ROYCE VALUE TRUST INC
Form N-CSR
March 10, 2006

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: 1414 Avenue of the Americas
New York, NY 10019

Name and address of agent for service:	John E. Denneen, Esquire 1414 Avenue of the Americas New York, NY 10019

Registrant's telephone number, including area code: (212) 486-1445
Date of fiscal year end: December 31
Date of reporting period: January 1, 2005 – December 31, 2005

Item 1: Reports to Shareholders

Royce Value Trust

Royce Micro-Cap Trust

Royce Focus Trust

www.roycefunds.com

ANNUAL REVIEW AND REPORT TO STOCKHOLDERS

2005

The Royce Fund

VALUE INVESTING IN SMALL COMPANIES FOR MORE THAN 30 YEARS

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 on a stock exchange or are traded in the over-the-counter market. 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 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 or the Nasdaq market, 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.

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

WHY DIVIDEND REINVESTMENT IS IMPORTANT

A very important component of an investor's total return comes from the reinvestment of distributions. By reinvesting distributions, our investors can maintain an undiluted investment in a Fund. To get a fair idea of the impact of reinvested distributions, please see the charts on pages 13, 15 and 17. For additional information on the Funds' Distribution Reinvestment and Cash Purchase Options and the benefits for stockholders, please see page 19 or visit our website at www.roycefunds.com.

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Annual Review

For more than 30 years, we have used a value approach to invest in smaller-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. At times, we may also look at other factors, such as a company's unrecognized asset values, its future growth prospects or its turnaround potential following an earnings disappointment or other business difficulties. 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.

Charles M. Royce, President

PERFORMANCE TABLE

AVERAGE ANNUAL NAV TOTAL RETURNS Through December 31, 2005

	Royce Value Trust	Royce Micro-Cap Trust	Royce Focus Trust	Russell 2000
Fourth Quarter 2005*	2.68%	-0.31%	5.98%	1.13%
July - December 2005*	10.66	8.26	20.91	5.88
One-Year	8.41	6.75	13.31	4.55
Three-Year	22.83	25.38	31.22	22.13

Here at The Royce Funds, we talk a lot about earnings, the profits a company has after expenses, taxes and other costs have been deducted from revenues. As the principal source of long-term shareholder returns, earnings are a critical element in gauging the success of a business. To get a sense of their significance, even a value-oriented portfolio manager such as our own Buzz Zaino likes to joke, We're all growth investors, because ultimately we're all looking for earnings growth. Of course, one may contrast Buzz's remark with the in-house example of Charlie Dreifus, who is more than happy to find companies with steady, but not necessarily growing (and certainly not fast-growing) earnings, yet there is no denying that earnings are arguably the most critical sign of a company's well-being.

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Five-Year	12.50	15.96	16.82	8.22
10-Year	13.57	14.06	n/a	9.26
Since Inception	12.62	13.94	14.12	
Inception Date	11/26/86	12/14/93	11/1/96**	

* Not annualized.
** Date Royce & Associates, LLC assumed investment management responsibility for the Fund.

Royce Value Trust's average annual NAV total return for the 15-year period ended 12/31/05 was 15.22%.

IMPORTANT PERFORMANCE AND RISK INFORMATION

All performance information in this Review reflects past performance, is presented on a total return basis and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Performance information does not reflect the deduction of taxes that a stockholder would pay on distributions or on the sale of Fund shares. Investment return and principal value of an investment will fluctuate, so that shares may be worth more or less than their original cost when sold. Current performance may be higher or lower than performance quoted. Current month-end performance may be obtained at www.roycefunds.com. The Royce Funds invest primarily in securities of small-cap and/or micro-cap companies, which may involve considerably more risk than investments in securities of larger-cap companies.

The thoughts expressed in this Review and Report to Stockholders concerning recent market movements and future prospects for small company stocks are solely the opinion of Royce at December 31, 2005, and, of course, historical market trends are not necessarily indicative of future market movements. Statements regarding the future prospects for particular securities held in the Funds' portfolios and Royce's investment intentions with respect to those securities reflect Royce's opinions as of December 31, 2005 and are subject to change at any time without notice. There can be no assurance that securities mentioned in this Review and Report to Stockholders will be included in any Royce-managed portfolio in the future.

LETTER TO OUR STOCKHOLDERS

It's Not Unusual. . . But It's Not Quite Normal, Either

There is an old curse, said to be of Chinese or Scottish origin, which states, "May you live in interesting times." Anyone who has been an equity investor over the last 10 years has more than qualified for the curse of living through a decade of noteworthy days. It began uneventfully enough, with a move to large-cap stocks in the mid-'90s. Internet stock mania then took hold. This feverish activity was attended by an insistence that the stock market was in a new era, one appropriate for the imminent arrival of a new millennium, in which all of the old rules about valuation and how to measure the success of a business were being quickly and thoroughly recast. **Value investors were among those whose relatively ordinary returns between 1996 and 1999 consigned them to the trash heap of the market's new order, the investment equivalent of dinosaurs destined for extinction. Yet the '90s ended, and the new era began, with a stubborn assertion of one of the oldest rules of equity investing known to human kind, namely that markets are cyclical.** The Internet bubble burst in 2000, which led to arguably the most interesting six years of the last 10 for the U.S. stock market.

Along with Y2K hysteria, the collapse of Internet stock prices heralded a series of events that helped keep equity returns underwater—or just barely above the surface—through the end of 2005. In fact, the period that spans 2000 through 2005 may be best thought of as a testament to the remarkable resilience of the stock market. Consider the following list of events that run the gamut from calamitous to criminal: The terrorist attacks of September 2001; accounting scandals and revelations of fraud that brought down more than a couple of corporate Goliaths; mutual fund trading scandals; war with Iraq; subsequent terrorist strikes in Israel, Indonesia, Madrid and London; record trade and budget deficits; natural disasters

Last year was the first time since we began to prognosticate low returns in 2003 that both small- and large-cap performance, regardless of style, ended the year in the low single digits.

However, our portfolio managers occasionally buy shares of small- and micro-cap companies that have been enduring earnings

LETTER TO OUR STOCKHOLDERS

in Asia, Louisiana, Mississippi and Texas; skyrocketing energy prices; and ongoing political controversies. Far from capitulating to each new, dispiriting development, the market managed to move forward. Returns across styles and asset

disappointments or have ceased to post any earnings at all. An investor may well ask why we would make such purchases: If earnings are so important, why would we risk buying shares of a company whose earnings are depressed or nonexistent? How can a company satisfy our exacting security selection criteria if it's missing such a crucial element? The apparent contradiction is resolved in part by another in our endless series of reminders that we always invest with a long-term perspective.

Most of our security analyses begin with the balance sheet. We carefully scrutinize a company's underlying assets, which are the ultimate source of earnings, while also looking closely at its liabilities, the claims parties other than the shareholders have on assets. If the assets are in healthy proportion to the liabilities, that gives us confidence that future earnings can be produced, even if there are no current earnings.

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classes were generally unspectacular (though in certain cases, such as small-cap value's, they were strong on an absolute and relative basis), but in general they avoided outright disaster, even in the more difficult, negative-return years of 2000 and 2002.

We continue to believe that the downturn earlier in 2005 marked the end of the market working through these various difficulties that took place during the last several years. Indeed, 2005 may ultimately be remarkable for its unremarkable nature, for its relatively low, but positive, returns. It will also go down as the year in which a six-year period of small-cap outperformance came to an end, though to what degree that will matter in the future remains to be seen. In a year in which little seemed to take investors by surprise, the most unexpected element may have been that one of our overall market predictions (finally) proved to be accurate. Since 2003, we have been unswerving in our conviction that the market had entered a low-return mode, but the success of our own and similar small-cap investment approaches made our predictive remarks inaccurate. Last year was the first time since we began to prognosticate low returns that both small- and large-cap performance, regardless of style, ended the year in the low single digits. We suspect that this means that the stock market has returned to more historically typical, if not normal, behavior after a decade of tumult. However, our reasons have nothing to do with the low returns themselves or the anomalous accuracy of our forecast.

Looming Large

When the subject is the perennially unpredictable stock market, we are fully aware of the danger of words such as "typical" or "normal," terms that are difficult to define with precision in any context. Another danger is that "normal" markets often represent a transitional stage between bull and bear extremes. In addition, the farther out one looks from the 10-year period ended 12/31/05, long-term average annual returns for both small- and large-cap stocks reach into the low-to-mid teens, not the single-digit positive returns of 2005. Having issued these caveats, we think that the market has returned to more historically typical behavior, and the reason has to do with the narrowing of the gap between large- and small-cap results in the past year.

For the first calendar year since

1998, large-cap stocks, as measured by the S&P 500, outperformed small-cap, as measured by the Russell 2000, but the advantage was slight. The S&P 500 was up 4.9% in 2005 versus 4.6% for the Russell 2000 (and 1.4% for the Tech-heavy Nasdaq Composite). The last time that small-cap enjoyed more than five consecutive years of outperformance was between 1975 and 1983. The recently concluded phase of small-cap

outperformance followed the period in which the Russell 2000 underperformed the S&P 500 in five out of six years. Perhaps unsurprisingly, small-caps (as measured by the CRSP 6-10) also underperformed the S&P 500 for four of the five years prior to the 1975-1983 reversal.

Small-cap significantly outpaced large-cap from the 2005 market low on April 28, with the Russell 2000 up 18.1% versus 10.6% for the S&P 500. The Russell 2000 also led in months of positive returns (February, May, June, July, September and November). Equally compelling from our perspective was the stronger performance for large-caps during the negative or flat performance months of January, March, April, August, October and December, a development that we felt revealed nascent large-cap leadership. We have long believed that where investors turn when stock prices are falling is a very telling sign, so large-cap's advantage during 2005's downdrafts indicated to us that investors were more confident in larger stocks. We expect that large-cap will continue to lead in the short and possibly intermediate terms, though we see no reason for small-cap investors to fret. Over long-term time periods, we anticipate that small-cap will continue to perform well, though probably without the substantial outperformance spreads that we have seen over the last six years.

Over long-term time periods, we anticipate that small-cap will continue to perform well, though probably without the substantial outperformance spreads that we have seen over the last six years.

Long-Term Values

Another instance of narrowing spreads could be seen within small-cap in the one- and three-year average annual total returns ended 12/31/05 for the Russell 2000 Value and Growth indices. In each period the Russell 2000 Value index beat its growth counterpart, but the results were close. For the one-year period ended 12/31/05, both indices posted low returns: value was up 4.7% versus 4.2% for growth. For the three-year period, the Russell 2000 Value index gained 23.2% versus 20.9% for the Russell 2000 Growth index. However, the longer-term edge fell more dramatically in small-cap value's favor. **The upshot was that small-cap value owned a performance edge over small-cap growth for the one-, three-, five-, 10-, 15-, 20-and 25-year periods ended 12/31/05, an impressive run of outperformance that was bolstered by the Russell 2000 Value index outflanking the Russell 2000 Growth index in five of the last six calendar years (trailing slightly during 2003's**

surging small-cap rally) *(see table below).* This long-term advantage came primarily from small-cap values formidable edge in the current decade to date (+131.9% versus -13.2%), which has seen both up and down markets.

RUSSELL 2000 VALUE VERSUS RUSSELL 2000 GROWTH
Calendar-Year Returns: 2000-2005

	Russell 2000 Value	Russell 2000 Growth		Russell 2000 Value	Russell 2000 Growth
2000	22.8%	-22.4%	2003	46.0%	48.5%
2001	14.0	-9.2	2004	22.3	14.3
2002	-11.4	-30.3	2005	4.7	4.2

Our objective when looking at a companys earnings picture is to understand normalized earnings over long-term time periods. Industries usually move in very particular, though not always consistently predictable, business cycles. By focusing on normalized earnings, we are trying to filter out the effects of short-term earnings surprises, whether they are negative or positive. Our long-term investment horizon and thorough research process peer beyond the ebb and flow of near-term events in an attempt to discover long-term opportunities.

LETTER TO OUR STOCKHOLDERS

Looking back at 2005s second half and forward to 2006, one might expect growth to continue to lead during updrafts, or at least during up quarters. In fact, we would not be surprised to see small-cap growth assume a leadership role in the coming months, but we suspect that its advantage will be small and its reign relatively short. The Russell 2000 Growth index led the Russell 2000 Value index in the third and fourth quarters of 2005 as well as from the 2005 market low on April 28, so one could argue that small-cap growths leadership phase is already underway. In any event, we think that small-cap value is likely to retain its long-term performance edge over small-cap growth, though we do not expect the former to dominate the way that it did over the last six years. **We also do not anticipate a return to the late 90s, when the Russell 2000 Growth index led in most short- and even some long-term periods. As with small- and large-cap stocks, we think that small-cap value and growth should be subject to frequent leadership rotation and low, but positive returns.**

This Round to Royce

Energy stocks were the dominant market sector in 2005 across all asset classes and investment styles. The industrys

In general, we seek businesses that have a solid-to-strong earnings history. A record of profitability is critical when trying to assess both the current financial health and the long-term prospects for a business that has fallen on hard times. In fact, it may be one of the more telling indications that a company's woes are likely to be temporary. We are willing to endure the short-term difficulties of what we believe is a high-quality company struggling with stalled profits, provided that

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preeminent performance status helped each of our closed-end Funds to post strong absolute and relative returns in the calendar year. We began looking more closely at the industry in 2003, when forecasts of lower oil and gas commodity prices caused the stock prices of many energy companies to fall. While energy was clearly the most dynamic area, our closed-end portfolios also saw impressive gains in the Industrial and/or Financial sectors, as well as in Technology stocks, some of which enjoyed a resurgence in 2005's second half. As we first noted in July of last year, 2005 was unlike 2003, a year in which micro-caps dominated, and 2004, a year that saw stronger small-cap results. Both small- and micro-cap oriented portfolios enjoyed success in 2005, and individual gains and losses were more the result of stock (and sector) selection as opposed to capitalization.

On both a net asset value (NAV) and market price basis, all three closed-end Funds outperformed the Russell 2000 for the one-year period ended 12/31/05. The year's second half saw each Fund make an impressive comeback after subpar first-half performances in 2005. The results were just as encouraging for the three-year and five-year periods ended 12/31/05, in which Royce Value Trust, Micro-Cap Trust and Focus Trust each outpaced the Russell 2000 with double-digit average annual NAV and market price total returns. When looking at the 10-year period ended 12/31/05, the same advantage held for Royce Value Trust and Micro-Cap Trust, our two closed-end Funds with more than 10 years of history. All three Funds outperformed the Russell 2000 from the small-cap market peak on 3/9/00 through 12/31/05. They also were ahead of the small-cap index from the small-cap market trough on 10/9/02 through 12/31/05, three impressive instances of mostly bull-market outperformance. While we would love for each of our Funds to continue to outpace the small-cap benchmark in most short- and long-term performance periods, we realize that such a feat is impossible, and are happy to hold a greater advantage over long-term and market cycle performance periods, which we believe offer a sterner test of a portfolios merits.

While we would love for each of our Funds to continue to outpace the small-cap benchmark in most short- and long-term performance periods, we realize that such a feat is impossible, and are happy to hold a greater advantage over long-term and market cycle performance periods, which we believe offer a sterner test of a portfolios merits.

Lake Wobegone, Not Lake Placid

Although most equity indices enjoyed positive returns in 2005, few made new highs, two exceptions being the Russell 2000 Value index, which made its new high in August, and the Russell 2000 index, which reached a new peak in December. The past few years saw undeniable improvement in overall equity results, yet several major market indices remained substantially shy of the peaks that they established in March 2000: the Russell 2000 Growth index (-33.5%), S&P 500 (-10.4%) and Nasdaq Composite (-56.3%) all failed to surpass their March 2000 highs. Of course, these figures may indicate nothing more than the timeliness of the likely shift in overall market leadership from small- to large-cap, and an analogous change within small-cap from value to growth. Its also worth pointing out that, despite the relatively paltry returns of 2005, the three-year average annual total returns for both the S&P 500 and Russell 2000 were rather impressive on both an absolute and a relative basis, especially compared to the five-year returns for the periods ended 12/31/05 *(see table at left)*. **It occurs to us that the last three years felt remarkably different from the beginning of the current decade, a time in which low or negative large-cap returns were a source**

our estimate of the companys long-term prospects is positive. This is especially true with cyclical businesses that regularly go through the ups and downs of their industry. The downs are often synonymous with

of constant frustration for many investors. The picture becomes even more interesting on viewing the 10-year average annual total returns for the S&P 500 and Russell 2000. After the whirlwind of the last 10 years, were not sure if investors will find it surprising or predictable that these results for the 10-year period ended 12/31/05 were nearly

earnings trouble. The company's actions at such times are critical: Is management buying back stock? Does the firm have sufficient cash reserves to successfully deal with adversity? If so, our confidence is bolstered. If not, we generally look elsewhere.

In addition, few events make investors more emotional than earnings trouble. An earnings disappointment can create a wave of selling that drives a stock price down to levels that meet our value criteria. In many cases over the years, we have waited patiently for a particular company's stock price to fall so that we could begin to build a position. Our years of experience have brought home again and again the lesson that even the best businesses have occasional trouble. When they do, we try to use other investors' reactions to our advantage by purchasing shares at prices that we find attractive.

identical: 9.3% for the Russell 2000 and 9.1% for the S&P 500.

We may look back on 2005 as the year in which everything changed. However, we want to emphasize again that the most significant changes may not be the shifts in leadership to large-cap in general and to small-cap growth within our investment universe (though they are certainly important). The critical move from our perspective has been the narrowing of the performance spread between asset classes and styles. We simply do not think it's likely any time soon that any asset class or investment approach will dominate the way that small-cap value did between 2000 and 2005 or that large-cap did between 1995 and 1999. Low returns, however, do not equate to a lack of volatility. The Russell 2000's positive return in 2005 was not achieved in a straight line, as volatility was quite apparent throughout most of last year. The Russell 2000 posted eight directional high-to-low and/or low-to-high moves of at least 5% in the last 12 months, resulting in two significant declines that were each followed by strong rallies.

Navigating the Narrows

With our expectation that leadership rotation between asset categories and styles should be the order of the day and that performance advantages should remain slim, we do not see particularly hard times ahead for small-cap and/or small-cap value. **Regardless of what the future brings, it's important to mention that our approach is not heavily invested in how the rest of the world defines value.** In the past five years of terrific small-cap value performance, we continued to scrutinize those areas that were not enjoying the benefits of value's good fortune, such as Health and Technology. This may seem counterintuitive, even contradictory, but the essence of value investing remains finding what we regard as high-quality companies whose stocks are trading at discounts to our estimate of their worth as businesses. This entails searching in areas that others are ignoring. Markets are always changing, but this aspect of our approach remains the same.

We appreciate your continued support.

Sincerely,

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

January 31, 2006

The critical move from our perspective has been the narrowing of the performance spread between asset classes and styles. We simply do not think it's likely that any asset class or investment approach will dominate the way that small-cap value did between 2000 and 2005 or that large-cap did between 1995 and 1999.

ONLINE UPDATE

Visit the New RoyceFunds.com

Here are just a few of our new features:

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Annual Report to Stockholders

ROYCE VALUE TRUST

AVERAGE ANNUAL NAV TOTAL RETURNS
Through 12/31/05

Fourth Quarter 2005*	2.68%
July - December 2005*	10.66%
One-Year	8.41
Three-Year	22.83
Five-Year	12.50
10-Year	13.57
15-Year	15.22
Since Inception (11/26/86)	12.62

*Not annualized.

CALENDAR YEAR NAV TOTAL RETURNS

Year	RVT	Year	RVT
2005	8.4%	1996	15.5%
2004	21.4	1995	21.1
2003	40.8	1994	0.1
2002	-15.6	1993	17.3
2001	15.2	1992	19.3
2000	16.6	1991	38.4
1999	11.7	1990	-13.8
1998	3.3	1989	18.3
1997	27.5	1988	22.7

Manager's Discussion

After struggling in the difficult first half, Royce Value Trust (RVT) came back strong in the second half of 2005, which gave a much-needed boost to its calendar-year results. **RVT was up 8.4% on a net asset value (NAV) basis and 7.0% on a market price basis in 2005, versus gains of 4.6% for the Russell 2000 and 7.7% for the S&P 600. The Fund thus outperformed each of its small-cap benchmarks on an NAV basis during 2005 and trailed the S&P 600 by only a narrow margin on a market price basis.** Although both small-cap indices were ahead of the Fund in the early stages of the dynamic rally that began with the interim small-cap market low on 4/28/05, RVT more than made up for its late start. The Fund gained 7.8% on an NAV basis and 7.5% on a market price basis in the third quarter, ahead of both the Russell 2000 (+4.7%) and the S&P 600 (+5.4%). In the fourth quarter, RVT's NAV (+2.7%) and market price (+3.2%) returns were also ahead of the Russell 2000 (+1.1%) and the S&P 600 (+0.4%).

Strong second-half NAV results helped RVT not only to achieve a performance edge over market cycle and other long-term periods, but to also provide terrific NAV returns on an absolute basis. From the small-cap market peak on 3/9/00 through 12/31/05, RVT gained 93.7% versus 19.7% for the Russell 2000 and 65.0% for the S&P 600. In the mostly upmarket phase running from the small-cap market trough on 10/9/02 through 12/31/05, RVT was up 120.5%, versus 114.2% for the Russell 2000 and 111.6% for the S&P 600. The Fund also beat its small-cap benchmarks on an NAV basis for the one-, three-, five-, 10-, 15-year and since inception (11/26/86) periods ended 12/31/05, while on a market price basis, the Fund outperformed for each of those periods with the exception of the one-year interval. **RVT's average annual NAV total return since inception was 12.6%.**

Of the Fund's 11 equity sectors, nine showed net gains in 2005. The bulk of the losses were confined to the Consumer Products sector. That area held the Fund's top loser, The Boyd's Collection, a collectibles company whose shares we sold in October on news that the firm was filing for reorganization under Chapter 11, ending a mostly dismal five-year experience with the stock. Another significant loser on a dollar basis was Willbros Group, a private contractor that provides construction, engineering and specialty services primarily to the oil and gas industry. While the company's business mostly grew in 2005, the results of an internal investigation (itself the result of a previous shake-up in upper management) led the company to restate earnings for 2002, 2003, 2004 and the first two fiscal quarters of 2005. We sold some shares during 2005, but we held a position at the end of the year because by November the company seemed to have put a good deal of its difficulties behind it.

Elsewhere in the Natural Resources sector, the news was mostly very positive. As the sector that holds the portfolio's energy stocks, the dominant industry in the market for the 18-month period ended 12/31/05, this was hardly a surprise. It was the Fund's top net-gaining sector in 2005, followed by Industrial Services, Industrial Products and Technology. In contrast to Natural Resources, the latter sector's net gains for the year were somewhat unexpected, the result of a strong fourth-quarter comeback. We have owned shares of contract oil and gas well

TOP 10 POSITIONS
% of Net Assets Applicable to Common Stockholders

Alliance Capital Management Holding L.P.	1.9%
Ritchie Bros. Auctioneers	1.3
SEACOR Holdings	1.0
Apollo Investment	1.0

Simpson Manufacturing	0.9
Ash Grove Cement Company Cl.B	0.9
Cimarex Energy	0.9
Sotheby's Holdings Cl. A	0.9
Newport Corporation	0.8
Forward Air	0.8

PORTFOLIO SECTOR BREAKDOWN % of Net Assets Applicable to Common Stockholders	
Technology	22.5%
Industrial Products	17.1
Industrial Services	13.3
Financial Services	9.8
Natural Resources	9.4
Financial Intermediaries	8.8
Health	8.0
Consumer Services	5.8
Consumer Products	5.0
Utilities	0.2
Diversified Investment Companies	0.1
Miscellaneous	4.9
Bonds & Preferred Stocks	0.3
Cash and Cash Equivalents	16.1

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GOOD IDEAS THAT WORKED 2005 Net Realized and Unrealized Gain	
Helmerich & Payne	$4,642,059
Alliance Capital Management Holding L.P.	4,376,806
Energy Conversion Devices	3,305,802
Plexus Corporation	3,267,758
Elan Corporation	3,196,564

driller Helmerich & Payne since 1998, though our experience with the firm goes all the way back to RVT's inception. In 2005, the firm benefited from rising oil and gas prices, its own growing business and minimal damage in the aftermath of Katrina and Rita to its rigs located in the Gulf of Mexico. We reduced our position at rising share prices between February and October. Pharmaceutical company Elan Corporation ran into difficulties with a multiple sclerosis drug, Tysabri, that it produces with another firm, Biogen. Prospects for the drug's eventual use began to improve during the fall, especially in the aftermath of an announcement in December that an FDA advisory panel would review the drug in March 2006. Its share price received a healthy shot based on this news. In Technology, Energy Conversion Devices saw its growing business and approach toward profitability interest investors. A newer position in the portfolio, we were drawn to its conservative balance sheet and interesting niche business of developing alternative energy products and technology. Plexus Corporation provides a variety of technological services, including product development, material procurement and distribution, for several industries.

GOOD IDEAS AT THE TIME 2005 Net Realized and Unrealized Loss	
Boyd's Collection (The)	$2,259,734
Willbros Group	2,248,754
PXRE Group	2,040,250
PRG-Schultz International	1,975,935
MacDermid	1,967,852

Its stock price rose in 2005 primarily because of improved earnings, but our overall experience with the company, which goes back to 2001, was still not profitable as of 12/31/05.

PORTFOLIO DIAGNOSTICS	
Average Market Capitalization	$1,049 million
Weighted Average P/E Ratio	19.9x*
Weighted Average P/B Ratio	2.2x
Weighted Average Yield	0.9%
Fund Net Assets	$1,032 million
Turnover Rate	31%
Net Leverage	5%
Symbol	
Market Price	RVT
NAV	XRVTX

* Excludes 15% of portfolio holdings with zero or negative earnings as of 12/31/05.

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

CAPITAL STRUCTURE Publicly Traded Securities Outstanding at 12/31/05 at NAV or Liquidation Value	
54.7 million shares of Common Stock	$1,032 million
5.90% Cumulative Preferred Stock	$220 million

RISK/RETURN COMPARISON Three-Year Period Ended 12/31/05			
	Average Annual	Standard	Return

	Total Return	Deviation	Efficiency*
RVT (NAV)	**22.8%**	**14.8**	**1.54**
S&P 600	22.4	14.0	1.60
Russell 2000	22.1	15.3	1.44

*Return Efficiency is the average annual total return divided by the annualized standard deviation over a designated time period.

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

ROYCE MICRO-CAP TRUST

AVERAGE ANNUAL NAV TOTAL RETURNS Through 12/31/05	
Fourth Quarter 2005*	-0.31%
July - December 2005*	8.26
One-Year	6.75
Three-Year	25.38
Five-Year	15.96
10-Year	14.06
Since Inception (12/14/93)	13.94

Manager's Discussion

Royce Micro-Cap Trust (RMT) gained 6.8% on a net asset value (NAV) basis and 8.9% on a market price basis in 2005, in each case ahead of its small-cap benchmark, the Russell 2000, which was up 4.6% for the same period. When the stock market began to turn around following the interim small-cap market trough on 4/28/05, the Fund arrived a little late to the dance, but soon began to tear up the floor. RMT was up 8.6% on an NAV basis during the third quarter (+5.1% on a market price basis), outpacing the Russell 2000's 4.7% return. NAV results cooled off in the fourth quarter. The Fund was down 0.3%, though its market price result

*Not annualized.

CALENDAR YEAR NAV TOTAL RETURNS

Year	RMT	Year	RMT
2005	6.8%	1999	12.7%
2004	18.7	1998	-4.1
2003	55.6	1997	27.1
2002	-13.8	1996	16.6
2001	23.4	1995	22.9
2000	10.9	1994	5.0

TOP 10 POSITIONS
% of Net Assets Applicable
to Common Stockholders

ASA Bermuda	1.5%
Transaction Systems Architects Cl. A	1.4

was strong, up 8.8% versus 1.1% for the Russell 2000. The performance spread between RMTs NAV and market price returns during the fourth quarter was the largest in eight years and third largest since the Funds inception in December 1993.

While short-term outperformance is always welcome, we place much greater importance on long-term and market cycle NAV returns on an absolute and relative basis. Therefore, we were very pleased that the Fund beat the small-cap index from the small-cap market peak on 3/9/00 through 12/31/05, gaining 101.9% versus 19.7% for the Russell 2000. Arguably more impressive (though not any more significant) was RMT outperforming its small-cap benchmark from the small-cap market trough on 10/9/02 through 12/31/05 with a return of 133.7% versus a gain of 114.2% for the Russell 2000. In addition, the Fund was ahead of the small-cap index on both an NAV and market price basis for the one-, three-, five-, 10-year and since inception (12/14/93) periods ended 12/31/05. **RMTs average annual NAV total return since inception was 13.9%.**

Seven of the Funds 10 equity sectors posted net gains in 2005, with Natural Resources (home to RMTs holdings in energy) and Industrial Products leading the way on a dollar basis. Energy stocks topped all other areas of the stock market for the year, so terrific performance for portfolio holdings in that industry was no surprise. We first built a position in domestic oil and gas company Gulfport Energy between March and August 2004, before its price began a significant climb. Rising oil and gas prices and increased production led to record earnings for the fiscal year 2004 and a surging share price in 2005. We sold off our remaining position in September after beginning to take gains at rising stock prices in May. Top-ten position Dril-Quip makes offshore drilling and production equipment. Its conservative balance sheet and solid earnings first attracted our interest in 1998. Rising oil and gas prices helped its earnings to improve, which in turn

HomeFed Corporation	1.3
Universal Truckload Services	1.2
Abigail Adams National Bancorp	1.2
Seneca Foods	1.2
TriZetto Group (The)	1.1
Covansys Corporation	1.1
Pason Systems	1.0
Dril-Quip	1.0

PORTFOLIO SECTOR BREAKDOWN
% of Net Assets Applicable
to Common Stockholders

Technology	25.4%
Industrial Products	16.0
Industrial Services	13.7
Health	14.7
Natural Resources	9.5
Financial Intermediaries	7.0
Consumer Products	5.7
Consumer Services	5.5
Financial Services	3.0

played a role in the company’s mostly soaring share price in 2005. We trimmed our position in January, August and September. The Fund’s top gainer in 2005 came from Industrial Products. Sun Hydraulics manufactures high-performance industrial valves and manifolds. Strong earnings seemed to attract investors. We were just as pleased by the firm’s decision to use profits to remove debt from an already strong balance sheet. We took some gains in February and July.

The Fund’s largest sector, Technology, was a net loser in 2005. TransAct Technologies makes specialized parts and printers used to produce ATM receipts, lottery tickets and other items. A

All performance information in this Report reflects past performance, is presented on a total return basis and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate, so that shares may be worth more or less than their original cost when sold. Current performance may be higher or lower than performance quoted. Current month-end performance may be obtained at www.roycefunds.com. The Funds’ P/E ratio calculations exclude companies with zero or negative earnings.

Diversified Investment Companies	2.1
Miscellaneous	4.8
Preferred Stock	0.5
Cash and Cash Equivalents	12.5

Performance and Portfolio Review

GOOD IDEAS THAT WORKED 2005 Net Realized and Unrealized Gain	
Sun Hydraulics	$2,185,808
Gulfport Energy	1,595,152
Dril-Quip	1,473,127
TriZetto Group (The)	1,388,940
PICO Holdings	1,360,942

decline in domestic gambling early in 2005 hurt sales and sent its share price on a downward slope, which only grew steeper when the firm became embroiled in a patent dispute shortly afterward. We held a small position at the end of the year, mainly because the firm remains conservatively capitalized. We chose to hold a good-sized position in IT business consultant Sapient Corporation at the end of the year, in spite of difficult times for its stock price. Our view at year-end was that the firm possesses a strong balance sheet and an attractive core business. It also remained profitable in 2005, though its growth was slower than many investors seemed to expect. Two gainers in Technology were also top-ten holdings: The TriZetto Group, which creates specialized software and Internet portals to help healthcare firms improve their business procedures, benefited from strong earnings. Transaction processing software manufacturer Transaction Systems Architects made an acquisition of a similar business, restructured its business units for greater in-house efficiency and enjoyed steadily improving earnings. Outside the Technology sector, Aceto Corporation, a specialty chemical maker and distributor, was plagued by declining growth rates, shrinking margins and plummeting pricing. We took some losses during 2005, but at December 31 still thought that

PORTFOLIO DIAGNOSTICS	
Average Market Capitalization	$275 million
Weighted Average P/E Ratio	19.2x*
Weighted Average P/B Ratio	1.9x
Weighted Average Yield	0.8%
Fund Net Assets	$294 million
Turnover Rate	46%
Net Leverage	8%
Symbol	
Market Price	RMT
NAV	XOTCX

* Excludes 17% of portfolio holdings with zero or negative earnings as of 12/31/05.

Net leverage is the percentage, in excess of 100%, of the total value of

GOOD IDEAS AT THE TIME

2005 Net Realized and Unrealized Loss	
Aceto Corporation	$1,625,478
Sapient Corporation	1,110,000
TransAct Technologies	1,057,956
DiamondCluster International	1,011,354
PRG-Schultz International	808,741

a turnaround could eventually materialize.

equity type investments, divided by net assets, applicable to Common Stockholders.

CAPITAL STRUCTURE Publicly Traded Securities Outstanding at 12/31/05 at NAV or Liquidation Value	
21.9 million shares of Common Stock	$294 million
6.00% Cumulative Preferred Stock	$60 million

RISK/RETURN COMPARISON
Three-Year Period Ended 12/31/05

	Average Annual Total Return	Standard Deviation	Return Efficiency*
RMT (NAV)	**25.4%**	**15.3**	**1.66**
Russell 2000	22.1	15.3	1.44

* Return Efficiency is the average annual total return divided by the annualized standard deviation over a designated time period.

[1] Reflects the cumulative total return of an investment made by a stockholder who purchased one share at inception ($7.50 IPO) and then reinvested distributions as indicated, 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 Nasdaq, and, beginning on 12/1/03, on the NYSE.

ROYCE FOCUS TRUST

AVERAGE ANNUAL NAV TOTAL RETURNS Through 12/31/05	
Fourth Quarter 2005*	5.98%

Manager's Discussion

Although each of our closed-end funds enjoyed impressive second-half rebounds during 2005, the award for "2005's Comeback Fund of the Year" would have to go to Royce Focus Trust (FUND). **The Fund was up 13.3% on a net asset value (NAV) basis and 3.0% on a market price basis during 2005. FUND's small-cap benchmark, the Russell 2000, was up 4.6% for the same period, giving the Fund the performance edge on an NAV basis, but trailing the small-cap benchmark on a market price basis.** Although one would never know it by looking at the Fund's negative second-quarter returns, the market began to rally following the interim small-cap market trough on 4/28/05. Still, FUND was able to overcome its tardy participation in the burgeoning rally with terrific third- and fourth-quarter returns on both an NAV and market price basis. The Fund gained 14.1% on an NAV basis and 16.3% on a market price basis compared to a 4.7% gain for the Russell 2000 during the third quarter. Although returns for stocks as a whole were generally lower in the fourth quarter, FUND gained 6.0% on an NAV basis and 5.7% on a market price basis, while the Russell 2000 was up 1.1%.

While the Fund's NAV performance in 2005 was warmly welcomed, our attention is more focused on market cycle and other long-term time periods, where we seek strong returns on both an absolute and relative basis. From the small-cap market peak on 3/9/00 through 12/31/05, FUND trounced the Russell 2000, up 158.3% versus 19.7% for the benchmark. The Fund also handily outpaced the small-cap index from the small-cap market trough on 10/9/02 through 12/31/05, up 171.6% versus 114.2%. Our value approach admittedly makes outperformance from market peaks somewhat unsurprising, but it's understandable if a performance edge during a generally more bullish period raises an eyebrow or two. For our part, we were very pleased with the results for both periods. The Fund also outperformed the Russell 2000 on an NAV basis for the one-, three-, five-year and since inception of our management (11/1/96) periods ended 12/31/05, and beat the benchmark on a market price basis for each of these intervals except the one-year period. **FUND’s average annual NAV total return since inception was 14.1%.**

Short-term performance is not something that we typically give much attention, but we were struck by how thoroughly the Fund’s results turned around in 2005’s second half. In the year’s first six months, eight of nine equity sectors showed net losses; for the 12-month period ended 12/31/05, only two were in the red. Of the six sectors that went from net losses to net gains, Natural Resources led, thanks to the ongoing dominance of energy stocks in the market as a whole, a move fueled by rising oil and natural gas prices. Canadian energy services company Trican Well Service manufactures piping and drilling equipment and provides oil well completion, maintenance and repair services. The firm posted record revenues and job activity in 2005’s fiscal third quarter, boosted by strong business in Canada and overseas. Even after taking gains at various times between March and December, it was a top-ten holding at December 31. We made similar trims beginning in April to another top-ten position, Ensign Energy Services, which provides contract well drilling and other services for the oil and natural

July - December 2005*	20.91
One-Year	13.31
Three-Year	31.22
Five-Year	16.82
Since Inception (11/1/96)†	14.12

* Not annualized.

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

CALENDAR YEAR NAV TOTAL RETURNS

Year	RFT	Year	RFT
2005	13.3%	2000	20.9%

2004	29.2	1999	8.7
2003	54.3	1998	-6.8
2002	-12.5	1997	20.5
2001	10.0		

TOP 10 POSITIONS
% of Net Assets Applicable
to Common Stockholders

New Zealand Government 6.50% Bond	4.8%
Athena Neurosciences Finance 7.25% Bond	4.1
IPSCO	3.8
Canadian Government 3.00% Bond	3.7
Endo Pharmaceuticals Holdings	3.2
Simpson Manufacturing	3.0
Glamis Gold	2.9
Ensign Energy Services	2.8
Thor Industries	2.8
Trican Well Service	2.7

PORTFOLIO SECTOR BREAKDOWN
% of Net Assets Applicable
to Common Stockholders

Industrial Products	21.8%
Natural Resources	19.8
Technology	11.9
Health	9.5
Consumer Products	6.3
Industrial Services	5.5
Financial Services	3.7
Financial Intermediaries	3.3
Consumer Services	3.3

All performance information in this Report reflects past performance, is presented on a total return basis and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate, so that shares may be worth more or less than their original cost when sold. Current performance may be higher or lower than performance quoted. Current month-end performance may be obtained at www.roycefunds.com. The Funds P/E ratio calculations exclude companies with zero or negative earnings.

Bonds	13.5
Treasuries, Cash and Cash Equivalents	18.9

Performance and Portfolio Review

GOOD IDEAS THAT WORKED 2005 Net Realized and Unrealized Gain	
Trican Well Service	$3,945,382
IPSCO	2,759,583
Elan Corporation	2,405,404
Ensign Energy Services	2,346,857
U.S. Global Investors Cl. A	2,025,460

gas industry, primarily in western Canada and the Rocky Mountain U.S. Its expanding business in South America contributed to its record third-quarter revenues in fiscal 2005.

The bull market for energy stocks helped two holdings in the Industrial Products sector. Canadian steel producing and fabricating company IPSCO makes pipes for oil and gas drilling companies, which helped its share price to climb in 2005. We were drawn to its pristine balance sheet and steady earnings at a time during the summer of 2004 when steel prices were recovering. It was the Fund's largest equity holding at the end of 2005. Pason Systems creates specialized software and other drilling instrumentation products for the oil and gas industry. Its energy-related business, two-for-one stock split, positive cash flow, growing earnings and record fiscal third-quarter revenues all played a role in its soaring stock price during 2005.

Net losses on the sector level came from Consumer Services and Industrial Services. In terms of individual positions, Lexicon Genetics posted the most significant dollar-based loss. The firm specializes in proprietary gene knockout technology used in the treatment of diseases. Our high regard for the company's business and its conservative capitalization led us to add to our stake in 2005, even as its growing revenues did little to attract other investors. With Hecla Mining Company, we

GOOD IDEAS AT THE TIME 2005 Net Realized and Unrealized Loss	
Lexicon Genetics	$1,311,698
Hecla Mining Company	1,183,369

PORTFOLIO DIAGNOSTICS	
Average Market Capitalization	$1,600 million
Weighted Average P/E Ratio	16.7x
Weighted Average P/B Ratio	2.9x
Weighted Average Yield	1.4%
Fund Net Assets	$143 million
Turnover Rate	42%
Net Leverage*	0%
Symbol	
Market Price	FUND
NAV	XFUNX

*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

Nu Skin Enterprises Cl. A	977,903
Pier 1 Imports	899,300
Orchid Cellmark	585,052

chose to take our losses and move on. A rare loser among precious metals and mining companies in 2005, its business was hampered by exposure to a politically uncertain situation in Venezuela and rising mining costs.

12/31/05 at NAV or Liquidation Value	
14.7 million shares of Common Stock	$143 million
6.00% Cumulative Preferred Stock	$25 million

RISK/RETURN COMPARISON
Three-Year Period Ended 12/31/05

	Average Annual Total Return	Standard Deviation	Return Efficiency*
FUND (NAV)	**31.2%**	**16.2**	**1.93**
Russell 2000	22.1	15.3	1.44

*Return Efficiency is the average annual total return divided by the annualized standard deviation over a designated time period.

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

HISTORY SINCE INCEPTION

The following table details the share accumulations by an initial investor in the Funds who reinvested all distributions (including fractional shares) 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*	Shares	NAV Value**	Market Value**
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 $1.61		18.739	604		
12/31/05		**$ 21,922**		**7,409**	**$139,808**	**$148,773**
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 $1.85		13.848	383		
12/31/05		**$ 8,900**		**3,125**	**$ 41,969**	**$ 45,500**
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 $1.21		9.470	249		
12/31/05		**$ 7,044**		**2,173**	**$ 21,208**	**$ 20,709**

* Beginning with the 1997 (RVT), 2002 (RMT) and 2004 (FUND) distributions, the purchase price of distributions is a weighted average of the distribution reinvestment prices for the year.

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

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, 2006.

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

Schedule of Investments

	SHARES	VALUE
COMMON STOCKS – 104.9%		
Consumer Products – 5.0%		
Apparel and Shoes - 2.1%		
Brown Shoe Company	15,000	$ 636,450
Columbia Sportswear Company[a,c]	34,600	1,651,458
Jones Apparel Group	81,500	2,503,680
K-Swiss Cl. A	105,000	3,406,200
Oakley	94,900	1,394,081
Polo Ralph Lauren Cl. A	68,200	3,828,748
Tandy Brands Accessories	16,900	202,800
Timberland Company Cl. A[a]	60,000	1,953,000
Tommy Hilfiger[a]	50,000	812,000
Weyco Group	307,992	5,882,647
		22,271,064
Collectibles - 0.1%		
Enesco Group[a]	174,800	321,632
Food/Beverage/Tobacco - 0.3%		
Hain Celestial Group[a,c]	37,800	799,848
Hershey Creamery Company	709	1,418,000
Lancaster Colony	16,900	626,145
		2,843,993
Home Furnishing and Appliances - 0.2%		

	SHARES	VALUE
Restaurants and Lodgings - 0.9%		
Benihana Cl. A[a]	6,600	$ 152,064
CEC Entertainment[a,c]	121,400	4,132,456
IHOP Corporation	93,400	4,381,394
Jack in the Box[a]	2,000	69,860
Ryan's Restaurant Group[a,c]	7,200	86,832
Steak n Shake Company (The)[a]	70,000	1,186,500
		10,009,106
Retail Stores - 2.6%		
BJ's Wholesale Club[a,c]	30,100	889,756
Big Lots[a]	255,300	3,066,153
CarMax [a,c]	103,000	2,851,040
Children's Place Retail Stores[a]	13,000	642,460
Claire's Stores	189,800	5,545,956
Cost Plus[a,c]	83,700	1,435,455
DSW Cl. A[a,c]	10,000	262,200
GameStop Corporation Cl. A[a,c]	52,300	1,664,186
Gander Mountain Company[a,c]	53,300	315,536
Hot Topic[a]	86,400	1,231,200
Krispy Kreme Doughnuts[a,c]	102,000	585,480
99 Cents Only Stores[a,c]	95,000	993,700
Payless ShoeSource[a]	109,600	2,750,960
Stein Mart	142,800	2,591,820
Urban Outfitters[a]	47,000	1,189,570
West Marine[a,c]	31,100	434,778
Wet Seal (The) Cl. A[a,c]	162,000	719,280

Ethan Allen Interiors	35,800	1,307,774
La-Z-Boy	68,200	924,792
		2,232,566
Publishing - 0.3%		
Scholastic Corporation[a]	130,000	3,706,300
Sports and Recreation - 0.4%		
Coachmen Industries	47,700	563,337
Monaco Coach	161,050	2,141,965
Nautilus	2,000	37,320
Thor Industries	26,100	1,045,827
		3,788,449
Other Consumer Products - 1.6%		
Blyth	14,700	307,965
Burnham Holdings Cl. B	36,000	770,400
Dorel Industries Cl. B[a,c]	22,000	523,600
Fossil [a,c]	82,800	1,781,028
Lazare Kaplan International[a]	103,600	815,332
Leapfrog Enterprises[a,c]	175,000	2,038,750
Matthews International Cl. A	166,000	6,044,060
RC2 Corporation[a]	132,600	4,709,952
		16,991,087
Total (Cost $32,481,446)		52,155,091
Consumer Services – 5.8%		
Direct Marketing - 0.1%		
FTD Group[a]	50,000	519,500
Leisure and Entertainment - 0.2%		
Gemstar-TV Guide International[a]	201,100	524,871
Hasbro	50,000	1,009,000
Shuffle Master[a,c]	15,000	377,100
Steiner Leisure[a]	2,100	74,676
		1,985,647
Media and Broadcasting - 0.1%		
Cox Radio Cl. A[a]	23,000	323,840

		27,169,530
Other Consumer Services - 1.9%		
Coinstar [a]	39,000	890,370
Corinthian Colleges[a,c]	130,800	1,540,824
ITT Educational Services[a]	106,000	6,265,660
MoneyGram International	74,900	1,953,392
Sotheby's Holdings Cl. A[a]	485,200	8,908,272
		19,558,518
Total (Cost $44,149,071)		59,566,141
Diversified Investment Companies – 0.1%		
Closed-End Mutual Funds - 0.1%		
Central Fund of Canada Cl. A	191,500	1,304,115
Total (Cost $1,039,679)		1,304,115
Financial Intermediaries – 8.8%		
Banking - 3.0%		
BOK Financial	129,327	5,875,326
CFS Bancorp	260,000	3,718,000
Citizens Bancorp	3,500	73,675
Exchange National Bancshares	50,400	1,486,800
Farmers & Merchants Bank of Long Beach	1,266	7,241,520
Heritage Financial	12,915	315,384
HopFed Bancorp	25,000	396,250
Jefferson Bancshares	25,000	341,250
Mechanics Bank	200	3,700,000
Mercantile Bankshares	20,000	1,128,800
NBC Capital	30,300	720,837
NetBank	70,000	502,600
Old Point Financial	20,000	590,000
Partners Trust Financial Group	100,000	1,205,000
Sun Bancorp[a]	42,000	829,500
Tompkins Trustco	15,950	714,560

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	SHARES	VALUE
Financial Intermediaries (continued)		
Banking (continued)		
Whitney Holding	40,500	$ 1,116,180
Wilber Corporation	31,700	343,945
Wilmington Trust	31,000	1,206,210
Yadkin Valley Bank & Trust Company	3,800	55,860
		31,561,697
Insurance - 4.7%		
Alleghany Corporation[a]	10,880	3,089,920
Argonaut Group[a,c]	99,600	3,263,892
Aspen Insurance Holdings	68,000	1,609,560
Commerce Group	44,500	2,548,960
Erie Indemnity Company Cl. A	139,900	7,442,680
IPC Holdings	27,000	739,260
Leucadia National	43,221	2,051,269
Markel Corporation[a,c]	4,200	1,331,610
Montpelier Re Holdings[a]	66,000	1,247,400
NYMAGIC	85,200	2,112,108
Navigators Group[a]	83,200	3,628,352
Ohio Casualty	107,000	3,030,240
Phoenix Companies (The)	81,900	1,117,116
ProAssurance Corporation[a]	38,070	1,851,725
PXRE Group	166,551	2,158,501
RLI	99,724	4,973,236
21st Century Insurance Group	62,000	1,003,160
U.S.I. Holdings[a]	40,000	550,800
Wesco Financial	7,740	2,979,900
Zenith National Insurance	38,550	1,777,926
		48,507,615
Real Estate Investment Trusts - 0.1%		

	SHARES	VALUE
Apollo Investment	567,109	$ 10,168,264
BKF Capital Group	7,500	142,125
Eaton Vance	140,400	3,841,344
Federated Investors Cl. B	121,900	4,515,176
GAMCO Investors Cl. A	168,600	7,339,158
MCG Capital	138,000	2,013,420
MVC Capital	353,900	3,772,574
National Financial Partners	22,000	1,156,100
Nuveen Investments Cl. A	138,600	5,907,132
		58,801,912
Other Financial Services - 0.8%		
CharterMac	59,600	1,262,328
Credit Acceptance[a,c]	60,000	966,000
International Securities Exchange Cl. A[a,c]	75,000	2,064,000
MarketAxess Holdings[a]	67,000	765,810
Municipal Mortgage & Equity	40,300	1,040,949
Nasdaq Stock Market[a,c]	25,000	879,500
PRG-Schultz International[a]	247,000	150,670
Van der Moolen Holding ADR	21,000	149,940
World Acceptance[a]	21,700	618,450
		7,897,647
Total (Cost $71,306,125)		101,182,165
Health 8.0%		
Commercial Services - 0.9%		
First Consulting Group[a]	560,900	3,292,483
PAREXEL International[a]	313,700	6,355,562
		9,648,045

Gladstone Commercial	30,000	494,700
Securities Brokers - 0.9%		
E*TRADE Financial[a]	152,400	3,179,064
First Albany	350,100	2,433,195
Investment Technology Group[a]	30,400	1,077,376
Knight Capital Group Cl. A[a,c]	229,700	2,271,733
		8,961,368
Other Financial Intermediaries - 0.1%		
Archipelago Holdings[a,c]	17,400	865,998
Total (Cost $55,982,131)		90,391,378
Financial Services — 9.8%		
Information and Processing - 2.2%		
Advent Software[a]	116,800	3,376,688
eFunds Corporation[a,c]	126,875	2,973,950
FactSet Research Systems	35,350	1,455,006
Global Payments	137,000	6,385,570
Interactive Data	134,300	3,049,953
SEI Investments Company	141,200	5,224,400
		22,465,567
Insurance Brokers - 1.1%		
Crawford & Company Cl. A	289,200	1,677,360
Crawford & Company Cl. B	162,300	934,848
Gallagher (Arthur J.) & Company	111,200	3,433,856
Hilb Rogal & Hobbs Company	155,050	5,970,975
		12,017,039
Investment Management - 5.7%		
Alliance Capital Management Holding L.P.	353,100	19,946,619

Drugs and Biotech - 2.7%		
Affymetrix [a,c]	49,100	2,344,525
Andrx Corporation[a,c]	34,900	574,803
Antigenics [a,c]	99,300	472,668
Cephalon [a,c]	4,900	317,226
Cerus Corporation[a]	21,700	220,255
Connetics Corporation[a,c]	14,300	206,635
DUSA Pharmaceuticals[a,c]	79,700	858,369
Elan Corporation ADR[a,c]	292,100	4,068,953
Endo Pharmaceuticals Holdings[a,c]	256,200	7,752,612
Gene Logic[a]	365,000	1,222,750
Hi-Tech Pharmacal[a]	1,100	48,719
Hollis-Eden Pharmaceuticals[a,c]	44,000	212,960
Human Genome Sciences[a,c]	90,000	770,400
K-V Pharmaceutical Company Cl. A[a]	47,000	968,200
Medicines Company (The)[a,c]	20,000	349,000
Millennium Pharmaceuticals[a,c]	100,000	970,000
Myriad Genetics[a,c]	50,000	1,040,000
Perrigo Company	186,750	2,784,442
QLT[a,c]	1,000	6,360
SFBC International[a,c]	10,000	160,100
Shire ADR	20,853	808,888
Telik[a,c]	73,000	1,240,270
VIVUS[a]	163,300	483,368
		27,881,503
Health Services - 1.2%		
Albany Molecular Research[a]	85,000	1,032,750
Covance [a,c]	52,700	2,558,585
Cross Country Healthcare[a]	30,000	533,400
Eclipsys Corporation[a,c]	20,000	378,600
Gentiva Health Services[a]	30,150	444,411

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

ROYCE VALUE TRUST

Schedule of Investments

	SHARES	VALUE
Health (continued)		
Health Services (continued)		
HMS Holdings[a]	50,000	$ 382,500
Lincare Holdings[a,c]	34,600	1,450,086
MedQuist[a]	73,893	897,800
National Home Health Care	20,000	195,200
On Assignment[a]	425,400	4,641,114
Quovadx[a]	3,000	7,230
		12,521,676
Medical Products and Devices - 2.9%		
Allied Healthcare Products[a]	197,700	1,134,798
Arrow International	195,728	5,674,155
ArthroCare Corporation[a,c]	10,000	421,400
Bruker BioSciences[a]	380,200	1,847,772
CONMED Corporation[a]	81,500	1,928,290
Datascope	12,000	396,600
Diagnostic Products	25,000	1,213,750
IDEXX Laboratories[a,c]	79,000	5,686,420
Invacare Corporation	88,000	2,771,120
Novoste Corporation[a]	16,625	37,074
STERIS Corporation	98,600	2,466,972
Thoratec Corporation[a]	2,000	41,380
Varian Medical Systems[a]	61,600	3,100,944
Young Innovations	62,550	2,131,704
Zoll Medical[a]	20,200	508,838
		29,361,217
Personal Care - 0.3%		
Helen of Troy[a,c]	86,600	1,395,126
Inter Parfums	500	8,980
Nutraceutical International[a]	22,800	308,940
USANA Health Sciences[a,c]	39,000	1,496,040
		3,209,086
Total (Cost $55,353,224)		82,621,527
Industrial Products – 17.1%		
Automotive - 0.8%		
CLARCOR	83,500	2,480,785
LKQ Corporation[a]	128,000	4,431,360

	SHARES	VALUE
C & D Technologies	345,700	$ 2,634,234
Donaldson Company	92,800	2,951,040
GrafTech International[a,c]	155,000	964,100
Intermagnetics General[a,c]	4,350	138,765
PerkinElmer	135,000	3,180,600
Powell Industries[a,c]	92,400	1,659,504
Woodhead Industries	45,400	629,698
		16,454,881
Machinery - 5.5%		
Baldor Electric	62,900	1,613,385
Coherent[a,c]	238,500	7,078,680
Federal Signal	58,600	879,586
Franklin Electric	84,200	3,329,268
Graco	96,825	3,532,176
Hardinge	309,300	5,335,425
IDEX Corporation	36,000	1,479,960
Lincoln Electric Holdings	203,680	8,077,949
National Instruments	56,400	1,807,620
Nordson Corporation	172,200	6,975,822
PAXAR Corporation[a,c]	273,100	5,360,953
Rofin-Sinar Technologies[a]	128,000	5,564,160
T-3 Energy Services[a]	128,110	1,243,436
UNOVA[a,c]	3,000	101,400
Woodward Governor Company	51,600	4,438,116
		56,817,936
Metal Fabrication and Distribution - 2.1%		
Commercial Metals Company	36,000	1,351,440
CompX International Cl. A	292,300	4,682,646
IPSCO	14,500	1,203,210
Kaydon Corporation	208,700	6,707,618
NN	127,100	1,347,260
Novamerican Steel[a]	10,800	425,099
Oregon Steel Mills[a,c]	158,100	4,651,302
Schnitzer Steel Industries Cl. A	34,000	1,040,060
		21,408,635
Paper and Packaging - 0.1%		
Peak International[a]	408,400	1,082,260

Quantam Fuel Systems Technologies Worldwide[a,c]	15,500	41,540
Superior Industries International	52,000	1,157,520
		8,111,205
Building Systems and Components - 1.3%		
Decker Manufacturing	6,022	216,792
Preformed Line Products Company	91,600	3,919,564
Simpson Manufacturing	250,800	9,116,580
		13,252,936
Construction Materials - 1.6%		
Ash Grove Cement Company Cl. B	50,518	9,093,240
ElkCorp	48,000	1,615,680
Florida Rock Industries	25,475	1,249,803
Heywood Williams Group[a]	958,837	1,670,301
Synalloy Corporation[a,b]	345,000	3,610,080
		17,239,104
Industrial Components - 1.6%		
AMETEK	86,000	3,658,440
Barnes Group	2,000	66,000
Bel Fuse Cl. A	22,900	572,500
Pumps, Valves and Bearings - 0.2%		
Conbraco Industries[a]	7,630	2,151,660
Specialty Chemicals and Materials - 1.8%		
Aceto Corporation	1,050	6,909
Bairnco Corporation	43,000	374,960
Balchem Corporation	7,500	223,575
CFC International[a]	99,000	1,390,059
Cabot Corporation	56,500	2,022,700
Hawkins	206,878	2,894,223
Lydall[a]	35,500	289,325
MacDermid	259,831	7,249,285
Schulman (A.)	183,100	3,940,312
Sensient Technologies	22,000	393,800
		18,785,148
Textiles - 0.1%		
Unifi[a]	165,100	501,904
Other Industrial Products - 2.0%		
Brady Corporation Cl. A	228,800	8,277,984
Diebold	85,000	3,230,000
Kimball International Cl. B	437,380	4,649,349

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

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	SHARES	VALUE
Industrial Products (continued)		
Other Industrial Products (continued)		
Maxwell Technologies[a]	21,500	$ 304,655
Myers Industries	30,499	444,675
Printing - 0.1%		
Bowne & Co.	68,100	$ 1,010,604
Transportation and Logistics - 3.8%		

Peerless Manufacturing[a,b]	158,600	2,775,500
Steelcase Cl. A	50,000	791,500
		20,473,663
Total (Cost $105,116,347)		176,279,332

Industrial Services — 13.3%

Advertising and Publishing - 0.7%		
Interpublic Group of Companies[a]	510,000	4,921,500
Lamar Advertising Company Cl. A[a]	24,000	1,107,360
ValueClick[a,c]	45,000	814,950
		6,843,810
Commercial Services - 4.7%		
ABM Industries	134,800	2,635,340
Aaron Rents	4,500	94,860
Allied Waste Industries[a]	188,800	1,650,112
BB Holdings	194,900	1,319,473
Central Parking	18,300	251,076
Convergys Corporation[a]	121,000	1,917,850
Copart[a,c]	158,100	3,645,786
First Advantage Cl. A[a,c]	5,000	133,550
Hewitt Associates Cl. A[a,c]	104,000	2,913,040
Iron Mountain[a,c]	181,175	7,649,209
Laureate Education[a,c]	75,000	3,938,250
Learning Tree International[a,c]	53,400	685,122
MPS Group[a]	564,600	7,718,082
Manpower	105,800	4,919,700
Monster Worldwide[a]	64,000	2,612,480
New Horizons Worldwide[a]	228,600	157,734
RemedyTemp Cl. A[a]	160,700	1,486,475
Renaissance Learning	15,000	283,650
Reynolds & Reynolds Company Cl. A	27,000	757,890
Rollins	130,500	2,572,155
Spherion Corporation[a]	53,000	530,530
TRC Companies[a]	3,600	39,420
Viad Corporation	9,025	264,703
Wright Express[a,c]	30,000	660,000
		48,836,487
Engineering and Construction - 1.4%		
Dycom Industries[a,c]	66,000	1,452,000
Alexander & Baldwin	60,000	3,254,400
Atlas Air Worldwide Holdings[a]	29,000	1,290,500
C. H. Robinson Worldwide	80,000	2,962,400
Continental Airlines Cl. B[a,c]	100,000	2,130,000
EGL[a,c]	123,125	4,625,806
Forward Air	234,750	8,603,587
Frozen Food Express Industries[a,c]	286,635	3,161,584
Hub Group Cl. A[a]	87,200	3,082,520
Landstar System	11,200	467,488
Patriot Transportation Holding[a]	96,300	6,247,944
UTI Worldwide	35,000	3,249,400
		39,075,629
Other Industrial Services - 0.5%		
Landauer	117,900	5,434,011
Total (Cost $78,612,248)		137,016,560

Natural Resources — 9.4%

Energy Services - 3.1%		
Atwood Oceanics[a,c]	14,700	1,147,041
Carbo Ceramics	148,400	8,387,568
Core Laboratories[a,c]	10,000	373,600
ENSCO International	6,443	285,747
Global Industries[a]	54,500	618,575
Hanover Compressor Company[a,c]	160,000	2,257,600
Helmerich & Payne	62,300	3,856,993
Input/Output[a]	669,100	4,703,773
Key Energy Services[a]	10,000	134,700
TETRA Technologies[a,c]	43,000	1,312,360
Tidewater	14,000	622,440
Universal Compression Holdings[a,c]	105,000	4,317,600
Veritas DGC[a]	5,000	177,450
W-H Energy Services[a]	33,800	1,118,104
Willbros Group[a,c]	207,600	2,997,744
		32,311,295
Oil and Gas - 3.2%		
Bill Barrett[a,c]	50,000	1,930,500
Cimarex Energy[a]	208,990	8,988,660
Houston Exploration Company (The)[a,c]	50,000	2,640,000
Penn Virginia	23,300	1,337,420
Pioneer Drilling Company[a,c]	65,800	1,179,794

Fleetwood Enterprises[a]	234,300	2,893,605
Foster Wheeler[a]	21,000	772,380
Insituform Technologies Cl. A[a,c]	174,300	3,376,191
Jacobs Engineering Group[a]	10,000	678,700
Washington Group International[c]	100,000	5,297,000
		14,469,876
Food and Tobacco Processors - 0.4%		
MGP Ingredients	216,400	2,553,520
Seneca Foods Cl. A[a]	59,400	1,143,450
Seneca Foods Cl. B[a]	10,900	198,925
		3,895,895
Industrial Distribution - 1.7%		
Central Steel & Wire	5,634	3,222,648
Ritchie Bros. Auctioneers	310,400	13,114,400
Strategic Distribution[a]	115,000	1,113,200
		17,450,248
Plains Exploration & Production Company[a,c]	76,500	3,039,345
Pogo Producing Company	1,700	84,677
Remington Oil & Gas[a]	78,500	2,865,250
SEACOR Holdings[a,c]	153,500	10,453,350
Stone Energy[a]	18,500	842,305
		33,361,301
Precious Metals and Mining - 2.2%		
Agnico-Eagle Mines	66,500	1,314,040
Apex Silver Mines[a]	38,500	612,150
Bema Gold[a]	300,000	873,000
Etruscan Resources[a]	675,900	930,311
Gammon Lake Resources[a]	206,300	2,454,970
Glamis Gold[a]	237,000	6,512,760
Golden Star Resources[a]	135,000	356,400
Hecla Mining Company[a]	598,000	2,427,880
IAMGOLD Corporation	220,000	1,720,400

ROYCE VALUE TRUST

Schedule of Investments

	SHARES	VALUE
Natural Resources (continued)		
Precious Metals and Mining (continued)		
Ivanhoe Mines[a,c]	140,000	$ 1,006,600
Meridian Gold[a,c]	128,500	2,810,295
Miramar Mining[a]	245,000	612,500
Pan American Silver[a,c]	46,000	866,180
Stillwater Mining Company[a,c]	10,780	124,725
		22,622,211
Real Estate - 0.7%		
Alico	27,000	1,220,130
Vishay Intertechnology[a,c]	186,000	$ 2,559,360
Western Digital[a,c]	5,000	93,050
Zebra Technologies Cl. A[a]	76,525	3,279,096
		71,794,622
Distribution - 1.9%		
Agilysys	165,125	3,008,578
Anixter International	78,900	3,086,568
Benchmark Electronics[a]	138,800	4,667,844
Brightpoint[a,c]	33,500	928,955
Solectron Coporation[a]	1,140,000	4,172,400

CB Richard Ellis Group Cl. A[a]	70,000	4,119,500
Consolidated-Tomoka Land	13,564	961,688
Trammell Crow Company[a,c]	46,500	1,192,725
		7,494,043
Other Natural Resources - 0.2%		
PICO Holdings[a]	55,200	1,780,752
Total (Cost $57,309,057)		97,569,602
Technology 22.5%		
Aerospace and Defense - 0.8%		
Allied Defense Group (The)[a]	45,700	1,040,589
Armor Holdings[a,c]	33,000	1,407,450
Astronics Corporation[a]	52,400	555,440
Ducommun[a]	117,200	2,503,392
Herley Industries[a]	2,000	33,020
Hexcel Corporation[a,c]	72,800	1,314,040
Integral Systems	49,800	939,228
		7,793,159
Components and Systems - 7.0%		
Adaptec[a,c]	167,000	971,940
American Power Conversion	151,200	3,326,400
Analogic Corporation	40,900	1,957,065
Belden CDT	57,800	1,412,054
Checkpoint Systems[a]	52,000	1,281,800
Dionex Corporation[a]	81,000	3,975,480
Electronics for Imaging[a,c]	25,000	665,250
Energy Conversion Devices[a,c]	146,300	5,961,725
Excel Technology[a,c]	168,500	4,006,930
Hutchinson Technology[a,c]	42,800	1,217,660
Imation Corporation	15,700	723,299
InFocus Corporation[a]	245,800	985,658
KEMET Corporation[a]	95,600	675,892
Kronos[a]	38,775	1,623,121
Methode Electronics	50,000	498,500
Metrologic Instruments[a,c]	15,000	288,900
Newport Corporation[a,c]	642,200	8,695,388
On Track Innovations[a,c]	40,000	547,200
Perceptron[a]	397,400	2,813,592
Plexus Corporation[a,c]	325,700	7,406,418
Power-One[a]	10,000	60,200
REMEC[a]	143,387	182,101
Radiant Systems[a]	32,500	395,200
Richardson Electronics	201,000	1,457,250
SafeNet[a,c]	36,240	1,167,653
Tech Data[a,c]	86,500	3,432,320
		19,296,665
Internet Software and Services - 1.1%		
Arbinet-thexchange[a,c]	87,200	611,272
CNET Networks[a,c]	155,400	2,282,826
CryptoLogic	137,000	2,683,830
CyberSource Corporation[a,c]	10,000	66,000
eResearch Technology[a,c]	72,000	1,087,200
Internet Security Systems[a]	40,000	838,000
Lionbridge Technologies[a]	37,500	263,250
RSA Security[a,c]	14,000	157,220
RealNetworks[a,c]	245,400	1,904,304
S1 Corporation[a,c]	20,000	87,000
Satyam Computer Services ADR	20,000	731,800
SupportSoft[a]	170,000	717,400
		11,430,102
IT Services - 4.0%		
answerthink[a]	655,000	2,783,750
BearingPoint[a,c]	649,000	5,101,140
Black Box	47,000	2,226,860
CACI International Cl. A[a]	10,000	573,800
CGI Group Cl. A[a]	136,700	1,101,802
CIBER[a,c]	10,000	66,000
Cogent Communications Group[a,c]	55,000	301,950
Computer Task Group[a]	101,100	399,345
Covansys Corporation[a]	238,900	3,251,429
DiamondCluster International[a]	80,400	638,376
Forrester Research[a]	40,300	755,625
Gartner Cl. A[a]	126,000	1,625,400
Keane[a]	443,000	4,877,430
MAXIMUS	127,900	4,692,651
Perot Systems Cl. A[a]	165,100	2,334,514
Sapient Corporation[a,c]	731,602	4,162,815
Syntel	152,679	3,180,304
TriZetto Group (The)[a,c]	215,200	3,656,248
		41,729,439
Semiconductors and Equipment - 2.3%		
BE Semiconductor Industries[a,c]	58,000	269,700
Brooks Automation[a]	53,000	664,090
Cabot Microelectronics[a]	131,200	3,848,096
CEVA[a]	31,666	198,229
Cognex Corporation	55,300	1,663,977
Conexant Systems[a,c]	11,980	27,075

Symbol Technologies	99,389	1,274,167
TTM Technologies[a]	221,400	2,081,160
Technitrol	322,400	5,513,040
Tektronix	159,680	4,504,573
UQM Technologies[a,c]	50,000	193,500

Credence Systems[a,c]	53,600	373,056
Cymer[a,c]	14,500	514,895
DSP Group[a]	115,000	2,881,900
DTS[a]	64,100	948,680
Exar Corporation[a]	181,976	2,278,340

	SHARES	VALUE
Technology (continued)		
Semiconductors and Equipment (continued)		
Fairchild Semiconductor International Cl. A[a,c]	51,200	$ 865,792
International Rectifier[a,c]	20,000	638,000
Intevac[a,c]	57,450	758,340
Kulicke & Soffa Industries[a,c]	105,800	935,272
MEMC Electronic Materials[a,c]	36,000	798,120
Novellus Systems[a,c]	53,800	1,297,656
OmniVision Technologies[a]	38,800	774,448
Sanmina-SCI Corporation[a]	100,000	426,000
Semitool[a]	50,000	544,000
Silicon Storage Technology[a]	88,900	448,945
Staktek Holdings[a]	184,700	1,374,168
Veeco Instruments[a]	65,000	1,126,450
		23,655,229
Software - 2.8%		
Adobe Systems	71,207	2,631,811
ANSYS[a,c]	20,000	853,800
Aspen Technology[a]	27,100	212,735
Business Objects ADR[a]	20,500	828,405
Dendrite International[a,c]	35,000	504,350
iPass[a,c]	268,400	1,760,704
JDA Software Group[a]	99,900	1,699,299

	SHARES	VALUE
Utilities – 0.2%		
CH Energy Group	44,500	$ 2,042,550
Southern Union[a]	11,576	273,541
Total (Cost $2,127,413)		2,316,091
Miscellaneous [(e)] – 4.9%		
Total (Cost $47,892,514)		50,516,897
TOTAL COMMON STOCKS (Cost $722,347,336)		1,082,864,290
PREFERRED STOCKS – 0.2%		
Aristotle Corporation 11.00% Conv.	4,800	37,440
Seneca Foods Conv.[a]	100	1,900
Seneca Foods Conv.[a,d]	85,000	1,472,625
TOTAL PREFERRED STOCKS (Cost $1,311,958)		1,511,965
	PRINCIPAL AMOUNT	
CORPORATE BONDS – 0.1%		
Athena Neurosciences Finance 7.25% Senior Note due 2/21/08	$1,000,000	976,250
Dixie Group 7.00%		

MRO Software[a,c]	46,000	645,840
ManTech International Cl. A[a,c]	119,400	3,326,484
Manugistics Group[a,c]	49,200	86,100
Novell[a]	20,000	176,600
PLATO Learning[a]	149,642	1,188,157
Progress Software[a]	30,500	865,590
SPSS[a]	179,600	5,555,028
Sybase[a,c]	82,600	1,805,636
Transaction Systems Architects Cl. A[a]	203,150	5,848,689
Verint Systems[a,c]	40,000	1,378,800
		29,368,028

Telecommunications - 2.6%

ADTRAN	65,000	1,933,100
Broadwing Corporation[a]	1,000	6,050
Catapult Communications[a,c]	75,100	1,110,729
China Techfaith Wireless Communication Technology ADR[a,c]	100,000	1,349,990
Covad Communications Group[a,c]	35,000	34,300
Foundry Networks[a,c]	373,400	5,156,654
Globecomm Systems[a,c]	233,700	1,441,929
IDT Corporation[a]	25,000	289,000
IDT Corporation Cl. B[a,c]	65,000	760,500
Level 3 Communications[a,c]	200,000	574,000
PECO II[a,c]	93,600	167,544
Polycom[a,c]	95,000	1,453,500
Scientific-Atlanta	117,300	5,052,111
Time Warner Telecom Cl. A[a,c]	179,000	1,763,150
Tollgrade Communications[a]	20,000	218,600
USA Mobility[c]	84,500	2,342,340
West Corporation[a]	75,000	3,161,250
Yak Communications[a,c]	20,000	63,400
		26,878,147

Total (Cost $170,978,081) 231,945,391

Conv. Sub. Deb. due 5/15/12	445,000	427,200

TOTAL CORPORATE BONDS

(Cost $1,213,707) 1,403,450

REPURCHASE AGREEMENTS – 16.2%

State Street Bank & Trust Company, 4.10% dated 12/30/05, due 1/3/06, maturity value $82,000,339 (collateralized by obligations of various U.S. Government Agencies, valued at $84,015,178) (Cost $81,963,000)	81,963,000
Lehman Brothers (Tri-Party), 4.05% dated 12/30/05, due 1/3/06, maturity value $85,038,250 (collateralized by obligations of various U.S. Government Agencies, valued at $86,742,959) (Cost $85,000,000)	85,000,000

TOTAL REPURCHASE AGREEMENTS

(Cost $166,963,000) 166,963,000

COLLATERAL RECEIVED FOR SECURITIES LOANED – 7.1%

U.S. Treasury Bonds 5.25%-8.125% due 8/15/19-5/15/30	286,945
Money Market Funds State Street Navigator Securities Lending Prime Portfolio	73,215,181

TOTAL COLLATERAL RECEIVED FOR SECURITIES LOANED

(Cost $73,502,126) 73,502,126

ROYCE VALUE TRUST DECEMBER 31, 2005

Schedule of Investments

	VALUE
TOTAL INVESTMENTS 128.5% (Cost $965,338,127)	$ 1,326,244,831
LIABILITIES LESS CASH AND OTHER ASSETS (7.2)%	(74,124,745)
PREFERRED STOCK (21.3)%	(220,000,000)
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS 100.0%	**$1,032,120,086**

[a] Non-income producing.
[b] At December 31, 2005, the Fund owned 5% or more of the Company's outstanding voting securities thereby making the Company an Affiliated
Company as that term is defined in the Investment Company Act of 1940.
[c] A portion of these securities were on loan at December 31, 2005. Total market value of loaned securities at December 31, 2005 was $71,476,901.
[d] A security for which market quotations are no longer readily available represents 0.1% of net assets. This security has been valued at its fair value under procedures established by the Fund's Board of Directors.
[e] Includes securities first acquired in 2005 and less than 1% of net assets applicable to Common Stockholders.
 New additions in 2005.
Bold indicates the Fund's largest 20 equity holdings in terms of December 31, 2005 market value.

INCOME TAX INFORMATION: The cost of total investments for Federal income tax purposes was $967,562,248. At December 31, 2005, net unrealized appreciation for all securities was $358,682,583, consisting of aggregate gross unrealized appreciation of $390,700,568 and aggregate gross unrealized depreciation of $32,017,985. The primary differences in book and tax basis cost is the timing of the recognition of losses on securities sold and unrealized gains on investments in Passive Foreign Investment Companies.

ROYCE VALUE TRUST DECEMBER 31, 2005

Statement of Assets and Liabilities

ASSETS:	
Investments at value (including collateral on loaned securities)*	
Non-Affiliates (Cost $795,757,459)	$1,152,896,251
Affiliated Companies (Cost $2,617,668)	6,385,580
Total investments at value	1,159,281,831
Repurchase agreements (at cost and value)	166,963,000
Cash	1,137,297
Receivable for investments sold	4,883,179
Receivable for dividends and interest	782,662
Prepaid expenses	29,550
Total Assets	1,333,077,519
LIABILITIES:	
Payable for collateral on loaned securities	73,502,126
Payable for investments purchased	5,583,642
Payable for investment advisory fee	1,204,581
Preferred dividends accrued but not yet declared	288,452
Accrued expenses	378,632
Total Liabilities	80,957,433
PREFERRED STOCK:	
5.90% Cumulative Preferred Stock $0.001 par value, $25 liquidation value per share; 8,800,000 shares outstanding	220,000,000
Total Preferred Stock	220,000,000
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	$1,032,120,086
ANALYSIS OF NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:	
Common Stock paid-in capital $0.001 par value per share; 54,710,798 shares outstanding (150,000,000 shares authorized)	$ 664,322,777
Undistributed net investment income (loss)	321,412
Accumulated net realized gain (loss) on investments	6,857,642
Net unrealized appreciation (depreciation) on investments	360,906,704
Preferred dividends accrued but not yet declared	(288,449)
Net Assets applicable to Common Stockholders (net asset value per share $18.87)	$1,032,120,086
*Investments at identified cost (including $73,502,126 of collateral on loaned securities)	$ 798,375,127

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

Statement of Operations

INVESTMENT INCOME:	
Income:	
Dividends	
Non-Affiliates	$ 11,526,693
Interest	2,999,575
Securities lending	297,885
Total income	14,824,153
Expenses:	
Investment advisory fees	13,360,367
Stockholder reports	478,219
Custody and transfer agent fees	275,453
Directors fees	114,805
Administrative and office facilities expenses	99,404
Professional fees	54,394
Other expenses	120,099
Total expenses	14,502,741
Net investment income (loss)	321,412
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:	
Net realized gain (loss) on investments	
Non-Affiliates	104,573,195
Affiliated Companies	(5,394,384)
Net change in unrealized appreciation (depreciation) on investments	(4,983,024)
Net realized and unrealized gain (loss) on investments	94,195,787
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM INVESTMENT OPERATIONS	94,517,199
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS	(12,980,000)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS RESULTING FROM INVESTMENT OPERATIONS	$ 81,537,199

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

ROYCE VALUE TRUST

Statement of Changes in Net Assets

	Year ended 12/31/05	Year ended 12/31/04
INVESTMENT OPERATIONS:		
Net investment income (loss)	$ 321,412	$ (4,450,007)
Net realized gain (loss) on investments	99,178,811	108,080,947
Net change in unrealized appreciation (depreciation) on investments	(4,983,024)	87,658,900
Net increase (decrease) in net assets resulting from investment operations	94,517,199	191,289,840
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:		
Net realized gain on investments	(12,980,000)	(12,980,000)
Total distributions to Preferred Stockholders	(12,980,000)	(12,980,000)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS RESULTING FROM INVESTMENT OPERATIONS	81,537,199	178,309,840
DISTRIBUTIONS TO COMMON STOCKHOLDERS:		
Net realized gain on investments	(85,780,292)	(78,920,089)
Total distributions to Common Stockholders	(85,780,292)	(78,920,089)
CAPITAL STOCK TRANSACTIONS:		
Reinvestment of distributions to Common Stockholders	43,058,750	43,141,563
Total capital stock transactions	43,058,750	43,141,563
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS	38,815,657	142,531,314
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:		
Beginning of year	993,304,429	850,773,115
End of year (including undistributed net investment income of $321,412 at 12/31/05)	$ 1,032,120,086	$ 993,304,429

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

ROYCE VALUE TRUST

Financial Highlights

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

	Years ended December 31,				
	2005	**2004**	**2003**	**2002**	**2001**
NET ASSET VALUE, BEGINNING OF PERIOD	$18.95	$17.03	$13.22	$17.31	$16.56
INVESTMENT OPERATIONS:					
Net investment income (loss)	0.01	(0.08)	(0.05)	(0.02)	0.05
Net realized and unrealized gain (loss) on investments	1.75	3.81	5.64	(2.25)	2.58
Total investment operations	1.76	3.73	5.59	(2.27)	2.63
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:					
Net investment income	—	—	—	(0.01)	(0.01)
Net realized gain on investments	(0.24)	(0.26)	(0.26)	(0.28)	(0.30)
Total distributions to Preferred Stockholders	(0.24)	(0.26)	(0.26)	(0.29)	(0.31)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS RESULTING FROM INVESTMENT OPERATIONS	1.52	3.47	5.33	(2.56)	2.32
DISTRIBUTIONS TO COMMON STOCKHOLDERS:					
Net investment income	—	—	—	(0.07)	(0.05)
Net realized gain on investments	(1.61)	(1.55)	(1.30)	(1.44)	(1.44)
Total distributions to Common Stockholders	(1.61)	(1.55)	(1.30)	(1.51)	(1.49)
CAPITAL STOCK TRANSACTIONS:					
Effect of reinvestment of distributions by Common	0.01	0.00	(0.00)	(0.02)	(0.08)

Stockholders					
Effect of rights offering and Preferred Stock offering	—	—	(0.22)	—	—
Total capital stock transactions	0.01	0.00	(0.22)	(0.02)	(0.08)
NET ASSET VALUE, END OF PERIOD	$18.87	$18.95	$17.03	$13.22	$17.31
MARKET VALUE, END OF PERIOD	$20.08	$20.44	$17.21	$13.25	$15.72
TOTAL RETURN (a):					
Market Value	6.95%	29.60%	41.96%	(6.87)%	20.03%
Net Asset Value	8.41%	21.42%	40.80%	(15.61)%	15.23%
RATIOS BASED ON AVERAGE NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:					
Total expenses (b,c)	1.49%	1.51%	1.49%	1.72%	1.61%
Management fee expense	1.37%	1.39%	1.34%	1.56%	1.45%
Other operating expenses	0.12%	0.12%	0.15%	0.16%	0.16%
Net investment income (loss)	0.03%	(0.50)%	(0.36)%	(0.09)%	0.35%
SUPPLEMENTAL DATA:					
Net Assets Applicable to Common Stockholders, End of Period (in thousands)	$1,032,120	$993,304	$850,773	$560,776	$689,141
Liquidation Value of Preferred Stock, End of Period (in thousands)	$220,000	$220,000	$220,000	$160,000	$160,000
Portfolio Turnover Rate	31%	30%	23%	35%	30%
PREFERRED STOCK:					
Total shares outstanding	8,800,000	8,800,000	8,800,000	6,400,000	6,400,000
Asset coverage per share	$142.29	$137.88	$121.68	$112.62	$132.68
Liquidation preference per share	$25.00	$25.00	$25.00	$25.00	$25.00
Average market value per share (d):					
5.90% Cumulative	$24.75	$24.50	$25.04	—	—
7.80% Cumulative	—	—	$25.87	$26.37	$25.70
7.30% Tax-Advantaged Cumulative	—	—	$25.53	$25.82	$25.37

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

(b) Expense ratios based on total average net assets including liquidation value of Preferred Stock were 1.22%, 1.21%, 1.19%, 1.38% and 1.30% for the periods ended December 31, 2005, 2004, 2003, 2002 and 2001, respectively.

(c) Expense ratios based on average net assets applicable to Common Stockholders before waiver of fees by the investment adviser would have been 1.62%, 1.82% and 1.65% for the periods ended December 31, 2003, 2002 and 2001, respectively.

(d) The average of month-end market values during the period that the Preferred Stock was outstanding.

Notes to Financial Statements

Summary of Significant Accounting Policies:

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

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

Valuation of Investments:

Securities are valued as of the close of trading on the New York Stock Exchange (generally 4:00 p.m. Eastern time) on the valuation date. Securities that trade on an exchange or Nasdaq are valued at their last reported sales price or Nasdaq official closing price taken from the primary market in which each security trades or, if no sale is reported for such day, at their bid price. Other over-the-counter securities for which market quotations are readily available are valued at their bid price. Securities for which market quotations are not readily available are valued at their fair value under procedures established by the Fund's Board of Directors. Bonds and other fixed income securities may be valued by reference to other securities with comparable ratings, interest rates and maturities, using established independent pricing services.

Investment Transactions and Related Investment Income:

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date and any non-cash dividend income is recorded at the fair market value of the securities received. Interest income is recorded on an accrual basis. Realized gains and losses from investment transactions are determined on the basis of identified cost for book and tax purposes.

fiscal year. The Schedule of Investments includes information regarding income taxes under the caption "Income Tax Information".

Distributions:

The Fund currently has a policy of paying quarterly distributions on the Fund's Common Stock. Distributions are currently being made at the annual rate of 9% of the rolling average of the prior four calendar quarterend NAVs of the Fund's Common Stock, with the fourth quarter distribution being the greater of 2.25% of the rolling average or the distribution required by IRS regulations. Distributions to Preferred Stockholders are recorded on an accrual basis and paid quarterly. The Fund is required to allocate long-term capital gain distributions and other types of income proportionately to distributions made to holders of shares of Common Stock and Preferred Stock. To the extent that distributions are not paid from long-term capital gains, net investment income or net short-term capital gains, they will represent a return of capital. Distributions are determined in accordance with income tax regulations that may differ from accounting principles generally accepted in the United States of America. Permanent book and tax basis differences relating to stockholder distributions will result in reclassifications within the capital accounts. Undistributed net investment income may include temporary book and tax basis differences, which will reverse in a subsequent period. Any taxable income or gain remaining undistributed at fiscal year end is distributed in the following year.

Repurchase Agreements:

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

Expenses:

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

Taxes:

As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the Fund is not subject to income taxes to the extent that it distributes substantially all of its taxable income for its dispose of the underlying securities.

Securities Lending:

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

Capital Stock:

The Fund issued 2,294,908 and 2,459,541 shares of Common Stock as reinvestment of distributions by Common Stockholders for the years ended December 31, 2005 and 2004, respectively.

Notes to Financial Statements (continued)

At December 31, 2005, 8,800,000 shares of 5.90% Cumulative Preferred Stock were outstanding. Commencing October 9, 2008 and thereafter, the Fund, at its option, may redeem the Cumulative Preferred Stock, in whole or in part, at the redemption price. The Cumulative Preferred Stock is classified outside of permanent equity (net assets applicable to Common Stockholders) in the accompanying financial statements in accordance with Emerging Issues Task Force (EITF) Topic D-98, Classification and Measurement of Redeemable Securities, that requires preferred securities that are redeemable for cash or other assets to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer.

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

"performance period"). The Basic Fee for each month is increased or decreased at the rate of 1/12 of .05% for each percentage point that the investment performance of the Fund exceeds, or is exceeded by, the percentage change in the investment record of the S&P 600 for the performance period by more than two percentage points. The performance period for each such month is a rolling 60-month period ending with such month. The maximum increase or decrease in the Basic Fee for any month may not exceed 1/12 of .5%. Accordingly, for each month, the maximum monthly fee rate as adjusted for performance is 1/12 of 1.5% and is payable if the investment performance of the Fund exceeds the percentage change in the investment record of the S&P 600 by 12 or more percentage points for the performance period, and the minimum monthly fee rate as adjusted for performance is 1/12 of .5% and is payable if the percentage change in the investment record of the S&P 600 exceeds the investment performance of the Fund by 12 or more percentage points for the performance period.

Notwithstanding the foregoing, Royce is not entitled to receive any fee for any month when the investment performance of the Fund for the rolling redeem, in part or in full, the Cumulative Preferred Stock at a redemption price of $25.00 per share, plus an amount equal to the accumulated and unpaid dividends, whether or not declared on such shares, in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund’s ability to pay dividends to Common Stockholders and could lead to sales of portfolio securities at inopportune times. The Fund has met these requirements since issuing the Cumulative Preferred Stock.

Investment Advisory Agreement:

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

The Basic Fee is a monthly fee equal to 1/12 of 1% (1% on an annualized basis) of the average of the Fund’s month-end net assets applicable to Common Stockholders, plus the liquidation value of Preferred Stock, for the rolling 60-month period ending with such month (the 36-month period ending with such month is negative. In the event that the Fund’s investment performance for such a performance period is less than zero, Royce will not be required to refund to the Fund any fee earned in respect of any prior performance period.

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

For the 12 rolling 60-month periods ending in 2005, the investment performance of the Fund exceeded the investment performance of the S&P 600 by 7% to 23%. Accordingly, the investment advisory fee consisted of a Basic Fee of $9,219,099 and an upward adjustment of $4,141,268 for performance of the Fund above that of the S&P 600. For the year ended December 31, 2005, the Fund accrued and paid Royce advisory fees totaling $13,360,367.

The Fund paid Legg Mason Wood Walker, Incorporated, (“Legg Mason”), an affiliate of Royce, $4,408 in brokerage commissions for security transactions during the year ended December 31, 2005.

Distributions to Stockholders:

The tax character of distributions paid to stockholders during 2005 and 2004 was as follows:

Distributions paid from:	2005	2004
Ordinary income	$11,811,731	$ —
Long-term capital gain	86,948,561	91,900,089
	$98,760,292	$91,900,089

As of December 31, 2005, the tax basis components of distributable earnings included in stockholders’ equity were as follows:

Undistributed net investment income	$ 1,599,418
Undistributed long-term capital gain	7,803,757
Unrealized appreciation	358,682,583
Accrued preferred distributions	(288,449)

	$367,797,309

The difference between book basis and tax basis unrealized appreciation is attributable primarily to the tax deferral on wash sales and the unrealized gains on investments in Passive Foreign Investment Companies.

For financial reporting purposes, capital accounts and distributions to stockholders are adjusted to reflect the tax character of permanent book / tax differences. For the year ended December 31, 2005, the Fund recorded the following permanent reclassifications, which relate primarily to the current net operating losses. Results of operations and net assets were not affected by these reclassifications.

Undistributed Net Investment Income	Accumulated Net Realized Gain (Loss)	Paid-in Capital
$ —	$ (178,960)	$178,960

Purchases and Sales of Investment Securities:

For the year ended December 31, 2005, the cost of purchases and proceeds from sales of investment securities, other than short-term securities and collateral received for securities loaned, amounted to $350,628,407 and $495,640,973, respectively.

Transactions in Shares of Affiliated Companies:

An “Affiliated Company”, as defined in the Investment Company Act of 1940, is a company in which a Fund owns 5% or more of the company’s outstanding voting securities. The Fund effected the following transactions in shares of such companies during the year ended December 31, 2005:

Affiliated Company	Shares 12/31/04	Market Value 12/31/04	Cost of Purchases	Cost of Sales	Realized Gain (Loss)	Dividend Income	Shares 12/31/05	Market Value 12/31/05
Falcon Products*	941,600	$ 197,736	—	$5,418,871	$(5,394,384)	—		
Peerless Manufacturing	158,600	2,299,700	—	—	—	—	158,600	$2,775,500
Synalloy Corporation	345,000	3,415,500	—	—		—	345,000	3,610,080
		$5,912,936			$(5,394,384)	—		$6,385,580

* Not an Affiliated Company at December 31, 2005.

ROYCE VALUE TRUST

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Royce Value Trust, Inc.

We have audited the accompanying statement of assets and liabilities of Royce Value Trust, Inc. (Fund), including the schedule of investments, as of December 31, 2005, and the related statement of operations for the year then ended, and the statement of changes in net assets for the two years in the period then ended and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (U.S.). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2005, by correspondence with the custodian and brokers or by other appropriate audit procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above and audited by us present fairly, in all material respects, the financial position of Royce Value Trust, Inc. at December 31, 2005, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP

Philadelphia, PA
January 20, 2006

ROYCE MICRO-CAP TRUST — DECEMBER 31, 2005

Schedule of Investments

	SHARES	VALUE
COMMON STOCKS 107.4%		
Consumer Products 5.7%		
Apparel and Shoes - 2.4%		
Cherokee	42,300	$ 1,454,697
Delta Apparel	146,400	2,276,520
Hartmarx Corporation[a,b]	50,000	390,500
Kleinert s[a,d]	14,200	0
Steven Madden	14,500	423,835
Marisa Christina[a,b]	76,600	46,726
Skechers U.S.A. Cl. A[a]	10,000	153,200
Stride Rite	10,000	135,600
Weyco Group	120,000	2,292,000

	SHARES	VALUE
Restaurants and Lodgings - 0.1%		
Benihana Cl. A[a]	800	$ 18,432
California Pizza Kitchen[a,b]	2,100	67,137
		85,569
Retail Stores - 4.3%		
A.C. Moore Arts & Crafts[a,b]	7,600	110,580
America s Car-Mart[a,b]	113,000	1,866,760
Buckle (The)	35,500	1,144,520
Cache[a]	3,200	55,424
Casual Male Retail Group[a]	2,000	12,260
Cato Corporation Cl. A	71,850	1,541,182
Charlotte Russe Holding[a,b]	1,700	35,411

		7,173,078
Collectibles - 0.4%		
Topps Company (The)	148,500	1,103,355
Food/Beverage/Tobacco - 0.4%		
Green Mountain Coffee Roasters[a,b]	26,600	1,079,960
Nutrition 21[a]	40,000	25,680
		1,105,640
Home Furnishing and Appliances - 0.4%		
Lifetime Brands	52,554	1,086,291
Stanley Furniture Company	5,000	115,900
		1,202,191
Publishing - 0.1%		
Educational Development	10,600	85,860
Sports and Recreation - 0.6%		
Monaco Coach	73,900	982,870
National R.V. Holdings[a]	31,800	200,022
Orange 21[a,b]	7,400	28,120
Sturm, Ruger & Company	95,000	665,950
		1,876,962
Other Consumer Products - 1.4%		
Burnham Holdings Cl. A	79,500	1,701,300
Cobra Electronics[a]	10,000	133,700
Cross (A. T.) Company Cl. A[a]	100,000	405,000
JAKKS Pacific[a]	30,000	628,200
Lazare Kaplan International[a]	151,700	1,193,879
Sonic Solutions[a,b]	6,000	90,660
		4,152,739
Total (Cost $11,686,794)		16,699,825
Consumer Services 5.5%		
Direct Marketing - 0.1%		
Sportsman's Guide (The)[a]	6,000	143,100
ValueVision Media Cl. A[a,b]	5,000	63,000
		206,100
Leisure and Entertainment - 0.1%		

Cost Plus[a,b]	31,477	539,831
Deb Shops	19,900	591,627
La Senza Corporation	99,900	1,632,844
Shoe Carnival[a]	11,000	241,120
Stein Mart	148,900	2,702,535
United Retail Group[a]	60,600	796,890
West Marine[a,b]	74,000	1,034,520
Wild Oats Markets[a,b]	32,000	386,560
		12,692,064
Other Consumer Services - 0.4%		
Ambassadors Group	15,000	343,350
Ambassadors International	6,100	94,550
Autobytel[a,b]	20,000	98,800
Escala Group[a,b]	26,000	527,280
		1,063,980
Total (Cost $9,486,837)		16,107,698
Diversified Investment Companies 2.1%		
Closed-End Mutual Funds - 2.1%		
ASA Bermuda	81,500	4,483,315
Central Fund of Canada Cl. A	237,000	1,613,970
Total (Cost $4,055,600)		6,097,285
Financial Intermediaries 7.0%		
Banking - 3.0%		
Abigail Adams National Bancorp[c]	244,400	3,421,624
Arrow Financial	14,322	374,520
Bancorp (The)[a,b]	51,380	873,460
Eurobancshares[a,b]	32,000	453,440
First National Lincoln	40,200	706,837
FirstBank NW	4,930	156,873
Lakeland Financial	22,500	908,550
Meta Financial Group	44,800	907,200
Queen City Investments[a]	948	801,060
Sterling Bancorp	22,869	451,205
		9,054,769
Insurance - 3.1%		
American Safety Insurance Holdings[a]	20,000	334,600
Argonaut Group[a]	30,900	1,012,593
First Acceptance[a]	258,405	2,658,987
Independence Holding	33,534	655,590

IMAX Corporation[a,b]	25,000	176,500	NYMAGIC	65,400	1,621,266
Mikohn Gaming[a,b]	9,500	93,765	Navigators Group[a]	37,200	1,622,292
Multimedia Games[a,b]	5,000	46,250	Quanta Capital Holdings[a]	100,000	510,000
Singing Machine Company (The)[a,b]	5,000	1,850	Wellington Underwriting	444,712	742,174
TiVo[a,b]	20,000	102,400			
					9,157,502
		420,765			
Media and Broadcasting - 0.5%					
Nelson (Thomas)	28,300	697,595			
Outdoor Channel Holdings[a,b]	69,750	941,625			
		1,639,220			

ROYCE MICRO-CAP TRUST

Schedule of Investments

	SHARES	VALUE
Financial Intermediaries (continued)		
Real Estate Investment Trusts - 0.3%		
Bimini Mortgage Management Cl. A	99,000	$ 895,950
Securities Brokers - 0.5%		
First Albany	45,000	312,750
Sanders Morris Harris Group	21,000	344,190
Stifel Financial[a,b]	21,233	798,148
		1,455,088
Other Financial Intermediaries - 0.1%		
Electronic Clearing House[a]	20,000	199,400
Total (Cost $14,925,618)		20,762,709
Financial Services 3.0%		
Investment Management - 2.4%		

	SHARES	VALUE
Monogram Biosciences[a,b]	55,000	$ 102,850
Myriad Genetics[a,b]	26,500	551,200
Nabi Biopharmaceuticals[a,b]	5,000	16,900
Nastech Pharmaceutical Company[a,b]	3,700	54,464
Neurogen Corporation[a,b]	30,000	197,700
Nuvelo[a]	52,000	421,720
Oncolytics Biotech[a,b]	41,000	191,060
Orchid Cellmark[a,b]	78,000	592,800
Pharmacopeia Drug Discovery[a,b]	25,000	89,000
Pharmacyclics[a]	138,000	489,900
SFBC International[a,b]	25,000	400,250
Sangamo BioSciences[a]	10,000	40,300
Senesco Technologies[a,b]	25,000	35,500
Tercica[a,b]	61,900	443,823
Theragenics Corporation[a]	145,800	440,316
Trimeris[a,b]	30,000	344,700
		14,212,815

ADDENDA Capital	48,000	1,298,636
Epoch Holding[a]	218,300	1,287,970
International Assets Holding[a]	169,000	1,537,900
MVC Capital	211,200	2,251,392
NGP Capital Resources Company	50,000	656,500
		7,032,398
Other Financial Services - 0.6%		
Clark	20,900	276,925
MarketAxess Holdings[a]	123,700	1,413,891
MicroFinancial	10,000	39,400
		1,730,216
Total (Cost $7,377,970)		8,762,614
Health 14.7%		
Commercial Services -1.4%		
Discovery Partners International[a]	35,000	92,750
First Consulting Group[a]	274,700	1,612,489
ICON ADR[a]	800	32,912
PAREXEL International[a,b]	121,400	2,459,564
		4,197,715
Drugs and Biotech - 4.9%		
Allos Therapeutics[a,b]	233,600	502,240
Alnylam Pharmaceuticals[a,b]	3,800	50,768
Anormed[a]	280,600	1,164,490
Antigenics[a,b]	70,000	333,200
Axonyx[a]	50,000	41,500
Barrier Therapeutics[a,b]	14,300	117,260
CancerVax Corporation[a,b]	43,000	59,340
Caraco Pharmaceutical Laboratories[a]	125,450	1,126,541
Cardiome Pharma[a]	56,000	565,600
Cell Genesys[a,b]	58,000	343,940
Cerus Corporation[a]	84,600	858,690
CollaGenex Pharmaceuticals[a,b]	25,000	301,750
Dendreon Corporation[a,b]	10,000	54,200
Durect Corporation[a]	44,100	223,587
DUSA Pharmaceuticals[a]	26,400	284,328
Emisphere Technologies[a]	163,200	708,288
Gene Logic[a]	241,579	809,290
Genitope Corporation[a,b]	3,000	23,850
Geron Corporation[a,b]	6,000	51,660
ImmunoGen[a,b]	44,000	225,720
Mannkind Corporation[a,b]	42,000	472,920
Maxygen[a,b]	5,000	37,550
Momenta Pharmaceuticals[a,b]	65,500	1,443,620

Health Services - 2.0%		
ATC Healthcare Cl. A[a]	35,000	11,550
Albany Molecular Research[a,b]	40,000	486,000
Bio-Imaging Technologies[a,b]	42,400	135,680
Covalent Group[a]	25,000	54,500
Gentiva Health Services[a]	23,000	339,020
HMS Holdings[a]	71,900	550,035
Horizon Health[a]	50,000	1,131,500
MedCath Corporation[a,b]	18,000	333,900
Mediware Information Systems[a]	70,000	842,800
National Home Health Care	18,078	176,441
On Assignment[a]	80,100	873,891
Quovadx[a]	5,000	12,050
RehabCare Group[a]	22,000	444,400
Sun Healthcare Group[a]	51,000	337,110
U.S. Physical Therapy[a]	10,000	184,700
		5,913,577
Medical Products and Devices - 5.8%		
Adeza Biomedical[a,b]	20,000	421,000
Allied Healthcare Products[a]	253,500	1,455,090
AngioDynamics[a,b]	14,000	357,420
Anika Therapeutics[a]	24,000	280,560
Bruker BioSciences[a,b]	187,200	909,792
Caliper Life Sciences[a]	52,100	306,348
Cardiac Science[a]	29,947	271,020
CONMED Corporation[a,b]	3,900	92,274
Del Global Technologies[a]	168,279	546,907
EPIX Pharmaceuticals[a,b]	49,000	197,960
Endologix[a]	7,500	51,750
Exactech[a,b]	113,200	1,295,008
Kensey Nash[a,b]	28,000	616,840
Medical Action Industries[a]	83,500	1,706,740
Merit Medical Systems[a,b]	5,700	69,198
Molecular Devices[a,b]	25,500	737,715
NMT Medical[a]	19,500	312,000
Neurometrix[a,b]	21,500	586,520
Orthofix International[a]	28,000	1,116,920
OrthoLogic Corporation[a]	85,000	416,500
PLC Systems[a]	105,200	52,600
Possis Medical[a,b]	29,900	297,505
Schick Technologies[a]	25,000	823,975

DECEMBER 31, 2005

	SHARES	VALUE
Health (continued)		
Medical Products and Devices (continued)		
Synovis Life Technologies[a,b]	23,000	$ 230,690
Urologix[a,b]	127,000	490,220
Utah Medical Products	42,300	1,355,292
Young Innovations	61,450	2,094,216
		17,092,060
Personal Care - 0.6%		
CCA Industries	51,040	472,120
Helen of Troy[a,b]	20,000	322,200
Lifeline Systems[a,b]	20,050	733,028
Nutraceutical International[a]	15,000	203,250
		1,730,598
Total (Cost $32,672,334)		43,146,765
Industrial Products – 16.0%		
Automotive - 0.7%		
IMPCO Technologies[a,b]	30,500	156,465
LKQ Corporation[a]	5,700	197,334
Spartan Motors	2,800	28,812
Strattec Security[a]	28,300	1,143,886
Wescast Industries Cl. A	37,900	572,844
		2,099,341
Building Systems and Components - 1.4%		
Aaon[a]	58,100	1,041,152
AZZ[a]	45,600	822,624
Craftmade International	30,000	600,300
Flanders Corporation[a,b]	46,000	559,360
Lindsay Manufacturing	10,000	$ 192,300
MTS Systems	10,000	346,400
Mueller (Paul) Company	9,650	272,613
Pason Systems	121,200	3,013,188
Sun Hydraulics	38,950	752,903
Tennant Company	44,100	2,293,200
		13,916,826
Metal Fabrication and Distribution - 1.9%		
Aleris International[a,b]	4,075	131,378
Encore Wire[a,b]	15,000	341,400
Harris Steel Group	50,000	1,122,629
Haynes International[a]	23,800	559,300
Insteel Industries	56,000	927,360
NN	176,900	1,875,140
Novamerican Steel[a]	2,500	98,403
Oregon Steel Mills[a]	3,300	97,086
Universal Stainless & Alloy Products[a]	36,100	541,500
		5,694,196
Paper and Packaging - 0.1%		
Mod-Pac Corporation[a,b]	23,200	260,768
Pumps, Valves and Bearings - 0.2%		
CIRCOR International	28,000	718,480
Specialty Chemicals and Materials - 2.0%		
Aceto Corporation	334,419	2,200,477
Balchem Corporation	15,000	447,150
CFC International[a,b]	40,600	570,065
Hawkins	122,667	1,716,111
NuCo2[a,b]	20,000	557,600

LSI Industries	63,812	999,296
Modtech Holdings[a]	3,800	35,492
		4,058,224
Construction Materials - 1.5%		
Ash Grove Cement Company	8,000	1,440,000
Monarch Cement	50,410	1,166,992
Synalloy Corporation[a]	171,000	1,789,344
		4,396,336
Industrial Components - 1.5%		
American Superconducter[a,b]	67,000	527,290
Bel Fuse Cl. A	55,200	1,380,000
C & D Technologies	53,000	403,860
Ladish Company[a]	10,000	223,500
Plug Power[a,b]	1,370	7,028
Powell Industries[a,b]	50,300	903,388
Scientific Technologies[a]	10,700	45,703
Tech/Ops Sevcon	76,200	415,290
II-VI[a]	20,000	357,400
Woodhead Industries	10,000	138,700
		4,402,159
Machinery - 4.7%		
Alamo Group	38,600	791,300
Ampco-Pittsburgh	96,900	1,406,019
Astec Industries[a]	40,200	1,312,932
Global Power Equipment Group[a,b]	55,100	249,052
Gorman-Rupp Company	3,375	74,621
Hardinge	117,000	2,018,250
Hurco Companies[a,b]	31,400	967,748
Keithley Instruments	14,000	195,720
LeCroy Corporation[a]	2,000	30,580
Park Electrochemical	10,000	259,800
		5,751,203
Textiles - 0.1%		
Fab Industries[d]	56,400	177,660
Other Industrial Products - 1.9%		
Color Kinetics[a,b]	50,000	719,500
Eastern Company (The)	26,500	517,015
Maxwell Technologies[a]	15,300	216,801
Myers Industries	32,276	470,584
Peerless Manufacturing[a]	42,200	738,500
Quixote Corporation	35,500	702,900
Raven Industries	73,000	2,106,050
		5,471,350
Total (Cost $33,903,554)		46,946,543
Industrial Services – 13.7%		
Advertising and Publishing - 0.2%		
Greenfield Online[a,b]	20,000	117,200
NetRatings[a]	50,000	616,500
		733,700
Commercial Services - 5.4%		
Administaff	10,000	420,500
American Bank Note Holographics[a]	242,200	1,501,640
BB Holdings	390,000	2,640,300
CBIZ[a,b]	87,000	523,740
Collectors Universe[a]	11,700	188,604
CorVel Corporation[a,b]	28,450	540,266
Exponent[a]	68,300	1,938,354
Geo Group (The)[a]	51,200	1,174,016
iGATE Corporation[a,b]	273,400	1,328,724

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

ROYCE MICRO-CAP TRUST

Schedule of Investments

	SHARES	VALUE
Industrial Services (continued)		
Commercial Services (continued)		
Kforce[a,b]	55,000	$ 613,800
NCO Group[a,b]	20,000	338,400
PDI[a]	15,200	205,200
RCM Technologies[a]	85,100	434,010
Renaissance Learning	2,365	44,722
SM&A[a,b]	31,300	257,599
Senomyx[a,b]	47,000	569,640
Stantec[a]	2,819	96,128
TRC Companies[a,b]	5,600	61,320
Volt Information Sciences[a,b]	64,100	1,219,182
Westaff[a]	362,500	1,794,375
		15,890,520
Engineering and Construction - 1.0%		
Devcon International[a,b]	21,700	224,378
Insituform Technologies Cl. A[a,b]	80,300	1,555,411
Skyline Corporation	32,100	1,168,440
		2,948,229
Food and Tobacco Processors - 1.2%		
Galaxy Nutritional Foods[a]	159,450	199,313
ML Macadamia Orchards L.P.	120,200	688,746
Omega Protein[a]	9,600	64,416
Seneca Foods Cl. A[a,b]	62,500	1,203,125
Seneca Foods Cl. B[a]	42,500	775,625
Sunopta[a]	90,000	473,400
		3,404,625

	SHARES	VALUE
Other Industrial Services - 0.3%		
Landauer	21,300	$ 981,717
Team[a]	2,200	46,442
		1,028,159
Total (Cost $23,380,147)		40,222,186
Natural Resources – 9.5%		
Energy Services - 3.4%		
Calfrac Well Services	1,000	34,668
Carbo Ceramics	18,750	1,059,750
Conrad Industries[a]	154,000	261,800
Dawson Geophysical[a]	3,400	104,788
Dril-Quip[a,b]	62,500	2,950,000
Enerflex Systems	5,000	115,446
Gulf Island Fabrication	45,400	1,103,674
GulfMark Offshore[a,b]	65,200	1,931,224
Input/Output[a,b]	118,500	833,055
Valley National Gases	30,100	589,960
Willbros Group[a,b]	77,500	1,119,100
		10,103,465
Oil and Gas - 2.5%		
ATP Oil & Gas[a]	6,300	233,163
Bonavista Energy Trust	88,000	2,884,253
CE Franklin[a]	52,100	723,669
Cano Petroleum[a]	115,200	887,040
Contango Oil & Gas Company[a]	10,000	114,400
Edge Petroleum[a]	3,500	87,185
Nuvista Energy[a]	121,000	1,878,833