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

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT
OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-04875

Name of Registrant: Royce Value Trust, Inc.

Address of Registrant: 745 Fifth Avenue

New York, NY 10151

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

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, 2011 June 30, 2011

Item 1. Reports to Shareholders.

SEMIANNUAL REVIEW AND REPORT
TO STOCKHOLDERS

A Few Words on Closed-End Funds

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

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

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

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

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

Why Dividend Reinvestment Is Important

A very important component of an investor s total return comes from the reinvestment of distributions. By reinvesting distributions, our investors can maintain an undiluted investment in a Fund. To get a fair idea of the impact of reinvested distributions, please see the charts on pages 13, 15 and 17. For additional information on the Funds Distribution Reinvestment and Cash Purchase Options and the benefits for stockholders, please see page 20 or visit our website at www.roycefunds.com.

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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 June 30, 2011

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

[1] Not annualized

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

Important Performance and Risk Information

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

Letter to Our Stockholders

Déjà vu All Over Again?

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

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

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

Charles M. Royce, President

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

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

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Letter to Our Stockholders

only slightly ill effects by the end of 2011 s first half, despite the relentless flow of negative news and pervasive feeling of economic anxiety that have distinguished both years. The stock market s greater resilience thus far through 2011 can be seen by measuring each year s respective spring-summer downturn. June 2010 ended in the midst of a correction that would ultimately drop small-cap stock prices by more than 20% by early July, while 2011 s first down period, which lasted from the interim small-cap high on April 29 to the next small-cap low on June 13, saw the small-cap Russell 2000 Index lose less than half that amount.

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

Seen It All Before

Year-to-date results for the major stock indexes were positive, though they were muted by the second quarter s higher volatility. From our perspective, the most notable development in the first half of 2011 was seeing small-cap s seemingly unassailable market leadership contested. **For the year-to-date period ended June 30, 2011, the small-cap Russell 2000 Index gained 6.2%, while the large-cap S&P 500 Index was up 6.0%, the Russell 1000 Index climbed 6.4%, and the more tech-oriented Nasdaq Composite returned 4.6%.** These results were the combined effect of the year s very different quarters. The first, while it saw numerous shifts in market leadership, was a pleasant, placid bull period compared to what followed. Small-cap companies edged out their larger counterparts between January and March, with the Russell 2000 up 7.9% compared to respective gains of 5.9% and 6.2% for the large-cap S&P 500 and Russell 1000, and 4.8% for the Nasdaq.

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

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

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

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

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

We also believe that a company s practice of paying dividends is an excellent measure of its underlying quality and an intelligent form of corporate governance. From our perspective within the small-cap world, where the words dividend and quality are often considered synonymous, adopting a dividend-paying investment strategy could be a key to long-term outperformance. We believe that this is more than usually relevant today, as we believe a shift to higher quality companies may be at hand.

Understanding a company s capital allocation decisions is a critical element in our investment process. This is especially important in a market when corporate balance sheets are generally in excellent condition and, in many cases, flush with cash. Dividends are by nature the byproduct of healthy free cash flow generation. Of the more than 4,140 domestic small-cap companies (those with market capitalizations up to $2.5 billion), 1,181 were dividend payers as of the end of the first half of 2011; of these dividend-paying companies, 757 had a dividend yield of at least 2%.

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

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

Seeing Things

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

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

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

Sights Unseen

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

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

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

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

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

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

Letter to Our Stockholders

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

Sincerely,

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

July 31, 2011

Decisions, Decisions

Not to decide is to decide. — Theologian Harvey Cox

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

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

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

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

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

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

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

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

Small-Cap Market Cycle Performance

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

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

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

Peak-to-Current (7/13/07 6/30/11)
During the difficult, volatile decline that ended 3/9/09, both value and growth posted similarly negative returns. Events in the financial markets immediately preceding the end of 2008 s third quarter caused the Russell 2000 to decline significantly. After a brief rally at the end of 2008, the index continued to

SMALL-CAP MARKET CYCLE: RUSSELL 2000 INDEXES TOTAL RETURNS

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

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

Royce Focus Trust	264.2	-58.3	147.1	3.1

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

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

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AVERAGE ANNUAL NAV TOTAL RETURNS
Through 6/30/11

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

[1]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

Coherent	1.1%
Oil States International	1.1
Sapient Corporation	1.0
HEICO Corporation	1.0
Nordson Corporation	1.0
Rofin-Sinar Technologies	0.9
Alleghany Corporation	0.8
Newport Corporation	0.8
Ritchie Bros. Auctioneers	0.8
Reliance Steel & Aluminum	0.8

PORTFOLIO SECTOR BREAKDOWN
% of Net Assets Applicable to Common Stockholders

Industrials	26.3%
Information Technology	20.3
Financials	19.8
Consumer Discretionary	11.7
Materials	10.2
Health Care	7.8
Energy	6.7
Consumer Staples	2.2
Diversified Investment Companies	0.4
Miscellaneous	3.8
Bond and Preferred Stocks	0.1
Cash and Cash Equivalents	9.8

Royce Value Trust

Manager s Discussion

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

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

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

GOOD IDEAS THAT WORKED
Top Contributors to Performance
Year-to-Date through 6/30/11[1]

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

[1] Includes dividends

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

Important Performance and Risk Information

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

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

Performance and Portfolio Review

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

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

GOOD IDEAS AT THE TIME
Top Detractors from Performance
Year-to-Date through 6/30/11[1]

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

[1]Net of dividends

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

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

[1] Reflects the cumulative total return of an investment made by a stockholder who purchased one share at inception ($10.00 IPO), reinvested all annual distributions and fully participated in primary subscriptions of the Fund s rights offerings.
[2] Reflects the actual market price of one share as it traded on the NYSE.

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

Average Market Capitalization[1]	$1,476 million
Weighted Average P/E Ratio[2]	16.3x
Weighted Average P/B Ratio	1.9x
U.S. Investments (% of Net Assets applicable to Common Stockholders)	81.3%
Non-U.S. Investments (% of Net Assets applicable to Common Stockholders)	28.0%
Fund Total Net Assets	$1,371 million
Net Leverage[3]	9%
Turnover Rate	12%
Number of Holdings	581
Symbol	
Market Price	RVT
NAV	XRVTX

1 Geometrically calculated

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

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

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

67.0 million shares
of Common Stock

$1,151 million

5.90% Cumulative
Preferred Stock

$220 million

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

AVERAGE ANNUAL NAV TOTAL RETURNS
Through 6/30/11

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

[1] Not annualized

CALENDAR YEAR NAV TOTAL RETURNS

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

TOP 10 POSITIONS
% of Net Assets Applicable to Common Stockholders

Kennedy-Wilson Holdings	1.8%

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

PORTFOLIO SECTOR BREAKDOWN
% of Net Assets Applicable to Common Stockholders

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

Royce Micro-Cap Trust

Manager s Discussion

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

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

GOOD IDEAS THAT WORKED
Top Contributors to Performance
Year-to-Date through 6/30/11[1]

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

[1] Includes dividends

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

Important Performance and Risk Information

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

Performance and Portfolio Review

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

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

GOOD IDEAS AT THE TIME
Top Detractors from Performance
Year-to-Date through 6/30/11[1]

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

[1] Net of dividends

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

[1] Reflects the cumulative total return of an investment made by a stockholder who purchased one share at inception ($7.50 IPO), reinvested distributions and fully participated in the primary subscription of the 1994 rights offering.
[2] Reflects the actual market price of one share as it traded on the NYSE and, prior to 12/1/03, on Nasdaq.

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

Average Market Capitalization[1]	$341 million
Weighted Average P/B Ratio	1.6x
U.S. Investments (% of Net Assets applicable to Common Stockholders)	86.0%
Non-U.S. Investments (% of Net Assets applicable to Common Stockholders)	16.7%
Fund Total Net Assets	$377 million
Net Leverage[2]	3%
Turnover Rate	13%
Number of Holdings	334
Symbol Market Price NAV	 RMT XOTCX

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

CAPITAL STRUCTURE

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

27.8 million shares of Common Stock	$317 million
6.00% Cumulative Preferred Stock	$60 million

DOWN MARKET PERFORMANCE COMPARISON

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

AVERAGE ANNUAL NAV TOTAL RETURNS
Through 6/30/11

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

[1] Not annualized
[2] Royce & Associates assumed investment management responsibility for the Fund on 11/1/96.