900**		**4,682**	**$ 53,094**	**$ 45,884**
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			9.860	357	24,668	27,020

	Annual distribution total $1.57					
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 $0.09[3]		3.830	78	24,408	21,579
12/31/10		**$ 7,044**		**3,409**	**$ 29,726**	**$ 25,806**

1 Beginning with the 2002 (RMT) and 2004 (FUND) distributions through 2008, the purchase price of distributions 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?

In January 2011, the Boards of Directors approved the resumption of a quarterly distribution policy for Common Stockholders of each of the Funds, beginning 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

December 31, 2010

Schedule of Investments

	SHARES	VALUE
COMMON STOCKS 107.7%		
Consumer Products 6.5%		
Apparel, Shoes and Accessories - 2.5%		
Anta Sports Products	98,200	$ 157,417
Burberry Group	50,000	876,214
Carter s[a]	236,000	6,964,360
China Dongxiang Group	1,145,000	500,849
Columbia Sportswear	50,600	3,051,180
Daphne International Holdings	1,259,500	1,179,647
Hengdeli Holdings	185,250	110,347
K-Swiss Cl. A [a]	163,600	2,040,092
Lazare Kaplan International [a,b]	95,437	119,296
Stella International Holdings	746,500	1,488,621
Van De Velde	15,000	793,762
Volcom	101,494	1,915,192
Warnaco Group (The) [a]	53,000	2,918,710
Weyco Group	97,992	2,399,824
Wolverine World Wide	100,000	3,188,000
		27,703,511
Food/Beverage/Tobacco - 0.8%		
Binggrae Company	22,415	1,106,036
Cal-Maine Foods	54,300	1,714,794
Hershey Creamery [b]	709	1,230,115
Seneca Foods Cl. A [a]	110,000	2,967,800
Seneca Foods Cl. B [a]	13,251	342,538
Thai Beverage	786,400	174,640
Tootsie Roll Industries	53,560	1,551,633
		9,087,556
Home Furnishing and Appliances - 2.0%		
American Woodmark	123,335	3,026,641
Ekornes	30,000	822,615
Ethan Allen Interiors	345,800	6,919,458
Hunter Douglas	10,000	528,774
Kimball International Cl. B	286,180	1,974,642
Mohawk Industries [a]	128,200	7,276,632
Samson Holding	1,100,000	233,507
Universal Electronics [a]	10,000	283,700
Woongjin Coway	29,400	1,043,986
		22,109,955
Sports and Recreation - 1.1%		
All American Group [a,b]	47,700	10,255

Beneteau [a]	36,000	761,531
RC2 Corporation [a]	132,600	2,886,702
Sturm, Ruger & Co.	220,600	3,372,974
Thor Industries	50,000	1,698,000
Winnebago Industries [a]	222,500	3,382,000
		12,111,462
Other Consumer Products - 0.1%		
Societe BIC	9,000	773,557
Total (Cost $58,304,516)		71,786,041
Consumer Services 4.5%		
Direct Marketing - 0.3%		
Manutan International	27,500	1,815,364

	SHARES	VALUE
Consumer Services (continued)		
Direct Marketing (continued)		
Takkt	130,000	$ 1,876,165
		3,691,529
Leisure and Entertainment - 0.0%		
Kangwon Land	20,000	492,554
Restaurants and Lodgings - 0.4%		
Abu Dhabi National Hotels [c]	130,000	106,180
Ajisen China Holdings	600,000	1,011,219
Benihana [a]	3,300	26,697
Cafe de Coral Holdings	72,000	178,036
CEC Entertainment [a]	64,100	2,489,003
		3,811,135
Retail Stores - 2.3%		
Aeropostale [a]	64,700	1,594,208
CarMax [a]	83,000	2,646,040
Charming Shoppes [a]	475,900	1,689,445
Dover Saddlery [a,d]	17,821	46,335
Dress Barn (The) [a]	68,280	1,803,957
FamilyMart	85,900	3,237,517
Golden Eagle Retail Group	150,000	368,593
Lewis Group	175,000	2,159,507
Luk Fook Holdings (International)	256,600	896,291
New World Department Store China	1,000,000	823,384
Ramayana Lestari Sentosa	2,075,000	195,755
Regis Corporation	233,800	3,881,080
Stein Mart	167,800	1,552,150
Systemax	224,000	3,158,400
West Marine [a]	131,100	1,387,038

		25,439,700
Other Consumer Services - 1.5%		
Anhanguera Educacional Participacoes	100,000	2,409,639
Cambium Learning Group [a]	84,466	290,563
ChinaCast Education [a]	75,000	582,000
ITT Educational Services [a]	26,000	1,655,940
MegaStudy	19,300	2,996,440
Raffles Education [a]	2,023,900	402,146
Sotheby s	179,500	8,077,500
		16,414,228
Total (Cost $38,064,935)		49,849,146
Diversified Investment Companies 0.8%		
Closed-End Funds - 0.8%		
Central Fund of Canada Cl. A	257,000	5,327,610
MVC Capital	214,200	3,127,320
Total (Cost $4,864,160)		8,454,930
Financial Intermediaries 9.7%		
Banking - 2.2%		
Ameriana Bancorp	40,000	154,800
Banca Finnat Euramerica	870,000	581,291
Banca Generali	86,000	1,041,766
Bank of N.T. Butterfield & Son [a,c]	942,504	1,178,130
Bank Sarasin & Co. Cl. B	33,120	1,508,997
Banque Privee Edmond de Rothschild	23	664,171

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

Royce Value Trust

Schedule of Investments

	SHARES	VALUE
Financial Intermediaries (continued)		
Banking (continued)		
BCB Holdings [a]	598,676	$ 681,379
Center Bancorp	44,868	363,880
Centrue Financial [a]	82,200	80,556
CFS Bancorp	75,000	392,250
Chuo Mitsui Trust Holdings	118,000	489,789
CNB Financial	11,116	164,628
Commercial National Financial	54,900	994,239
Farmers & Merchants Bank of Long Beach	1,200	4,800,000
Fauquier Bankshares	160,800	2,074,320
Hawthorn Bancshares	48,023	412,998
HopFed Bancorp	106,590	957,178
Jefferson Bancshares [a]	32,226	104,412
Kearny Financial	50,862	437,413
Mauritius Commercial Bank	40,000	220,232
Mechanics Bank	200	2,400,000
Old Point Financial	25,000	303,250
Peapack-Gladstone Financial	10,500	137,025
State Bank of Mauritius	46,000	138,076
Timberland Bancorp [e]	469,200	1,731,348
Vontobel Holding	20,400	776,727
Whitney Holding Corporation	41,500	587,225
Wilmington Trust	279,500	1,213,030
		24,589,110
Insurance - 3.9%		
Alleghany Corporation [a]	28,657	8,779,645
Argo Group International Holdings	64,751	2,424,925
Aspen Insurance Holdings	47,000	1,345,140
China Taiping Insurance Holdings [a]	45,000	138,078
Discovery Holdings	255,000	1,525,935
E-L Financial	17,900	8,830,283
Enstar Group [a]	20,217	1,709,954
Erie Indemnity Cl. A	50,000	3,273,500
Independence Holding	317,658	2,553,970
Leucadia National	44,940	1,311,349
Markel Corporation [a]	6,200	2,344,406
Montpelier Re Holdings	32,000	638,080
Platinum Underwriters Holdings	49,000	2,203,530
ProAssurance Corporation [a]	22,000	1,333,200
RLI	80,724	4,243,661
		42,655,656

Real Estate Investment Trusts - 0.0%		
Gladstone Commercial	30,000	564,900
Securities Brokers - 2.2%		
Close Brothers Group	43,000	570,856
Cowen Group Cl. A [a]	708,600	3,302,076
Daewoo Securities	5,000	115,869
Egyptian Financial Group-Hermes Holding	351,500	2,035,127
FBR Capital Markets [a]	249,600	953,472
GFI Group	166,247	779,698
Gleacher & Company [a]	293,000	694,410
HQ	40,000	21,708
Interactive Brokers Group Cl. A	100,000	1,782,000

	SHARES	VALUE
Financial Intermediaries (continued)		
Securities Brokers (continued)		
Kim Eng Holdings	240,000	$ 458,176
MF Global Holdings [a]	528,000	4,414,080
Mizuho Securities	492,300	1,412,808
Oppenheimer Holdings Cl. A	75,000	1,965,750
Paris Orleans et Cie	183,785	4,636,775
Phatra Capital [a,c]	775,000	617,018
UOB-Kay Hian Holdings	190,000	262,049
Woori Investment & Securities	11,000	228,743
		24,250,615
Securities Exchanges - 0.5%		
Hellenic Exchanges	115,000	753,005
TMX Group	123,800	4,601,879
		5,354,884
Other Financial Intermediaries - 0.9%		
KKR & Co. L.P.	415,000	5,893,000
KKR Financial Holdings LLC	481,404	4,477,057
		10,370,057
Total (Cost $122,366,540)		107,785,222
Financial Services 10.3%		
Diversified Financial Services - 0.8%		
Encore Capital Group [a]	68,000	1,594,600
Franco-Nevada Corporation	10,000	334,507
IOOF Holdings	123,592	985,997
Lazard Cl. A	109,300	4,316,257
Ocwen Financial [a]	123,600	1,179,144
		8,410,505

Information and Processing - 1.6%		
Altisource Portfolio Solutions [a]	41,199	1,182,824
MoneyGram International [a]	228,500	619,235
Morningstar	109,800	5,828,184
SEI Investments	334,200	7,950,618
Total System Services	123,500	1,899,430
		17,480,291
Insurance Brokers - 0.9%		
Brown & Brown	281,900	6,748,686
Crawford & Company Cl. B [a,d]	1,160	3,944
Gallagher (Arthur J.) & Co.	111,200	3,233,696
		9,986,326
Investment Management - 6.1%		
A.F.P. Provida ADR	22,100	1,761,591
ABG Sundal Collier Holding	115,000	169,493
Affiliated Managers Group [a]	46,100	4,574,042
AllianceBernstein Holding L.P.	264,600	6,173,118
AP Alternative Assets L.P.	233,200	2,059,156
Artio Global Investors Cl. A	235,000	3,466,250
Ashmore Group	582,500	3,043,295
Azimut Holding	72,183	653,986
BKF Capital Group [a,b]	130,000	143,000
BT Investment Management	207,000	605,518
Coronation Fund Managers	526,000	1,497,154
Eaton Vance	85,300	2,578,619
Equity Trustees	35,572	576,671

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

December 31, 2010

	SHARES		VALUE
Financial Services (continued)			
Investment Management (continued)			
Evercore Partners Cl. A	32,300	$	1,098,200
F&C Asset Management	60,000		78,579
Federated Investors Cl. B	239,700		6,272,949
Fiducian Portfolio Services	227,000		318,081
GAMCO Investors Cl. A	90,575		4,348,506
GIMV	22,500		1,228,828
GP Investments BDR [a]	15,604		69,090
Investec	118,000		969,541
MyState	152,000		578,332
Partners Group Holding	16,200		3,073,668
Perpetual	13,541		432,250
Platinum Asset Management	149,000		760,462
Rathbone Brothers	35,400		603,802
Reinet Investments [a]	73,127		1,270,355
RHJ International [a]	102,500		849,219
Schroders	41,100		1,188,665
SHUAA Capital [a]	485,000		165,056
SPARX Group [a]	1,320		148,762
Sprott	269,600		2,185,433
Teton Advisors Cl. A [b]	723		5,423
Treasury Group	51,500		263,371
Trust Company (The)	97,283		626,857
Value Partners Group	7,162,800		7,187,865
VZ Holding	8,500		1,090,909
Waddell & Reed Financial Cl. A	139,300		4,915,897
Westwood Holdings Group	23,460		937,462
			67,969,455
Special Purpose Acquisition Corporation - 0.0%			
Westway Group [a]	31,500		118,125
Specialty Finance - 0.4%			
World Acceptance [a]	80,700		4,260,960
Other Financial Services - 0.5%			
CoreLogic	44,000		814,880
Hilltop Holdings [a]	290,400		2,880,768
Kennedy-Wilson Holdings [a]	150,000		1,498,500
			5,194,148
Total (Cost $96,835,863)			113,419,810

	SHARES	VALUE
Health 5.7%		
Commercial Services - 0.7%		
Affymetrix [a]	10,000	50,300
Chindex International [a,d]	21,600	356,184
OdontoPrev	60,000	906,867
PAREXEL International [a]	312,400	6,632,252
		7,945,603
Drugs and Biotech - 1.5%		
American Oriental Bioengineering [a,d]	153,700	368,880
Boiron	46,500	1,771,553
Bukwang Pharmaceutical	15,000	176,447
Daewoong Pharmaceutical	2,970	125,353
Endo Pharmaceuticals Holdings [a]	144,400	5,156,524
Green Cross	8,300	1,016,565
Luminex Corporation [a]	20,000	365,600
Pharmaceutical Product Development	100,000	2,714,000

	SHARES	VALUE
Health (continued)		
Drugs and Biotech (continued)		
Pharmacyclics [a]	158,746	$ 965,176
Simcere Pharmaceutical Group ADR [a]	27,900	318,339
Sino Biopharmaceutical	926,600	343,327
Sinovac Biotech [a]	141,900	641,388
Sunesis Pharmaceuticals [a,d]	211,500	109,980
3SBio ADR [a]	43,600	661,848
Virbac	7,500	1,302,892
		16,037,872
Health Services - 1.6%		
Advisory Board (The) [a]	128,500	6,120,455
Albany Molecular Research [a]	85,000	477,700
Bangkok Chain Hospital	1,185,000	249,619
Cross Country Healthcare [a]	30,000	254,100
eResearchTechnology [a]	67,624	497,036
ICON ADR [a]	260,900	5,713,710
On Assignment [a]	375,400	3,059,510
Sonic Healthcare	2,000	23,729
VCA Antech [a]	74,500	1,735,105
		18,130,964
Medical Products and Devices - 1.9%		
Allied Healthcare Products [a]	180,512	790,643
Atrion Corporation	15,750	2,826,495
Carl Zeiss Meditec	173,700	3,315,767
CONMED Corporation [a]	81,500	2,154,045
DiaSorin	15,000	645,633
IDEXX Laboratories [a]	40,201	2,782,713
Kinetic Concepts [a]	6,300	263,844
Kossan Rubber Industries	200,600	205,577

Straumann Holding	6,000	1,373,262
Techne Corporation	71,000	4,662,570
Urologix [a,d]	445,500	280,710
Young Innovations	62,550	2,002,225
Zoll Medical [a,d]	400	14,892
		21,318,376
Total (Cost $41,782,577)		63,432,815
Industrial Products 22.8%		
Automotive - 1.6%		
Gentex Corporation	50,000	1,478,000
LKQ Corporation [a]	230,000	5,225,600
Minth Group	511,000	838,869
Nokian Renkaat	20,000	733,629
Norstar Founders Group [a,c]	524,000	24,606
SORL Auto Parts [a]	97,092	828,195
Superior Industries International	40,000	848,800
Tianneng Power International	1,236,000	512,032
WABCO Holdings [a]	103,800	6,324,534
Wonder Auto Technology [a,d]	66,545	501,749
		17,316,014
Building Systems and Components - 1.2%		
Decker Manufacturing [b]	6,022	180,660
NCI Building Systems [a]	2,780	38,892
Preformed Line Products	91,600	5,360,890

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

Royce Value Trust

Schedule of Investments

	SHARES	VALUE
Industrial Products (continued)		
Building Systems and Components (continued)		
Simpson Manufacturing	258,400	$ 7,987,144
		13,567,586
Construction Materials - 0.9%		
Ash Grove Cement Cl. B [b]	50,518	7,830,290
Duratex	100,000	1,075,301
Ossen Innovation ADR [a,d]	110,000	521,400
USG Corporation [a,d]	50,000	841,500
		10,268,491
Industrial Components - 3.0%		
Bel Fuse Cl. A	36,672	928,535
China Automation Group	244,800	178,258
CLARCOR	92,500	3,967,325
Donaldson Company	92,800	5,408,384
GrafTech International [a]	322,690	6,402,170
Mueller Water Products Cl. A	72,500	302,325
PerkinElmer	185,800	4,797,356
Powell Industries [a]	92,400	3,038,112
Regal-Beloit	116,500	7,777,540
		32,800,005
Machinery - 5.1%		
Astec Industries [a]	25,000	810,250
Burckhardt Compression Holding	12,500	3,462,567
Burnham Holdings Cl. B [b]	36,000	525,600
Columbus McKinnon [a]	95,000	1,930,400
Franklin Electric	104,600	4,071,032
Hardinge	95,503	930,199
Hollysys Automation Technologies [a,d]	11,535	174,871
Jinpan International	169,684	1,786,773
Lincoln Electric Holdings	94,180	6,147,129
Nordson Corporation	102,100	9,380,948
Rofin-Sinar Technologies [a]	314,700	11,152,968
Spirax-Sarco Engineering	40,000	1,206,119
Wabtec Corporation	110,225	5,829,800
Williams Controls	37,499	397,489
Woodward Governor	231,600	8,698,896
		56,505,041

Metal Fabrication and Distribution - 4.7%		
Central Steel & Wire [b]	6,062	3,819,060
Commercial Metals	36,600	607,194
CompX International Cl. A	185,300	2,130,950
Fushi Copperweld [a,d]	199,345	1,770,183
Haynes International	29,000	1,213,070
Kennametal	155,000	6,116,300
NN [a]	197,100	2,436,156
Nucor Corporation	129,350	5,668,117
RBC Bearings [a]	47,000	1,836,760
Reliance Steel & Aluminum	159,920	8,171,912
Schnitzer Steel Industries Cl. A	100,000	6,639,000
Sims Metal Management ADR	254,375	5,555,550
Sung Kwang Bend	105,700	2,193,352
Worthington Industries	185,000	3,404,000
		51,561,604

	SHARES	VALUE
Industrial Products (continued)		
Miscellaneous Manufacturing - 2.8%		
AZZ	42,000	$ 1,680,420
Brady Corporation Cl. A	94,600	3,084,906
Mettler-Toledo International [a]	33,500	5,065,535
PMFG [a]	314,900	5,164,360
Rational	6,000	1,326,144
Raven Industries	96,200	4,587,778
Semperit AG Holding	75,700	4,004,842
Synalloy Corporation	198,800	2,409,456
Valmont Industries	43,000	3,815,390
		31,138,831
Paper and Packaging - 0.8%		
Greif Cl. A	90,844	5,623,244
Mayr-Melnhof Karton	22,600	2,629,245
		8,252,489
Pumps, Valves and Bearings - 1.1%		
FAG Bearings India	38,300	750,497
Gardner Denver	57,500	3,957,150
Graco	116,376	4,591,033
IDEX Corporation	67,400	2,636,688
Rotork	25,000	712,508
		12,647,876
Specialty Chemicals and Materials - 1.4%		
Cabot Corporation	58,000	2,183,700
Chemspec International ADR	35,000	261,800
China XD Plastics [a,d]	50,600	272,228
Gulf Resources [a,d]	35,800	382,702
Hawkins	156,178	6,934,303

Huchems Fine Chemical [a]	30,056	519,074
Kingboard Chemical Holdings	16,900	101,211
OM Group [a]	90,000	3,465,900
Victrex	60,000	1,387,287
		15,508,205
Textiles - 0.2%		
Pacific Textiles Holdings	1,920,000	1,252,367
Texwinca Holdings	275,000	350,260
Unifi [a]	40,333	682,838
		2,285,465
Total (Cost $134,439,408)		251,851,607
Industrial Services 13.1%		
Advertising and Publishing - 0.4%		
Lamar Advertising Cl. A [a]	51,000	2,031,840
SinoMedia Holding	350,000	124,730
ValueClick [a]	145,000	2,324,350
		4,480,920
Commercial Services - 5.8%		
Animal Health International [a]	17,000	48,790
Brink s Company (The)	206,320	5,545,882
Cintas Corporation	76,800	2,147,328
Convergys Corporation [a]	121,000	1,593,570
Copart [a]	121,600	4,541,760
Corinthian Colleges [a,d]	59,500	309,995
CRA International [a]	57,187	1,344,466

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

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	SHARES	VALUE
Industrial Services (continued)		
Commercial Services (continued)		
E-House China Holdings ADR	284,400	$ 4,254,624
Forrester Research	40,300	1,422,187
FTI Consulting [a]	7,850	292,648
Gartner [a]	153,000	5,079,600
Global Sources [a]	58,021	552,360
Hackett Group [a]	655,000	2,299,050
Landauer	75,500	4,527,735
Manpower	69,300	4,349,268
MAXIMUS	111,600	7,318,728
Michael Page International	175,000	1,514,275
Monster Worldwide [a]	67,800	1,602,114
Pico Far East Holdings	6,659,000	1,413,564
Ritchie Bros. Auctioneers	337,700	7,783,985
Robert Half International	98,600	3,017,160
SATS	90,100	202,196
SFN Group [a]	162,800	1,588,928
Sound Global [a]	50,000	32,337
Universal Technical Institute	42,100	927,042
		63,709,592
Engineering and Construction - 1.6%		
Desarrolladora Homex ADR [a,d]	14,100	476,721
EMCOR Group [a]	199,400	5,778,612
Fluor Corporation	14,200	940,892
Integrated Electrical Services [a]	355,400	1,240,346
Jacobs Engineering Group [a]	81,400	3,732,190
KBR	180,000	5,484,600
		17,653,361
Food, Tobacco and Agriculture - 0.8%		
Alico	27,000	643,680
Asian Citrus Holdings	292,000	368,758
Chaoda Modern Agriculture (Holdings)	178,872	134,853
China Green (Holdings)	1,953,000	1,909,582
Genting Plantations	50,000	142,695
Hanfeng Evergreen [a]	116,400	697,721
Intrepid Potash [a]	72,427	2,700,803
MGP Ingredients	127,400	1,406,496
Origin Agritech [a]	76,800	817,920
Yuhe International [a]	28,286	253,160
Zhongpin [a,d]	3,800	77,520

		9,153,188
Industrial Distribution - 0.8%		
Lawson Products	161,431	4,018,018
MSC Industrial Direct Cl. A	73,500	4,754,715
		8,772,733
Transportation and Logistics - 3.7%		
C. H. Robinson Worldwide	50,000	4,009,500
Forward Air	209,750	5,952,705
Frozen Food Express Industries [a]	286,635	1,272,659
Hub Group Cl. A [a]	164,400	5,777,016
Kirby Corporation [a]	111,000	4,889,550
Landstar System	156,900	6,423,486
Patriot Transportation Holding [a]	70,986	6,598,859
Universal Truckload Services [a]	129,476	2,061,258

	SHARES	VALUE
Industrial Services (continued)		
Transportation and Logistics (continued)		
UTi Worldwide	175,000	$ 3,710,000
		40,695,033
Total (Cost $100,694,293)		144,464,827
Natural Resources 11.4%		
Energy Services - 5.6%		
Atwood Oceanics [a]	10,300	384,911
Cal Dive International [a]	456,250	2,586,938
Calfrac Well Services	42,000	1,446,324
CARBO Ceramics	44,700	4,628,238
Ensco ADR	10,000	533,800
Ensign Energy Services	225,100	3,402,648
Exterran Holdings [a]	103,600	2,481,220
Frontier Oil [a]	60,000	1,080,600
Helmerich & Payne	91,000	4,411,680
ION Geophysical [a]	361,500	3,065,520
Lufkin Industries	62,000	3,868,180
National-Oilwell Varco	5,700	383,325
Oil States International [a]	163,500	10,478,715
Pason Systems	152,300	2,138,296
SEACOR Holdings	71,300	7,207,717
ShawCor Cl. A	80,500	2,680,635
TETRA Technologies [a]	68,000	807,160
TGS-NOPEC Geophysical	125,000	2,817,028
Tidewater	36,000	1,938,240
Trican Well Service	99,900	2,023,520
Unit Corporation [a]	46,000	2,138,080
Willbros Group [a]	103,800	1,019,316
		61,522,091
Oil and Gas - 0.8%		
Bill Barrett [a]	50,000	2,056,500

China Integrated Energy [a,d]	37,000	271,210
Cimarex Energy	50,000	4,426,500
Resolute Energy [a,d]	156,134	2,304,538
		9,058,748
Precious Metals and Mining - 3.4%		
Aquarius Platinum	350,000	1,920,810
Cliffs Natural Resources	37,200	2,901,972
Endeavour Mining [a,d]	300,000	847,833
Endeavour Mining (Warrants) [a]	75,000	74,676
Fresnillo	105,000	2,730,606
Gammon Gold [a]	218,300	1,787,877
Hecla Mining [a,d]	300,000	3,378,000
Hochschild Mining	375,500	3,746,827
IAMGOLD Corporation	95,620	1,702,036
Kimber Resources [a,d]	560,000	784,000
Major Drilling Group International	171,700	7,175,033
Medusa Mining	598,400	3,959,923
New Gold [a]	135,000	1,317,600
Northam Platinum	335,000	2,303,681
Northgate Minerals [a]	160,000	512,000
Pan American Silver	10,000	412,100

Royce Value Trust

Schedule of Investments

	SHARES	VALUE
Natural Resources (continued)		
Precious Metals and Mining (continued)		
Royal Gold	34,400	$ 1,879,272
		37,434,246
Real Estate - 1.3%		
Consolidated-Tomoka Land	13,564	391,999
Midland Holdings	732,700	601,408
PICO Holdings [a]	106,100	3,373,980
St. Joe Company (The) [a,d]	48,000	1,048,800
Tejon Ranch [a]	307,496	8,471,515
		13,887,702
Other Natural Resources - 0.3%		
China Forestry Holdings	3,708,400	1,741,413
Hidili Industry International Development	60,000	50,484
J.G. Boswell Company [b]	2,292	1,696,080
Sino-Forest Corporation [a]	11,900	278,740
		3,766,717
Total (Cost $74,940,382)		125,669,504
Technology 17.9%		
Aerospace and Defense - 1.8%		
AerCap Holdings [a,d]	45,000	635,400
Ducommun	117,200	2,552,616
FLIR Systems [a]	105,000	3,123,750
HEICO Corporation	134,625	6,869,914
HEICO Corporation Cl. A	72,875	2,719,695
Hexcel Corporation [a]	47,500	859,275
ManTech International Cl. A [a]	35,400	1,463,082
Mercury Computer Systems [a]	40,500	744,390
Moog Cl. A [a]	25,000	995,000
		19,963,122
Components and Systems - 4.9%		
AAC Acoustic Technologies Holdings	84,700	226,112
Analogic Corporation	40,135	1,987,084

Belden	57,800	2,128,196
Benchmark Electronics [a]	165,200	3,000,032
China Digital TV Holding Company ADR	5,000	35,450
Diebold	151,600	4,858,780
Dionex Corporation [a]	52,900	6,242,729
Electronics for Imaging [a]	8,517	121,878
Energy Conversion Devices [a,d]	84,500	388,700
EVS Broadcast Equipment	27,500	1,760,241
Hana Microelectronics	295,000	244,651
Intermec [a]	23,000	291,180
Newport Corporation [a]	523,500	9,093,195
Otsuka Corporation	3,200	218,352
Paragon Technologies	122,638	250,689
Perceptron [a]	357,700	1,763,461
Pfeiffer Vacuum Technology	30,000	3,527,832
Plexus Corporation [a]	195,700	6,054,958
Pulse Electronics	286,200	1,522,584
Richardson Electronics	495,712	5,794,873
Shin Zu Shing	78,222	209,798
Vaisala Cl. A	173,000	4,739,188

	SHARES	VALUE
Technology (continued)		
Components and Systems (continued)		
VTech Holdings	24,050	$ 283,731
Xyratex [a]	12,000	195,720
		54,939,414
Distribution - 1.1%		
Agilysys [a]	165,125	929,654
Anixter International	61,795	3,691,015
China 3C Group [a]	6,600	1,326
Cogo Group [a]	173,615	1,536,493
Tech Data [a]	136,500	6,008,730
		12,167,218
Internet Software and Services - 0.2%		
NetEase.com ADR [a]	3,500	126,525
Perficient [a]	10,000	125,000
RealNetworks [a]	245,400	1,030,680
Sohu.com [a]	11,600	736,484
		2,018,689
IT Services - 1.5%		
Black Box	43,798	1,677,025
Sapient Corporation	756,602	9,154,884
SRA International Cl. A [a]	248,800	5,087,960
Yucheng Technologies [a,d]	91,057	328,716
		16,248,585
Semiconductors and Equipment - 4.4%		
ADTRAN	65,000	2,353,650

Aixtron ADR [d]	37,500	1,395,000
Analog Devices	16,004	602,871
ASM Pacific Technology	39,000	494,223
BE Semiconductor Industries [a,b,d]	58,000	379,320
Chroma Ate	139,406	416,451
Cognex Corporation	236,200	6,949,004
Coherent [a]	205,500	9,276,270
Comba Telecom Systems Holdings	333,571	376,366
Cymer [a]	119,500	5,385,865
Diodes [a]	252,450	6,813,626
Exar Corporation [a]	157,576	1,099,880
Himax Technologies ADR	183,000	431,880
Image Sensing Systems [a]	8,310	108,113
Integrated Device Technology [a]	327,000	2,177,820
International Rectifier [a]	120,000	3,562,800
Intevac [a]	57,450	804,875
Power Integrations	49,000	1,966,860
TTM Technologies [a]	211,400	3,151,974
Vimicro International ADR [a]	240,000	888,000
		48,634,848
Software - 2.4%		
ACI Worldwide [a]	181,150	4,867,501
Advent Software [a,d]	37,250	2,157,520
ANSYS [a]	100,000	5,207,000
Aspen Technology [a]	42,100	534,670
Aveva Group	20,000	503,277
Avid Technology [a]	116,000	2,025,360
Blackbaud	41,890	1,084,951
DynaVox Cl. A [a]	55,000	282,150
Epicor Software [a]	79,900	806,990

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

December 31, 2010

	SHARES	VALUE
Technology (continued)		
Software (continued)		
JDA Software Group [a]	49,900	$ 1,397,200
Majesco Entertainment [a]	36,255	26,466
National Instruments	167,900	6,319,756
Net 1 UEPS Technologies [a]	50,000	613,000
SMART Technologies Cl. A [a]	75,000	708,000
THQ [a]	20,000	121,200
		26,655,041
Telecommunications - 1.6%		
ADPT Corporation [a,b]	1,568,800	4,580,896
Arris Group [a]	140,350	1,574,727
Citic Telecom International Holdings	6,853,600	2,186,719
Comtech Telecommunications	30,000	831,900
Globecomm Systems [a]	233,700	2,337,000
LiveWire Mobile [b]	38,000	98,800
NeuStar Cl. A [a]	119,000	3,099,950
Sonus Networks [a]	604,000	1,612,680
Sycamore Networks	48,100	990,379
Zhone Technologies [a,d]	224,000	598,080
		17,911,131
Total (Cost $155,724,842)		198,538,048
Miscellaneous[f] 5.0%		
Total (Cost $49,243,244)		55,197,854
TOTAL COMMON STOCKS (Cost $877,260,760)		1,190,449,804
PREFERRED STOCKS 0.1%		
Bank of N.T. Butterfield & Son 0% Conv. [a,c]	39,800	37,004
Seneca Foods Conv. [a,c]	55,000	1,335,510
TOTAL PREFERRED STOCKS		

(Cost $844,626)	1,372,514

	PRINCIPAL AMOUNT	VALUE
CORPORATE BOND 0.0%		
GAMCO Investors 0.00% due 12/31/15 [c] (Cost $289,840)	$ 2,898	$ 197,064
REPURCHASE AGREEMENT 12.2%		
State Street Bank & Trust Company, 0.13% dated 12/31/10, due 1/3/11, maturity value $135,374,467 (collateralized by obligations of various U.S. Government Agencies, 0.52%-3.50% due 5/5/11-5/24/11, valued at $138,760,188) (Cost $135,373,000)		135,373,000
COLLATERAL RECEIVED FOR SECURITIES LOANED 0.9%		
Money Market Funds Federated Government Obligations Fund (7 day yield-0.0154%) (Cost $9,979,062)		9,979,062
TOTAL INVESTMENTS 120.9% (Cost $1,023,747,288)		1,337,371,444
LIABILITIES LESS CASH AND OTHER ASSETS (1.0)%		(11,492,307)
PREFERRED STOCK (19.9)%		(220,000,000)
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS 100.0%		**$ 1,105,879,137**

New additions in 2010.

[a] Non-income producing.

[b] 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.

[c] 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.

[d] All or a portion of these securities were on loan at December 31, 2010. Total market value of loaned securities at December 31, 2010 was $9,623,017.

[e] At December 31, 2010, 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.

[f] Includes securities first acquired in 2010 and less than 1% of net assets applicable to Common Stockholders.

Bold indicates the Fund s 20 largest equity holdings in terms of December 31, 2010 market value.

TAX INFORMATION: The cost of total investments for Federal income tax purposes was $1,020,855,671. At December 31, 2010, net unrealized appreciation for all securities was $316,515,773, consisting of aggregate gross unrealized appreciation of $405,365,696 and aggregate gross unrealized depreciation of $88,849,923. The primary difference between book and tax basis cost is the timing of the recognition of losses on securities sold.

Royce Value Trust

December 31, 2010

Statement of Assets and Liabilities

ASSETS:		
Investments at value (including collateral on loaned securities)*		
Non-Affiliated Companies (cost $882,635,972)	$	1,200,267,096
Affiliated Companies (cost $5,738,316)		1,731,348
Total investments at value		1,201,998,444
Repurchase agreements (at cost and value)		135,373,000
Cash and foreign currency		78,499
Receivable for investments sold		955,673
Receivable for dividends and interest		