ROYCE FOCUS TRUST INC
Form N-CSRS
August 27, 2013

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, Esq. 745 Fifth Avenue New York, NY 10151

Registrant s telephone number, including area code: (212) 508-4500
Date of fiscal year end: December 31, 2012
Date of reporting period: January 1, 2013 June 30, 2013

Item 1. Reports to Shareholders.

SEMIANNUAL
REVIEW AND REPORT
TO STOCKHOLDERS

Royce Value Trust

Royce Micro-Cap Trust

Royce Focus Trust

www.roycefunds.com

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. Each of the Funds has adopted a quarterly distribution policy for its common stock. Please see page 16-18 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 11, 13, and 15. For additional information on the Funds Distribution Reinvestment and Cash Purchase Options and the benefits for stockholders, please see page 18 or visit our website at www.roycefunds.com.

Each of the Boards of Directors of Royce Value Trust, Royce Micro-Cap Trust and Royce Focus Trust have authorized a managed distribution policy (MDP) paying quarterly distributions at an annual rate of 5% of the average of the prior four quarter-end net asset values. With each distribution, the Funds will issue a notice to stockholders and an accompanying press release which will provide detailed information regarding the amount and composition of the distribution and other information required by a Fund s MDP. You should not draw any conclusions about a Fund s investment performance from the amount of distributions or from the terms of a Fund s MDP. A Fund s Board of Directors may amend or terminate the MDP at any time without prior notice to stockholders; however, at this time, there are no reasonably foreseeable circumstances that might cause the termination of any of the MDPs.

This page is not part of the 2013 Semiannual Report to Stockholders

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For 40 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, 2013

	Royce Value Trust	Royce Micro-Cap Trust	Royce Focus Trust	Russell 2000 Index	Russell Microcap Index	Russell 2500 Index
Year-to-Date[1]	12.42%	13.43%	2.60%	15.86%	18.32%	15.42%
One-Year	24.64	25.00	14.40	24.21	25.38	25.61
Three-Year	16.17	17.06	10.57	18.67	18.28	19.57
Five-Year	6.24	7.39	1.45	8.77	8.53	9.21
10-Year	9.35	9.89	10.57	9.53	7.81	10.34
15-Year	8.39	8.92	8.90	6.60	n.a.	8.07
20-Year	10.30	n.a.	n.a.	8.88	n.a.	10.31
25-Year	10.87	n.a.	n.a.	9.34	n.a.	10.83
Since Inception	10.61	10.86	9.90	n.a.	n.a.	n.a.
Inception Date	11/26/86	12/14/93	11/1/96[2]	n.a.	n.a.	n.a.

[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. Certain immaterial adjustments were made to the net assets of Royce Micro-Cap Trust at 12/31/12 for financial reporting purposes, and as a result the net asset value originally calculated on that date and the total return based on that net asset value differs from the adjusted net asset value and total return reported in the Financial Highlights. All indexes referenced are unmanaged and capitalization-weighted. Each index s returns include net reinvested dividends and/or interest income. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group. The Russell 2000 Index is an index of domestic small-cap stocks that measures the performance of the 2,000 smallest publicly traded U.S. companies in the Russell 3000 Index. The Russell Microcap Index includes 1,000 of the smallest securities in the small-cap Russell 2000 Index, along with the next smallest eligible securities as determined by Russell. The Russell 2500 Index is an index of the 2,500 smallest publicly traded U.S. companies in the Russell 3000 Index.

Letter to Our Stockholders

Exile on Wall Street

The small-cap market reached peaks in July 2007 and April 2011 before surging to its most recent record highs. Surveying the small-cap landscape from the vantage points of these respective summits shows that each cycle (the second of which is still going on) has presented a difficult environment for active managers such as the parties penning this letter. This has been particularly true of the most recent period, which has seen solid results for the major small-cap indexes, ETFs, and other passive investment vehicles, while the active managers who once routinely outperformed all of them have achieved more muted results. The current phase has favored more defensive sectors and investments with high dividend yields, such as REITs and MLPs. **Strong balance sheets and higher-quality metrics such as returns on invested capital (ROIC) have also been out of favor in this world of easy money and zero interest rates that tends to be more supportive of lower-quality businesses.** And we have not even mentioned the flight to fixed income, which, along with the proliferation of ETFs, has been one of the most significant developments in the investment world during the last three-plus years.

These events took shape in a market that has featured regular spasms of high volatility and periods of declining stock prices, some of them of a historically extreme nature. These are periods in which fundamentally driven active management approaches such as ours have historically proven their worth. That many of our portfolios struggled to preserve their value as effectively as they have done historically during the market downturns since the pre-crisis peak in July 2007 has been frustrating and humbling, to say the least. Yet investing is a routinely humbling business. This is not the first time (and almost certainly won t be the last)

By buying out-of-favor companies and
rooting around beaten down sectors and
industries, we do things every day that
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After 40 years, we are used to doing things according to our own principles
and long-term time frame and do not mind being something akin to exiles on
Wall Street.

Charles M. Royce, President

Letter to Our Stockholders

As it has for the past few years, sentiment once again shifted dramatically in the second quarter and volatility returned to the markets. However, unlike the previous few years, it was the bond market that felt the brunt of the pain as speculation that the Federal Reserve may soon pull back from its unprecedented stimulus efforts fueled a one percentage point jump in 10-year Treasury yields during the final two months of the quarter.

After gaining 12.4% in the first quarter of 2013, the Russell 2000 Index advanced 3.1% in the second quarter, finishing the first half of the year with a 15.9% gain. At the same time, the CBOE Volatility Index (VIX), after hitting a fresh 2013 low in March 2013, spiked 33% in the second quarter the largest quarterly increase since the third quarter of 2011.

In the span of one quarter, we have transitioned from a world in which the idea that interest rates would remain indefinitely low to one in which the shift back to a more normalized yield environment is now center stage.

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in which we have endured a prolonged relative slump versus the small-cap market as a whole. But behind every contrarian, especially an out-of-sync one, is a disciplined investor. By buying out-of-favor companies and rooting around beaten down sectors and industries, we do things every day that may not look particularly savvy to many on Wall Street, at least in the short run. After 40 years, we are used to doing things according to our own principles and long-term time frame and do not mind being something akin to exiles on Wall Street.

It should come as no surprise, then, that we are not persuaded or even bothered by those voices suggesting that active management has perhaps seen its day in the sun. With ETFs and high-frequency trading seemingly making markets that much more efficient, with so many investors disenchanted with equities, and with sustained periods of relative underperformance in the books, perhaps (so the argument runs) active managers should simply switch to indexing or find another line of work. **To be sure, the last several years have given us little to crow about (while serving up plenty of crow to eat). However, we remain as enthusiastic as ever about active management in general and value-oriented small-cap investing in particular.** To paraphrase Mark Twain, we find reports of the death of active management to be greatly exaggerated.

So while lower-quality stocks have dominated the market and outperformed many of our holdings through the current cycle, we are undeterred in our conviction that well-run, cash-rich businesses with high returns on invested capital remain the best route to building long-term wealth. It is also important to remember that many stocks possessing these attributes have done very well on an absolute basis through the current cycle even as they have suffered in comparison to their more defensive or higher-yielding cohorts. Finally, we have already seen signs of a change in which we think the kind of higher-quality companies that we favor can assume a leadership role. There were encouraging signals in May and in the second half of 2012 that investors were giving more thought to fundamentals. In short, we are excited about the days ahead. We are bullish not only on stocks but, more important, on our specific approach to quality and active management.

Tumbling Dice

When 2012 drew to a close, we were equally optimistic. The second half of 2012 offered much that was good for what ailed quality-centric investors. The last few months in particular saw a brief resurgence of quality as many companies with strong balance sheets, high ROIC, and strong cash flow characteristics outpaced the rest of the small-cap market. This rally did not last long into 2013, however, as more highly levered and lower-ROIC businesses soon resumed leadership. **Quality stocks for the most part acquitted themselves well in the bullish first quarter; they simply did not attract as much interest as more defensive areas.** The strongest sectors for the small-cap Russell 2000 Index during the first quarter were Health Care, Consumer Discretionary, and Financials, the latter drawing much of its strength from REITs. More cyclical sectors such as Technology and Energy, which we see as featuring some of the most attractively valued, high-quality companies available over the last couple of years, lagged.

The result was a strong opening quarter for stocks across the board. Small-caps led, showing positive returns for the third consecutive quarter. The Russell 2000 gained 12.4% compared

to respective gains of 11.0% and 10.6% for the large-cap Russell 1000 and S&P 500 Indexes, while the more tech-oriented Nasdaq Composite rose 8.2%. Quality stocks resuming their back seat was not entirely surprising. Stocks as a whole have been on an encouraging roll since the low on June 2, 2012, so some give-back was not entirely unexpected, even if it was somewhat disappointing.

Going into the second quarter, we were confident that the rally could last, though we also assumed that a correction would be a natural part of a longer-term bullish trend, as has been the case over the past several years. While share prices all over the globe were more volatile in the second quarter, on the domestic front a rocky market still resulted in positive returns, with strength across all asset classes. The tech-oriented Nasdaq Composite led for the quarter with a 4.2% advance. Small-cap edged out the large-cap indexes, with the Russell 2000 up 3.1% for the quarter compared to respective gains of 2.9% and 2.7% for the S&P 500 and Russell 1000 Indexes.

One-year results were also strong for the major indexes, with the Russell 2000 leading (+24.2%), followed by the Russell 1000 (+21.2%), S&P 500 (+20.6%), and Nasdaq (+16.0%). Three-year results were even more closely aligned, offering compelling evidence of just how tightly correlated equity returns have been. Average annual total returns for the three-year period ended June 30, 2013 for the Russell 2000 (+18.7%), the Russell 1000 (+18.6%), and S&P 500 (+18.5%) were within two-tenths of one another while the Nasdaq rose 17.3% over the same span. That stocks continue to perform well could be seen by the fact that trailing one-, five-, and 10-year results for the small-cap and two large-cap indexes were well ahead of their returns for the same periods ended one year prior.

Micro-cap returns also continued their ascent. The Russell Microcap Index gained 18.3% year-to-date through June 30, 2013. Its one-year result was also strong, up 25.4%. The micro-cap index s trailing three-, five-, and 10-year results were also fine, though it trailed the Russell 2000 in these periods. By contrast, mid-caps narrowly underperformed year-to-date the Russell Midcap Index rose 15.5% through the end of June but outpaced their small-cap peers for the one-, three-, 10-, 15-, 20-, and 25-year periods ended June 30, 2013. This impressive long-term record helps to explain why we think of mid-caps as the market s stealth asset class.

Outside the U.S., short- and intermediate-term results were far less bullish. The first quarter saw positive, though lower, returns for the Russell ex-U.S. Small Cap Index, which climbed 6.5% while the Russell ex-U.S. Large Cap Index was up 3.1%. Second-quarter results slipped into the red as the Russell ex-U.S. Small Cap Index fell 4.5% and the Russell Global ex-U.S. Large Cap Index was down 2.9%. This resulted in considerably lower year-to-date results through June 30, 2013: the Russell ex-U.S. Small Cap Index was up 1.8% while its large-cap sibling managed only a 0.1% advance. In this context it was hardly surprising that one-, three-, and five-year results for the non-U.S. indexes were also well behind their U.S. equivalents for the periods ended June 30, 2013.

We are bullish not only on stocks but, more important, on our specific approach to quality and active management.

From our perspective, the end to the easy money bias that has been in place for several years presents an attractive environment for active managers with an absolute orientation like us, as underlying fundamentals and less-leveraged balance sheets should become increasingly more important.

We have long thought that the ongoing efforts to reflate the economy through numerous quantitative easings and a zero interest rate policy would have unintended consequences. To be sure, the actions of the Fed have been distorting asset pricing and valuations in the equity market in a number of ways. Many of the fundamental qualities we hold so dear, for example, seem temporarily suspended in an investment world where highly-leveraged businesses are benefiting from the ability to restructure their debt, lower funding costs, and extend maturities.

The unintended consequence of leveling the playing field has given lower-quality companies the luxury of time, which in a normal environment they would not have. It would not surprise us to see these trends reverse as tapering is implemented and monetary stimulus is slowly trimmed back and ultimately withdrawn.

To be clear, our balance sheet scrutiny is

paramount to our process, particularly our focus on risk. To that end, we have always chosen to focus on companies with high operating leverage. Our measure of financial leverage centers on the ratio of assets to stockholders equity, looking for a two-to-one ratio for non-financial companies.

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Letter to Our Stockholders

Shine a Light

On an NAV (net asset value) basis, each of our three closed-end portfolios Royce Value Trust, Micro-Cap Trust, and Focus Trust underperformed their respective benchmarks for the year-to-date period through the end of June (see table on opposite page). Market price results for Royce Value Trust and Royce Micro-Cap Trust were better on a relative basis. These two portfolios also posted strong absolute results on an NAV basis in the first half, which somewhat mitigated our disappointment with falling behind our benchmarks. Royce Focus Trust suffered in part from a relatively high exposure to metals & mining companies, many of which struggled in the first half.

As a group, the Funds featured in this *Semiannual Review and Report* had strong results from several sectors, most notably Information Technology, Financials, Industrials, and Consumer Discretionary. Royce Focus Trust and, to a lesser extent, Royce Micro-Cap Trust each paid a price for their respective exposures to the Materials sector in the form of sizable net losses. **Declines for the sector in both portfolios came overwhelmingly from the metals & mining industry, and especially from precious metals mining companies, a once sterling industry that has recently become a persistent trouble spot.**

In the first quarter cyclical companies mostly lagged defensive sectors, but the second quarter offered a more eclectic, and thus encouraging, mix. Within the Russell 2000, both

Consumer-oriented sectors remained strong, as did Health Care, Information Technology, and Telecommunications Services. However, the more cyclical Energy, Materials, and Industrials sectors fell, as did more high-yielding areas such as REITs and Utilities. The S&P 500 showed a similarly scrambled pattern among large-cap sector returns. Although painful in the short term, we see this growing differentiation as a very positive sign that the market is beginning to break out of its correlation groove.

Let it Loose

During the first half of 2013 the stock market displayed a broadly similar pattern of results to the first halves of 2010, 2011, and 2012. This was a model in which a robustly bullish first quarter gave way to a far more volatile second quarter, with a sudden shift in market sentiment driven primarily by global macro issues. However, this year s first half also showed some notable differences that suggest a break with the market s previously unyielding pattern of the last three calendar years a pattern marked by closely correlated returns and, as a result, relatively uninspired results for many active managers. For example, during the first quarter of 2013 the market was remarkably good at tuning out a great deal of ominous political news. When Congress and the President failed to produce a long-term plan to tackle the deficit, the market mostly shrugged and continued to climb. When sequestration began to take effect in the aftermath of the stalled budget negotiations, stocks once again paused then resumed moving upward.

This stood in stark contrast to what we saw in 2010, 2011, and most of the first half of 2012, when the markets seemed to react to little other than macro headlines that were themselves largely driven by political events. **In addition, when macro issues did inspire a sell-off, year-to-date**

2013 NAV YEAR-TO-DATE TOTAL RETURNS FOR THE ROYCE FUNDS VS. RUSSELL 2000, RUSSELL MICROCAP AND THE RUSSELL 2500 as of 6/30/13

returns were not too adversely affected, with most stocks and domestic indexes escaping the more uncertain second quarter of 2013 in the black despite a 33% second-quarter spike in the CBOE Volatility Index (VIX). This increase was the largest quarterly advance for the VIX, which hit a fresh 2013 low in March before spiking higher, since the third quarter of 2011. Another significant deviation from the pattern of previous years was the pain born by the bond market. Speculation that the Fed would taper its stimulus efforts fueled a full one percentage point jump in 10-year Treasury yields during May and June. We saw an encouraging variation in performance at the stock, industry, and sector levels, which was especially pronounced in these same two months, as signals that the economy was slowly finding its way back to more historically normal that is, less Fed-dependent levels of growth and activity.

Our contention is that the unusual performance pattern spurred by the effects of multiple rounds of QE and zero interest rates has begun to unwind, which will set the stage for more fundamentally based value-oriented approaches to take hold of market leadership.

Happy?

All of this makes us optimistic. Our contention is that the unusual performance pattern spurred by the effects of multiple rounds of QE and zero interest rates has begun to unwind, which will set the stage for more fundamentally based value-oriented approaches to take hold of market leadership. One sign that the process has already begun is that in the space of roughly three months we have moved from an environment in which many believed that interest rates would remain low indefinitely to one in which more historically normal yields are inching closer and closer. **We have argued that an unintended consequence of QE and zero interest rates has been to make life a little too easy for lower-quality companies. Highly levered businesses have been able to re-finance their obligations at record low rates and thus not pay the usual economic cost for being over-levered.** This unnatural and (we believe) temporary advantage reduced the attractiveness of the conservatively capitalized businesses that have been our portfolio mainstays since the early 1970s. However, with Fed policy changing, we are moving closer to a market in which strong fundamentals are likely to be in high demand once more.

This is an important part of our ongoing search for a company s margin of safety. If a company is carrying too much debt, it impedes its own ability to meet the challenge of out-of-left-field occurrences such as lawsuits, the loss of a major customer, or overseas currency crises.

A conservatively capitalized company, especially a smaller company, can better weather these storms because it has the necessary financial reserves to do so, while a company with too much debt on the balance sheet runs a greater risk that stormy weather will turn into a hurricane.

We also view financially strong companies as well-positioned to grow. The assets of these companies are derived more from retained earnings than paid-in capital, i.e., they have the ability to self-fund their own success as a business.

Of course, transitions are never easy. Shifting back to a more normalized yield environment is likely to be marked by increased volatility and pockets of uncertainty. Stock prices have begun the transition from their reliance on monetary policy to fundamentals, which is a process we believe will stress the importance of companies with strong, less-leveraged balance sheets, excess cash flow generation, and the ability to self-finance.

We look forward to a more normalized yield environment that could usher in that long-awaited flight to quality.

Letter to Our Stockholders

What Ben Bernanke actually said back in June about the Fed potentially tapering its bond purchases seemed entirely positive. Many of us have been waiting for the economy and the markets to return to more historically normal conditions for some time. We have been especially eager to see interest rates normalize, which would be as sure a sign as any that the economy and markets are operating at something like business as usual (and this period of QE and zero interest rates has been anything but that). We suspect an environment in which the Fed is not as intimately involved in the economy will be a healthy one for stocks. So while many investors saw the Fed s plans to taper bond purchases as a cause for alarm, we saw it as an affirmation that the economy is healing as it grows. Within the next couple of years, it should grow even stronger. Along with more historically normal that is, higher rates, this would be a very welcome development for equities in our view, particularly the kind of attractively valued, well-run, financially strong small-cap businesses that remain our favorites. Guarded optimism may be as close to bliss as we can usually get, but we have seldom felt more confident about our investment approach than we do right now, looking out on the months and years to come.

Sincerely,

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

July 31, 2013

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Semiannual Report to Stockholders

Royce Value Trust

AVERAGE ANNUAL NAV TOTAL RETURNS
Through 6/30/13

January June 2013[1]	12.42%
One-Year	24.64
Three-Year	16.17
Five-Year	6.24
10-Year	9.35
15-Year	8.39
20-Year	10.30
25-Year	10.87
Since Inception (11/26/86)	10.61

[1] Not annualized

CALENDAR YEAR NAV TOTAL RETURNS

Year	RVT	Year	RVT
2012	15.4%	2004	21.4%
2011	-10.1	2003	40.8
2010	30.3	2002	-15.6
2009	44.6	2001	15.2
2008	-45.6	2000	16.6
2007	5.0	1999	11.7
2006	19.5	1998	3.3
2005	8.4	1997	27.5

TOP 10 POSITIONS % of Net Assets

Carter s	1.2%
HEICO Corporation	1.1
PAREXEL International	1.0
Coherent	1.0
Lincoln Electric Holdings	1.0
Reliance Steel & Aluminum	0.9
E-L Financial	0.9
Federated Investors Cl. B	0.9
On Assignment	0.8
Ethan Allen Interiors	0.8

PORTFOLIO SECTOR BREAKDOWN % of Net Assets

Industrials	28.3%
Information Technology	21.4
Financials	16.6
Consumer Discretionary	13.9
Materials	6.7
Health Care	6.6
Energy	5.0
Consumer Staples	1.8
Telecommunication Services	0.7
Diversified Investment Companies	0.7
Miscellaneous	4.9
Preferred Stock	0.1
Outstanding Line of Credit, Net of Cash and Cash Equivalents	-6.7

Manager s Discussion

For the year-to-date period ended June 30, 2013, Royce Value Trust (RVT) gained 12.4% on an NAV (net asset value) basis and 15.9% on a market price basis compared to respective gains of 15.9% and 16.2% for its unleveraged small-cap benchmarks, the Russell 2000 and S&P SmallCap 600 Indexes, for the same period. For the bullish first quarter the Fund rose 10.6% on an NAV basis and 13.7% on a market price basis, in the latter case outperforming both of its unleveraged benchmarks as the Russell 2000 was up 12.4% and the S&P 600 SmallCap advanced 11.8%.

The second quarter was more volatile and uncertain. The globe s capital markets fell precipitously in late June following the announcement by Fed Chairman Ben Bernanke that the central bank was likely to slow the pace of its monthly bond purchases later in the year. Along with less-than-stellar news out of China, Brazil, Turkey, and Europe, stock prices slipped for several sessions before beginning to stabilize here in the U.S. The Fund trailed both of its benchmarks in the second quarter, gaining 1.7% on an NAV basis and 1.9% on a market price basis versus 3.1% for the Russell 2000 and 3.9% for the S&P SmallCap 600.

Longer-term results were a bit better on a relative basis. On an NAV and market price basis, RVT outperformed the Russell 2000 for the 15-, 20-, 25-year, and since inception (11/26/86) periods ended June 30, 2013 while outpacing the S&P 600 Small-Cap for each of those periods save the 20-year span (and on a market price basis for the 15-year period). **RVT s average annual NAV total return for the since inception period ended June 30, 2013 was 10.6%.**

Ten of the Fund s 11 equity sectors made positive contributions in the first half of 2013. Information Technology led by a sizable margin, followed by the Industrials and Financials sectors. Detracting from performance for the year-to-date period were the Materials and Diversified Investment Companies sectors, with net losses for the latter sector being relatively modest. At the industry level, capital markets, electronic equipment, instruments & components, and machinery were the top performers. Conversely, metals & mining, closed-end funds, and commercial services & supplies were the Fund s top three detracting industries.

At the company level, the Fund s top performer came from the Health Care sector. PAREXEL International is a biopharmaceutical services company that provides clinical research and consulting products and services to the biotech and med-tech device industries. We first bought shares in May of 1998 and have owned shares continuously since 1999. For many years we have liked the company s quality characteristics and its competitive advantage in the life sciences tools & services industry. The company has been moving through a previously built-up backlog, which has improved revenues and fueled interest in the stock. We took gains in April.

GOOD IDEAS THAT WORKED
Top Contributors to Performance
Year-to-Date through 6/30/13[1]

PAREXEL International	0.38%
Carter s	0.28
VistaPrint	0.24
E-L Financial	0.24
Mohawk Industries	0.21

[1] Includes dividends

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. The market price of the Fund s shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund invests primarily in securities of small- and micro-cap companies, which may involve considerably more risk than investing in a more diversified portfolio of larger-cap companies. Regarding the two Good Ideas tables shown above, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund s year-to-date performance for 2013.

Performance and Portfolio Review

Holdings in the metals & mining industry, which is part of the Materials sector, accounted for the majority of the Fund s net losses in the first half of the year. Four out of 10 of the Fund s largest detractors were metals & mining companies. Additionally, 10 of the Fund s largest 20 detractors for the period were metals & mining businesses. Several factors worked against precious metals miners in the first half. Gold and silver prices declined significantly, mine operating costs were climbing, and several firms went through management changes. For the mining industry, it has often looked as if a recovery would never happen. In many cases, valuations have reached levels that we have not seen since the late 2008-early 2009 lows. We chose to add shares of two closed-end funds Central Fund of Canada, which invests primarily in gold and silver bullion, and ASA Gold and Precious Metals, which invests primarily in companies involved in gold mining. We parted ways with Hochschild Mining and reduced our position in Major Drilling Group International, a contract drilling services business.

The Board of Directors of the Fund (the Board) has approved, subject to stockholder approval, the contribution of a portion of the Fund s assets to a newly formed closed-end investment company, Royce Global Value Trust, Inc. (Royce Global Value Trust) in exchange for Royce Global Value Trust s common shares.

The Fund would contribute to the Royce Global Value Trust approximately $100 million of its cash and/or securities, and would then distribute all of the shares of Royce Global Value Trust pro rata to the Common Stockholders of the Fund. The transaction is expected to be voted upon at a Special Meeting of the Fund s Common Stockholders on September 5, 2013. The amount of capital and the number of Royce Global Value Trust s shares to be distributed and the record and distribution dates will be announced at a later time. The distribution will be made only by means of a prospectus and this stockholder report does not constitute an offer of any securities for sale.

GOOD IDEAS AT THE TIME
Top Detractors from Performance
Year-to-Date through 6/30/13[1]

Central Fund of Canada Cl. A	-0.15%
ASA Gold and Precious Metals	-0.12
GrafTech International	-0.11
Hochschild Mining	-0.11
Major Drilling Group International	-0.09

1 Net of dividends

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION (11/26/86) through 6/30/13

[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

Fund Total Net Assets	$1,201 million
Number of Holdings	532
Turnover Rate	18%
Symbol Market Price NAV	 RVT XRVTX
Net Leverage[1]	7%
Average Market Capitalization[2]	$1,590 million
Weighted Average P/E Ratio[3,4]	17.3x
Weighted Average P/B Ratio[3]	1.8x
U.S. Investments (% of Net Assets)	83.3%
Non-U.S. Investments (% of Net Assets)	23.4%

[1] Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets.
[2] **Geometric Average.** This weighted calculation uses each portfolio holding s market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio s center, which Royce believes offers a more accurate measure of average market cap than a simple mean or median.
[3] **Harmonic Average.** This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio s share in the earnings or book value, as the case may be, of its underlying stocks.
[4] The Fund s P/E ratio calculation excludes companies with zero or negative earnings (9% of portfolio holdings as of 6/30/13).

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

Royce Micro-Cap Trust

AVERAGE ANNUAL NAV TOTAL RETURNS
Through 6/30/13

January June 2013[1]	13.43%
One-Year	25.00
Three-Year	17.06
Five-Year	7.39
10-Year	9.89
15-Year	8.92
Since Inception (12/14/93)	10.86

[1] Not annualized

CALENDAR YEAR NAV TOTAL RETURNS

Year	RMT	Year	RMT
2012	17.3%	2004	18.7%
2011	-7.7	2003	55.5
2010	28.5	2002	-13.8
2009	46.5	2001	23.4
2008	-45.5	2000	10.9
2007	0.6	1999	12.7
2006	22.5	1998	-4.1
2005	6.8	1997	27.1

TOP 10 POSITIONS % of Net Assets

Quaker Chemical	1.3%
Tennant Company	1.2

Integrated Electrical Services	1.2
Flexsteel Industries	1.2
Exponent	1.2
Seneca Foods	1.2
Computer Task Group	1.2
Drew Industries	1.1
Kennedy-Wilson Holdings	1.1
Universal Electronics	1.1

PORTFOLIO SECTOR BREAKDOWN % of Net Assets

Industrials	29.4%
Information Technology	23.5
Financials	18.3
Consumer Discretionary	11.8
Health Care	7.6
Materials	7.1
Energy	3.8
Consumer Staples	2.9
Utilities	0.1
Miscellaneous	5.0
Preferred Stock	0.4
Outstanding Line of Credit, Net of Cash and Cash Equivalents	-9.9

Manager s Discussion

Micro-cap stocks as a whole enjoyed a solid performance in the first half of 2013. **For the period ended June 30, 2013, Royce Micro-Cap Trust (RMT) gained 13.4% on an NAV (net asset value) basis and**

17.3% on a market price basis compared to its unleveraged benchmarks, the Russell 2000 Index and Russell Microcap Index, which had respective gains of 15.9% and 18.3%, for the same period. During the first quarter, RMT gained 12.8% on an NAV basis, falling behind both the Russell 2000 and the Russell Microcap, which rose 12.4% and 12.6%, respectively. On a market price basis, RMT outpaced both unleveraged benchmark indexes, gaining 16.0% during the first quarter.

Unlike the bullish first quarter, the second quarter was more volatile. Market sentiment soured in late June after the Fed announced that it would likely begin winding down its quantitative easing policies later in the year. Adding to the uncertainty was the less-than-stellar news out of China, Brazil, Turkey, and Europe, which led to a drop in stock prices for several sessions before showing signs of stabilization here in the U.S. just before the end of June. RMT trailed both the Russell 2000 and Russell Microcap indexes in the second quarter, gaining 1.8% on an NAV basis and 2.4% on a market price basis compared to respective gains of 3.1% and 5.1%.

On a long-term NAV basis, we were pleased that the Fund outperformed the Russell 2000 for the 10-, 15-year, and since inception (12/14/93) periods ended June 30, 2013. The Fund also outpaced the Russell Microcap for the 10-year period on an NAV basis. On a market price basis, RMT outperformed the Russell 2000 for the one-, three-, 10-, 15-year, and since inception (12/14/93) periods ended June 30, 2013. The Fund also outpaced the Russell Microcap for the one-, three-, and 10-year periods. (Data for the Russell Microcap only goes back to 2000.) **RMT s average annual NAV total return for the since inception period ended June 30, 2013 was 10.9%.**

Eight of the Fund s 10 equity sectors made positive contributions in the first half of 2013, with Materials being the lone detractor. (Utilities and Telecommunication Services were basically flat.) Industrials, Information Technology, and Financials were the Fund s top contributing sectors, followed by the Consumer Discretionary sector, which also posted notable net gains. At the industry level, building products, electronic equipment, instruments & components, and real estate management & development were the top year-to-date performers.

We have long believed that the capital markets area is an under-appreciated industry within the Financials sector. Over the past several years, money managers have traded at very attractive valuations, largely because of the risk-averse attitude of the market. Top-five holding Virtus Investment Partners is an investment management firm that provides services to individual and institutional clients. Being in the business ourselves, we like the company s customer- and product-

GOOD IDEAS THAT WORKED
Top Contributors to Performance
Year-to-Date through 6/30/13[1]

Virtus Investment Partners	0.59%
comScore	0.42
BofI Holding	0.38
Kennedy-Wilson Holdings	0.38
AAON	0.36

[1] Includes dividends

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. Certain immaterial adjustments were made to the net assets of Royce Micro-Cap Trust at 12/31/12 for financial reporting purposes, and as a result the net asset value originally calculated on that date and the total return based on that net asset value differs from the adjusted net asset value and total return reported in the Financial Highlights. 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 2013.

Performance and Portfolio Review

centric business model. We began purchasing shares at the tail end of 2010 and began significantly reducing our position in March and late June after its share price began to hit our sell targets.

Information Technology is another sector where we are seeing broad-based opportunities. An Internet software & services company that provides digital analytics solutions domestically and in Europe through its proprietary databases, comScore has a competitive position within its industry (some of its clients include Microsoft, Comcast, and BrightRoll). The company announced healthy fiscal first-quarter revenue growth in early May from both new and existing clients. This helped to drive its share price higher, as did news in June when the company detailed its strategy to drive growth, announced a $50 million share repurchase program, and revealed that it would be launching a new analytics product. As more and more businesses increase their digital presence, the accelerated demand for real-time data will become crucial. We began trimming our position later in June.

San Diego-based BofI Holding has been a holding in the portfolio since late August of 2006. BofI acts as the holding company for BofI Federal Bank, an Internet-based bank that provides financing for residential properties and small businesses. The company saw its web-based banking services in both the consumer and commercial markets in high demand. We were initially attracted to its online business model and steady growth. We took gains in the first half.

Celsion Corporation develops heat-based cancer treatments, currently focused on breast and liver cancer. Although we reduced our stake between July 2012 and January 2013, we still held a small position at the end of the first half. Its stock price cratered late in January on news that an experimental treatment for liver cancer had failed. We liked its core business and were reasonably hopeful that it could recover. Our exposure to the metals & mining industry created notable net losses for the Fund in the first half. Five out of the Fund s top-10 detractors were from the metals & mining industry. A decline in gold and silver prices and an increase in mine operating costs were some of the major reasons why the industry has descended to valuation levels close to those we saw in late 2008-early 2009. Confident in an eventual turnaround, we added shares of gold miner Vista Gold and closed-end fund ASA Gold and Precious Metals, which invests primarily in companies involved in gold mining.

GOOD IDEAS AT THE TIME
Top Detractors from Performance
Year-to-Date through 6/30/13[1]

Celsion Corporation	-0.32%
Vista Gold	-0.30
ASA Gold and Precious Metals	-0.20
Golden Star Resources	-0.18
PMFG	-0.14

[1] Net of dividends

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION (12/14/93) through 6/30/13

[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 the Nasdaq.

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

Fund Total Net Assets	$357 million
Number of Holdings	363
Turnover Rate	16%
Symbol Market Price NAV	 RMT XOTCX
Net Leverage[1]	10%
Average Market Capitalization[2]	$372 million
Weighted Average P/E Ratio[3,4]	18.5x
Weighted Average P/B Ratio[3]	1.6x
U.S. Investments (% of Net Assets)	96.6%
Non-U.S. Investments (% of Net Assets)	13.3%

[1] Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets.
[2] **Geometric Average.** This weighted calculation uses each portfolio holding s market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio s center, which Royce believes offers a more accurate measure of average market cap than a simple mean or median.
[3] **Harmonic Average.** This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio s share in the earnings or book value, as the case may be, of its underlying stocks.
[4] The Fund s P/E ratio calculation excludes companies with zero or negative earnings (21% of portfolio holdings as of 6/30/13).

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

Royce Focus Trust

AVERAGE ANNUAL NAV TOTAL RETURNS
Through 6/30/13

January June 2013[1]	2.60%
One-Year	14.40
Three-Year	10.57
Five-Year	1.45
10-Year	10.57
15-Year	8.90
Since Inception (11/1/96)[2]	9.90

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

CALENDAR YEAR NAV TOTAL RETURNS

Year	FUND	Year	FUND
2012	11.4%	2004	29.3%
2011	-10.5	2003	54.3
2010	21.8	2002	-12.5
2009	54.0	2001	10.0
2008	-42.7	2000	20.9
2007	12.2	1999	8.7
2006	15.8	1998	-6.8
2005	13.3	1997	20.5

TOP 10 POSITIONS % of Net Assets

Western Digital	4.9%

Microsoft Corporation	4.2
Berkshire Hathaway Cl. B	4.0
Franklin Resources	3.3
Helmerich & Payne	3.2
Buckle (The)	3.1
Exxon Mobil	3.0
Mosaic Company (The)	2.9
Myriad Genetics	2.9
Thor Industries	2.7

PORTFOLIO SECTOR BREAKDOWN % of Net Assets

Materials	19.5%
Information Technology	19.1
Financials	17.7
Energy	12.8
Consumer Discretionary	11.6
Industrials	7.4
Consumer Staples	6.4
Health Care	2.9
Cash and Cash Equivalents	2.6

Manager s Discussion

For the six-month period ended June 30, 2013, Royce Focus Trust (FUND) gained 2.6% on an NAV (net asset value) basis and 8.6% on a market price basis compared to gains of 15.4% for the small- and mid-cap Russell 2500 Index and 15.9% for the small-cap Russell 2000 Index, for the same period. The Fund could not keep pace through the first quarter of 2013, a more or less consistently bullish period that lifted share prices across asset classes. The Fund climbed 2.3% on an NAV basis and 7.3% on a market price basis in the first quarter, lagging behind gains of 12.8% for the Russell 2500 and 12.4% for the Russell 2000.

Following this bull run, the markets shifted to a more volatile and unsettled mode. The second quarter saw declines in the emerging markets and a slowdown in China that, combined with Fed Chairman Ben Bernanke s announcement that the pace of the central bank s $85 billion monthly bond purchase program was likely to slow by the end of the year, further distorted valuations and depressed asset prices. The market s reaction to these macro headlines was swift and dramatic, though U.S. stocks generally did a better job of pushing through these challenges than many non-U.S. stocks. Most U.S. indexes finished the quarter in the black. FUND lagged both its benchmarks in the second quarter, gaining 0.2% on an NAV basis and 1.3% on a market price basis versus respective gains of 2.3% and 3.1% for the Russell 2500 and Russell 2000.

While we were disappointed by FUND s intermediate-term performance on a relative scale, we were generally pleased with its returns on an absolute basis, with the exception of its five-year results through the end of June. On an NAV and market price basis, FUND outperformed the Russell 2500 and the Russell 2000 for the 10-, 15-year, and since inception of our management (11/1/96) periods ended June 30, 2013. **The Fund s average annual NAV total return for the since inception period ended June 30, 2013 was 9.9%.**

Seven of the Fund s eight equity sectors contributed positively to the Fund s year-to-date performance, with Information Technology, Consumer Discretionary, Consumer Staples, and Financials leading by a wide margin. Computers & peripherals, specialty retail, and personal products positively impacted the Fund s performance at the industry level, with the metals & mining industry being a large and significant detractor. Precious metals miners accounted for eight of the Fund s ten and nine of its 20 largest detractors for the period. Several factors worked against these holdings in the first half. Gold and silver prices declined significantly, mine operating costs were climbing, and several firms went through management changes. Warren Buffett once said, Only when the tide goes out do you discover who s been swimming naked. For the mining industry, it has often looked as if the tide was never coming back in. In many cases, valuations have reached what we view as rock-bottom levels that have not been seen since the late 2008-early 2009 lows. For the most part, we have chosen to hold those companies that we think look best positioned

GOOD IDEAS THAT WORKED
Top Contributors to Performance
Year-to-Date through 6/30/13[1]

Western Digital	1.75%
GameStop Corporation Cl. A	1.17
Nu Skin Enterprises Cl. A	1.10
Microsoft Corporation	1.05
Berkshire Hathaway Cl. B	0.81

[1] Includes dividends

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. The market price of the Fund s shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund normally invests primarily in small-cap companies, which may involve considerably more risk than investing in a more diversified portfolio of larger-cap companies. Regarding the two Good Ideas tables shown above, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund s year-to-date performance for 2013.

Performance and Portfolio Review

for an eventual turnaround. We held our positions in Allied Nevada Gold, Pretium Resources, and Seabridge Gold while we doubled our stake in Fresnillo in May.

Outside the metals & mining industry, we also added shares of Apple in January. We first purchased shares following Steve Jobs death in October 2011. Near the end of 2012, we were struck by how attractive its valuation appeared, which led us to buy more shares. We are confident in the ability of this iconic, global brand to continue to surprise and delight consumers with new products, some of which we may see before the end of 2013.

The Fund s top contributor for the period was Irvine, CA.-based Western Digital, a manufacturer of hard disk drives. Its core business, which involves solutions for the collection, storage, management, and protection of digital content, has long interested us. The company is also one of two firms that dominate disk drive production worldwide. We began purchasing shares at the end of April 2010 when its valuation began to reach levels that we found attractive and continued to slowly add to our position as share prices remained compelling. It seemed that during this time many investors were selling based on the idea that a decline in the need for PCs would hurt its business. However, we saw opportunities in the need that cloud computing server farms would have for its products. Its shares began to gradually rebound in February 2013, following news in January of solid EPS (earnings per share) growth, and again in March on reports that global demand for data storage would remain strong.

GameStop Corporation is a video game retailer that sells new and pre-owned gaming products, hardware, and software. Over the last couple of years there have been concerns over the viability of its business model as downloadable games and mobile applications have become more and more available. However, announcements from Microsoft and Sony that each would be introducing updated gaming consoles mollified worries. In addition to the updated consoles, the company s video game exchange business should continue to thrive as new games are introduced with the release of the new consoles and older games from outdated systems should be harder to find. We began significantly trimming our position in early February and mid-April.

GOOD IDEAS AT THE TIME
Top Detractors from Performance
Year-to-Date through 6/30/13[1]

Allied Nevada Gold	-1.73%
Pretium Resources	-0.78
Apple	-0.72
Fresnillo	-0.70
Seabridge Gold	-0.70

[1] Net of dividends

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION
(11/1/96)[3] through 6/30/13

[1] Reflects the cumulative total return experience of a continuous common stockholder who reinvested all distributions and fully participated in the primary subscription of the 2005 rights offering.
[2] Reflects the actual market price of one share as it traded on Nasdaq.
[3] Royce & Associates assumed investment management responsibility for the Fund on 11/1/96.

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

Fund Total Net Assets	$166 million
Number of Holdings	54
Turnover Rate	13%
Symbol Market Price NAV	 FUND XFUNX
Average Market Capitalization[1]	$6,326 million
Weighted Average P/E Ratio[2,3]	14.8x
Weighted Average P/B Ratio[2]	1.8x
U.S. Investments (% of Net Assets)	71.6%
Non-U.S. Investments (% of Net Assets)	25.8%

[1] **Geometric Average.** This weighted calculation uses each portfolio holding s market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio s center, which Royce believes offers a more accurate measure of average market cap than a simple mean or median.
[2] **Harmonic Average.** This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio s share in the earnings, or book value, as the case may be, of its underlying stocks.
[3] The Fund s P/E ratio calculation excludes companies with zero or negative earnings (10% of portfolio holdings as of 6/30/13).

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

History Since Inception

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

History		Amount Invested	Purchase Price[1]	Shares	NAV Value[2]	Market Value[2]
Royce Value Trust						
11/26/86	Initial Purchase	$ 10,000	$ 10.000	1,000	$ 9,280	$ 10,000
10/15/87	Distribution $0.30		7.000	42		
12/31/87	Distribution $0.22		7.125	32	8,578	7,250
12/27/88	Distribution $0.51		8.625	63	10,529	9,238
9/22/89	Rights Offering	405	9.000	45		
12/29/89	Distribution $0.52		9.125	67	12,942	11,866
9/24/90	Rights Offering	457	7.375	62		
12/31/90	Distribution $0.32		8.000	52	11,713	11,074
9/23/91	Rights Offering	638	9.375	68		
12/31/91	Distribution $0.61		10.625	82	17,919	15,697
9/25/92	Rights Offering	825	11.000	75		
12/31/92	Distribution $0.90		12.500	114	21,999	20,874
9/27/93	Rights Offering	1,469	13.000	113		
12/31/93	Distribution $1.15		13.000	160	26,603	25,428
10/28/94	Rights Offering	1,103	11.250	98		
12/19/94	Distribution $1.05		11.375	191	27,939	24,905
11/3/95	Rights Offering	1,425	12.500	114		
12/7/95	Distribution $1.29		12.125	253	35,676	31,243
12/6/96	Distribution $1.15		12.250	247	41,213	36,335
1997	Annual distribution total $1.21		15.374	230	52,556	46,814
1998	Annual distribution total $1.54		14.311	347	54,313	47,506
1999	Annual distribution total $1.37		12.616	391	60,653	50,239
2000	Annual distribution total $1.48		13.972	424	70,711	61,648
2001	Annual distribution total $1.49		15.072	437	81,478	73,994
2002	Annual distribution total $1.51		14.903	494	68,770	68,927
1/28/03	Rights Offering	5,600	10.770	520		
2003	Annual distribution total $1.30		14.582	516	106,216	107,339
2004	Annual distribution total $1.55		17.604	568	128,955	139,094
2005	Annual distribution total $1.61		18.739	604	139,808	148,773
2006	Annual distribution total $1.78		19.696	693	167,063	179,945
2007	Annual distribution total $1.85		19.687	787	175,469	165,158
2008	Annual distribution total $1.72[3]		12.307	1,294	95,415	85,435
3/11/09	Distribution $0.32[3]		6.071	537	137,966	115,669
12/2/10	Distribution $0.03		13.850	23	179,730	156,203
2011	Annual distribution total $0.78[3]		13.043	656	161,638	139,866
2012	Annual distribution total $0.80		13.063	714	186,540	162,556
2013	Year-to-Date distribution total $0.38		14.943	310		
6/30/13		**$ 21,922**		**12,423**	**$ 209,700**	**$ 188,333**

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

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[3]		8.237	578	28,205	24,807
3/11/09	Distribution $0.22[3]		4.260	228	41,314	34,212
12/2/10	Distribution $0.08		9.400	40	53,094	45,884
2011	Annual distribution total $0.53[3]		8.773	289	49,014	43,596
2012	Annual distribution total $0.51		9.084	285	57,501	49,669
2013	Year-to-Date distribution total $0.27		10.657	134		
6/30/13		**$ 8,900**		**5,390**	**$ 65,219**	**$ 58,266**
Royce Focus Trust						
10/31/96	Initial Purchase	$ 4,375	$ 4.375	1,000	$ 5,280	$ 4,375
12/31/96					5,520	4,594
12/5/97	Distribution $0.53		5.250	101	6,650	5,574
12/31/98					6,199	5,367
12/6/99	Distribution $0.145		4.750	34	6,742	5,356
12/6/00	Distribution $0.34		5.563	69	8,151	6,848
12/6/01	Distribution $0.14		6.010	28	8,969	8,193
12/6/02	Distribution $0.09		5.640	19	7,844	6,956
12/8/03	Distribution $0.62		8.250	94	12,105	11,406
2004	Annual distribution total $1.74		9.325	259	15,639	16,794
5/6/05	Rights offering	2,669	8.340	320		
2005	Annual distribution total $1.21		9.470	249	21,208	20,709
2006	Annual distribution total $1.57		9.860	357	24,668	27,020
2007	Annual distribution total $2.01		9.159	573	27,679	27,834
2008	Annual distribution total $0.47[3]		6.535	228	15,856	15,323
3/11/09	Distribution $0.09[3]		3.830	78	24,408	21,579
12/31/10					29,726	25,806
2011	Annual distribution total $0.41[3]		6.894	207	26,614	22,784
2012	Annual distribution total $0.46		6.686	255	29,652	25,549
2013	Year-to-Date distribution total $0.19		6.985	106		
6/30/13		**$ 7,044**		**3,977**	**$ 30,424**	**$ 27,759**

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

[2]Other than for initial purchase, values are stated as of December 31 of the year indicated, after reinvestment of distributions.
[3]Includes a return of capital.

Distribution Reinvestment and Cash Purchase Options

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, 2013.

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

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

Royce Value Trust

June 30, 2013
(unaudited)

Schedule of Investments

	SHARES	VALUE
COMMON STOCKS 106.6%		
Consumer Discretionary 13.9%		
Auto Components - 0.4%		
China XD Plastics [1]	109,700	$ 450,867
Drew Industries	40,991	1,611,766
Gentex Corporation [2]	97,400	2,245,070
Minth Group	356,100	560,133
		4,867,836
Automobiles - 0.9%		
Thor Industries [2]	114,500	5,631,110
Winnebago Industries [1]	222,500	4,670,275
		10,301,385
Distributors - 1.0%		
Genuine Parts	7,700	601,139
LKQ Corporation [1]	368,000	9,476,000
Weyco Group	97,992	2,469,398
		12,546,537
Diversified Consumer Services - 1.1%		
Career Education [1]	28,900	83,810
MegaStudy	52,150	2,817,438
Regis Corporation [2]	233,800	3,838,996
Sotheby s [2,3]	156,500	5,932,915
Universal Technical Institute	110,432	1,140,763
		13,813,922
Hotels, Restaurants & Leisure - 0.4%		
Ambassadors Group	32,100	113,955
CEC Entertainment	64,100	2,630,664
Lotto24 [1]	74,716	495,996
Net Holding	142,000	184,062
Tak Sing Alliance Holdings	1,178,500	243,113
Tipp24 [1]	16,300	938,423
		4,606,213
Household Durables - 2.6%		
Blyth	29,600	413,216

Desarrolladora Homex ADR [1]	14,100	52,593
Ekornes	125,000	1,996,099
Ethan Allen Interiors	345,800	9,959,040
Hanssem	49,100	1,317,731
Harman International Industries [2,3]	151,600	8,216,720
Mohawk Industries [1,2,3]	79,700	8,965,453
		30,920,852
Internet & Catalog Retail - 0.3%		
Manutan International	45,000	1,927,092
NutriSystem	63,000	742,140
Takkt	75,000	1,132,435
		3,801,667
Leisure Equipment & Products - 0.5%		
Arctic Cat	7,000	314,860
Beneteau [1]	175,000	1,933,925
Nautilus [1]	119,200	1,035,848
Shimano	32,000	2,716,677
		6,001,310
Media - 1.2%		
Global Mediacom	4,044,000	876,030
Media Chinese International	2,650,000	964,551
Morningstar [2]	98,900	7,672,662
Pico Far East Holdings	4,985,000	1,703,219
Television Broadcasts	197,800	1,370,769
Wiley (John) & Sons Cl. A	35,000	1,403,150
		13,990,381
Multiline Retail - 0.5%		
Dollar Tree [1]	43,750	2,224,250
New World Department Store China	7,715,700	3,899,607
		6,123,857
Specialty Retail - 1.7%		
Advance Auto Parts	7,400	600,658
Asahi Company	7,100	104,374
Ascena Retail Group [1,2]	118,600	2,069,570
bebe stores	15,300	85,833
Beter Bed Holding	49,300	903,532
Bonjour Holdings	5,892,000	1,078,724
Dickson Concepts (International)	331,300	185,810
Hour Glass (The)	400,000	550,690
Kirkland s [1]	29,800	514,050
Lewis Group	400,000	2,549,304
L Occitane International	150,000	403,234
Luk Fook Holdings (International)	168,500	391,050
OSIM International	1,200,000	1,860,355
Ross Stores	4,330	280,627
Sa Sa International Holdings	886,000	873,886
Stein Mart	167,800	2,290,470

Systemax	194,000	1,825,540
TravelCenters of America LLC [1]	18,500	202,390
USS	12,000	1,523,291
West Marine [1]	131,100	1,442,100
Wet Seal (The) Cl. A [1]	63,200	297,672
		20,033,160
Textiles, Apparel & Luxury Goods - 3.3%		
Anta Sports Products	1,188,200	1,041,736
Carter s [2,3]	194,600	14,414,022
Columbia Sportswear [2,3]	10,597	663,902
Daphne International Holdings	4,991,500	4,266,817
Gildan Activewear	13,500	546,885
Grendene	175,000	1,588,948
J.G. Boswell Company [4]	2,292	1,959,660
Makalot Industrial	345,000	1,646,091
Pacific Textiles Holdings	3,670,000	4,135,585
Stella International Holdings	265,100	733,156
Texwinca Holdings	1,128,300	1,050,319
Van de Velde	50,000	2,183,517
Wolverine World Wide [2]	108,700	5,936,107
		40,166,745
Total (Cost $119,252,596)		167,173,865
Consumer Staples 1.8%		
Food & Staples Retailing - 0.3%		
FamilyMart	76,000	3,241,379

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

Royce Value Trust

Schedule of Investments

	SHARES	VALUE
Consumer Staples (continued) Food Products - 1.5%		
Alico	27,000	$1,082,970
Amira Nature Foods [1]	111,461	936,272
Cal-Maine Foods	37,148	1,727,753
First Resources	1,165,900	1,632,720
Industrias Bachoco ADR	3,000	104,100
Seneca Foods Cl. A [1]	110,000	3,374,800
Seneca Foods Cl. B [1]	13,251	371,426
Super Group	480,000	1,685,207
Tootsie Roll Industries	225,520	7,167,026
Waterloo Investment Holdings [1,5]	598,676	81,959
		18,164,233
Total (Cost $15,775,797)		21,405,612

Diversified Investment Companies 0.7% Closed-End Funds - 0.7%

British Empire Securities and General Trust

174,909 1,266,292

Central Fund of Canada Cl. A [2,3]

389,800 5,301,280

RIT Capital Partners

64,658 1,140,762

Royce Global Value Trust [1,5,6]

10,160 100,076

Total (Cost $7,039,516) 7,808,410

Energy 5.0% Energy Equipment & Services - 4.2%

Cal Dive International [1]

456,250 857,750

CARBO Ceramics [2,3]

17,200 1,159,796

Era Group [1,2,3]

132,866 3,474,446

Helmerich & Payne [2,3]

118,400 7,394,080

ION Geophysical [1]

361,500 2,176,230

Oil States International [1,2,3]

88,823 8,228,563

Pason Systems

115,500 2,099,800

SEACOR Holdings [2,3]

108,875 9,042,069

Steel Excel [1,4]

156,880 4,549,520

Superior Energy Services [1,2]	55,900	1,450,046
TGS-NOPEC Geophysical	78,500	2,280,943
Tidewater	64,300	3,663,171
Trican Well Service	139,200	1,850,353
Unit Corporation [1]	60,200	2,563,316
		50,790,083
Oil, Gas & Consumable Fuels - 0.8%		
Africa Oil [1]	74,800	501,417
Bill Barrett [1,2]	50,000	1,011,000
Cimarex Energy [2]	61,300	3,983,887
Contango Oil & Gas	12,300	415,125
Green Plains Renewable Energy [1]	59,100	787,212
Lundin Petroleum [1]	24,100	477,968
Resolute Energy [1,2]	248,334	1,981,705
		9,158,314
Total (Cost $49,419,996)		59,948,397

Financials 16.6% Capital Markets - 8.4%		
Affiliated Managers Group [1,2,3]	42,200	6,918,268
AllianceBernstein Holding L.P. [2,3]	324,600	6,758,172
AP Alternative Assets L.P. [1]	124,555	2,621,883
ASA Gold and Precious Metals	205,501	2,609,863
Ashmore Group	746,000	3,899,718
Aurelius	14,400	346,010
Cowen Group [1]	1,274,458	3,695,928
Dubai Investments	8,500,000	3,008,440
Eaton Vance [2]	85,300	3,206,427
FBR & Co. [1]	144,050	3,638,703
Federated Investors Cl. B [2,3]	390,100	10,692,641
GAMCO Investors Cl. A	40,300	2,233,023
Jupiter Fund Management	75,000	330,464
KKR & Co. L.P.	415,000	8,158,900
Lazard Cl. A	169,800	5,459,070
MVC Capital	254,200	3,200,378
Oppenheimer Holdings Cl. A	75,000	1,428,000
Paris Orleans	226,496	5,365,695
Partners Group Holding	10,200	2,761,791
Reinet Investments [1]	164,948	2,943,598
Reinet Investments DR [1]	500,000	954,472
SEI Investments	303,900	8,639,877
Sprott	1,045,600	2,783,759
Value Partners Group	4,089,900	2,204,187
Waddell & Reed Financial Cl. A [2]	139,300	6,059,550
Westwood Holdings Group	23,460	1,006,903
		100,925,720
Commercial Banks - 1.9%		
Bank of N.T. Butterfield & Son	1,784,161	2,497,826
BCB Holdings [1]	309,426	91,771
Farmers & Merchants Bank of Long Beach	1,200	5,881,200
Fauquier Bankshares	160,800	1,950,504
First Citizens BancShares Cl. A	45,527	8,743,460
Huntington Bancshares	76,000	598,880
Mechanics Bank	200	2,560,000
		22,323,641
Diversified Financial Services - 1.1%		
Banca Finnat Euramerica	1,060,000	365,633
Pargesa Holding	4,300	287,031
PICO Holdings [1]	67,500	1,414,800
RHJ International [1]	622,500	2,933,202
Sofina	89,000	8,064,096
Texas Pacific Land Trust	3,800	322,088
		13,386,850
Insurance - 2.9%		

Alleghany Corporation [1,2]	10,399	3,986,041
Berkley (W.R.)	5,700	232,902
eHealth [1]	38,850	882,672
E-L Financial	18,000	10,868,118
Erie Indemnity Cl. A [2]	50,000	3,984,500
Independence Holding Company	349,423	4,130,180
Platinum Underwriters Holdings	91,900	5,258,518
Primerica	135,000	5,054,400
		34,397,331

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

June 30, 2013 (unaudited)

	SHARES	VALUE
Financials (continued) Real Estate Management & Development - 2.0%		
Consolidated-Tomoka Land	60,564	$2,311,122
E-House China Holdings ADR	231,861	1,006,277
Forestar Group [1,2]	102,000	2,046,120
Kennedy-Wilson Holdings	191,000	3,178,240
Midland Holdings	7,571,100	2,830,847
St. Joe Company (The) [1,2,3]	167,000	3,515,350
Tejon Ranch [1]	342,600	9,760,674
		24,648,630
Thrifts & Mortgage Finance - 0.3%		
Timberland Bancorp [6]	444,200	3,740,164
Vestin Realty Mortgage II [1]	214,230	351,337
		4,091,501
Total (Cost $179,595,212)		199,773,673
Health Care 6.6% Biotechnology - 0.4%		
Genomic Health [1]		

	33,000	1,046,430
Green Cross		
	12,600	1,351,517