

ROYCE VALUE TRUST INC
Form N-CSR
March 04, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT
OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-04875

Name of Registrant: Royce Value Trust, Inc.

Address of Registrant: 745 Fifth Avenue
New York, NY 10151

Name and address of agent for
service:

John E. Denneen, Esquire
745 Fifth Avenue
New York, NY 10151

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

Date of fiscal year end: December 31

Date of reporting period: January 1, 2012 - December 31, 2012

Item 1. Reports to Shareholders.

ANNUAL REVIEW AND REPORT TO STOCKHOLDERS

Royce Value Trust

Royce Micro-Cap Trust

Royce Focus Trust

www.roycefunds.com

A Few Words on Closed-End Funds

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

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

A Closed-End Fund Offers Several Distinct Advantages Not Available from an Open-End Fund Structure

Since a closed-end fund does not issue redeemable securities or offer its securities on a continuous basis, it does not need to liquidate securities or hold uninvested assets to meet investor demands for cash redemptions, as an open-end fund must.

In a closed-end fund, not having to meet investor redemption requests or invest at inopportune times is ideal for value managers who attempt to buy stocks when prices are depressed and sell securities when prices are high.

A closed-end fund may invest more freely in less liquid portfolio securities because it is not subject to potential stockholder redemption demands. This is particularly beneficial for Royce-managed closed-end funds, which invest in small- and micro-cap securities.

The fixed capital structure allows permanent leverage to be employed as a means to enhance capital appreciation potential.

Unlike Royce's open-end funds, our closed-end funds are able to distribute capital gains on a quarterly basis. Each of the Funds has adopted a quarterly distribution policy for its common stock. Please see page 16-18 for more details.

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

Why Dividend Reinvestment Is Important

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A very important component of an investor's total return comes from the reinvestment of distributions. By reinvesting distributions, our investors can maintain an undiluted investment in a Fund. To get a fair idea of the impact of reinvested distributions, please see the charts on pages 11, 13, and 15. For additional information on the Funds' Distribution Reinvestment and Cash Purchase Options and the benefits for stockholders, please see page 18 or visit our website at www.roycefunds.com.

This page is not part of the 2012 Annual Report to Stockholders

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For 40 years, we have used a value approach to invest in small-cap securities. We focus primarily on the quality of a company's balance sheet, its ability to generate free cash flow, and other measures of profitability or sound financial condition. We then use these factors to assess the company's current worth, basing the assessment on either what we believe a knowledgeable buyer might pay to acquire the entire company or what we think the value of the company should be in the stock market.

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Performance Table

NAV Average Annual Total Returns Through December 31, 2012

	Royce Value Trust	Royce Micro-Cap Trust	Royce Focus Trust	Russell 2000 Index	Russell Microcap Index	Russell 2500 Index
One-Year	15.41%	17.34%	11.42%	16.35%	19.75%	17.88%
Five-Year	1.23	2.15	1.38	3.56	1.46	4.34
10-Year	9.48	10.45	12.19	9.72	8.42	10.49
15-Year	8.14	8.60	9.17	5.89	n.a.	7.43
20-Year	10.06	n.a.	n.a.	8.43	n.a.	9.89
25-Year	11.15	n.a.	n.a.	9.74	n.a.	11.14
Since Inception	10.33	10.42	10.04	n.a.	n.a.	n.a.

Important Performance and Risk Information

All performance information in this *Review and Report* reflects past performance, is presented on a total return basis, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Investment return and principal value of an investment will fluctuate, so that shares may be worth more or less than their original cost when sold. Current performance may be higher or lower than performance quoted. Current month-end performance may be obtained at www.roycefunds.com. Certain immaterial adjustments were made to the net assets of Royce Micro-Cap Trust at 12/31/12 for financial reporting purposes, and as a result the net asset value originally calculated on that date and the total return based on that net asset value differs from the adjusted net asset value and total return reported in the Financial Highlights. All indexes referenced are unmanaged and capitalization-weighted. Each indexes' returns include net reinvested dividends and/or interest income. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group. The Russell 2000 Index is an index of domestic small-cap stocks that measures the performance of the 2,000 smallest publicly traded U.S. companies in the Russell 3000 Index. The Russell Microcap Index includes 1,000 of the smallest securities in the small-cap Russell 2000 Index, along with the next smallest eligible securities as determined by Russell. The Russell 2500 Index is an index of the 2,500 smallest publicly traded U.S. companies in the Russell 3000 Index.

Letter to Our Stockholders

Men can do nothing without the make-believe of a beginning.
George Eliot

See a Little Light

When seeing out one year and ushering in another, it is important to remember that the calendar, useful though it may be, provides only one way of tracking time. Some people, for example, choose to look to spring for a new beginning, while others, more habituated to the rhythms of the school year, prefer the arrival of fall. The stock market, in all its caprice and unpredictability, most often eschews 12-month spans in favor of its own irregularly paced seasons. So we find ourselves, as we look back on 2012 and peer ahead to 2013, at one of those curious, familiar junctures when the calendar compels a shift that the market seems to have anticipated months before. From our perspective as active small-cap managers, the recent market cycle change was something of a watershed. In fact, it seems very likely to us that the 2012 small-cap low on June 4 signaled the end of the closely correlated, range-bound cycle of the last few years, a cycle that created ample disappointments for those of us committed to high quality, risk management, and long-term absolute returns. **It is not yet clear that this June low will prove as auspicious as it looks to us at this writing. Suffice it to say that major market inflection points seldom do any of us the favor of announcing their arrival.**

From our perspective as active small-cap managers, the recent market cycle change was something of a watershed. In fact, it seems very likely to us that the 2012 small-cap low on June 4 signaled the end of the closely correlated, range-bound cycle of the last few years, a cycle that created ample disappointments for those of us committed to high quality, risk management, and long-term absolute returns.

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Charles M. Royce, President

Letter to Our Stockholders

One of the most interesting recent developments in the equity markets, particularly in the small-cap space, has been the persistent disparity in performance between high- and low-quality companies. Over longer periods of time, higher-quality companies have differentiated themselves from a performance standpoint, especially compared to the lower quality segments of the market. While the aftermath of the financial crisis altered this script, there are signs that the dynamic is changing.

Historically, lower-quality companies have tended to demonstrate their most robust outperformance when markets are in the initial recovery phase following a recession or bear market low. However, once economies and markets move from recovery to expansion, the rate of change in these inputs begins to slow while leadership tends to rotate back to higher-quality companies, whose business fundamentals are more compelling.

Continued on page 6...

It is equally important to emphasize that our new-found sanguine attitude is contingent on seeing in 2013 more of what we saw in the second half of 2012, particularly in last year's closing months. During this period, investors were looking more closely at companies that possess sustainable quality in the form of strong balance sheets, high returns on invested capital, steady earnings, and reasonable dividends while paying a bit less attention to high-yield instruments, copiously leveraged stocks, and explosive growth surprises. We want to stress the extremely cautious nature of our optimism. **The resurgence of quality off the June low was not decisive and has been thus far short lived. However, in our view, it did mark a subtle and significant shift that grew more pronounced in the fourth quarter, most notably in October and November when share prices went wobbly from the impact of Hurricane Sandy and the aftermath of the elections, which included periods of recurrent anxiety over the then-looming fiscal cliff.**

Quality shone through in this more uncertain period. Throughout most of our first 35 years of managing portfolios, this resilience would have been unexceptional, and hardly worth mentioning, because quality companies have historically defended well. However, since the spring of 2010 and even more dramatically since the April 2011 small-cap high little of what worked historically has enjoyed success. This has made the last five years the last three particularly among the most frustrating periods of our 40 years in business. With retrospective clarity, perhaps we should have suspected that something was amiss, or at least historically aberrant, when stocks rebounded so quickly and dynamically from the March 2009 bottom. Considering that the recession which began in 2007 was made far worse by the global financial crisis in the fall of 2008, the market's surge may have been too much too soon, welcome though it was.

In any event, investors soon became more than a little wary, shuffling in and out of stocks with little regard for business fundamentals and too much for macro headlines, nearly all of them negative. Unable to establish any clear direction, the market sputtered as it rose and wheezed as it stumbled. It often seemed as though many of the investors who were frantically shoving money in and pulling it out again weeks, days, or hours later were the same people decrying the mercurial nature of asset prices and questioning whether equities were any longer a viable investment option. Along the way, results for passive investment approaches began to outpace those of an ever-larger number of active managers. **So it is with a large measure of relief that we bid a tentative and hopeful good-bye to all that as we look ahead to better, more stable days.**

The Wall of Worry

An old adage has it that the market climbs a wall of worry during those times when stocks behave bullishly in the face of negative news or perceptions. It seems clear to us that in 2012, the market scaled just such a wall. Consider the following: For the most part, the bearish second quarter eroded, but did not undo, the gains achieved in the first. The year's final six months found many investors still behaving coolly toward equities and a host of large-scale economic and fiscal issues yet to be fully worked through. As the year closed, a fiscal cliff deal had yet to be reached, various European nations continued to flirt with financial peril, and China was still growing

at a slower pace than in previous boom years. In addition, there was a typically contentious presidential election preceded by a disastrous hurricane that swept through the world's financial capital. Yet the market ultimately shrugged off most of these concerns.

Share prices did not skyrocket following the June 4 small-cap low. July, in fact, saw a downturn for most stocks. But August and September were highly rewarding months that enabled equities to rally decisively enough to post impressive third-quarter results. For the quarter, the small-cap Russell 2000 Index gained 5.3% while the large-cap S&P 500 and Russell 1000 Indexes were up 6.4% and 6.3%, respectively, and the more tech-oriented Nasdaq Composite climbed 6.2%. Following the strong third quarter, equities took a bit of breather in October, before rallying again in November and December, which repeated to some degree the third quarter's pattern, though with far more modest or slightly negative results. For the fourth quarter, the Russell 2000 was up 1.9%, the Russell 1000 rose 0.1%, the S&P 500 was off 0.4%, and the Nasdaq Composite fell 3.1%.

The end result was a strong calendar year, especially compared to 2011, with each major equity index posting double-digit returns. **In 2012, the Russell 2000 gained 16.3%, the S&P 500 rose 16.0%, the Russell 1000 was up 16.4%, and the Nasdaq Composite increased 15.9%. Three-year returns for the major indexes were also strong, with each again posting double-digit average annual total returns.** For the three-year period ended December 31, 2012, the Russell 2000 led with a gain of 12.2%. The Russell 2000, Russell 1000, and S&P 500 each finished the year within 2.5% of their respective highs established during 2012's third quarter, while the Nasdaq Composite remained 40.2% below its peak from March 10, 2000.

Non-U.S. equities also enjoyed a strong second half after starting the year with generally lower gains when stacked against their domestic cousins. The Russell Global ex-U.S. Small Cap Index climbed 8.3% in the third quarter, while the Russell Global ex-U.S. Large Cap Index rose 7.7%. In contrast to the domestic indexes, these strong third-quarter performances were followed by consistently positive results in the fourth quarter. The Russell Global ex-U.S. Small Cap Index was up 4.8% versus a gain of 5.8% for the Russell Global ex-U.S. Large Cap Index. For the full year small-caps were the leaders, with the Russell Global ex-U.S. Small Cap Index gaining 18.8% while the Russell Global ex-U.S. Large Cap Index was up 17.0%. **So while the perception persists that non-U.S. markets are a mess a perception based on the uncertain debt and currency situations in Europe and slower-than-desired growth in developing countries the reality is that stocks across the globe finished the year with highly attractive results.**

Shifting back stateside finds that micro-cap stocks enjoyed a very strong year. After finishing the first half with an enviable 13.0% return, the Russell Microcap Index climbed 5.9% in the third quarter and was essentially flat in the fourth, up 0.04%, which gave the index a 19.7% increase in 2012. Mid-cap stocks also experienced robust results for the calendar year the Russell Midcap Index was up 17.3% in 2012.

An old adage has it that the market climbs a wall of worry during those times when stocks behave bullishly in the face of negative news or perceptions. It seems clear to us that in 2012 the market scaled just such a wall.

However, the four rounds of QE have created an extended tailwind for low-quality companies. Highly levered businesses a low-quality attribute from our standpoint have benefited from the sharp drop in the cost of capital that has accompanied the Fed's bond buying programs. Access to capital has simultaneously improved, allowing weaker companies to stave off potential financing challenges. This is particularly relevant in the smaller company space where financing is often tenuous. Interestingly, companies with large net cash positions have also lagged as that cash has been viewed as an unproductive asset that generates little or no return, even though it provides a healthy margin of safety and is often the result of profitability. Even allowing for strong second-half results, high-quality small-caps look highly attractive to us relative to both their lower-quality counterparts and their high-quality peers in the large-cap space.

The drop in market volatility back to pre-crisis levels, as measured by the VIX, has contributed to the relative strength of low-quality companies. Investors' appetite for riskier assets tends to correlate with sharp moves both up and down in volatility. As the more violent swings in the market dissipated, investors were increasingly willing to embrace the added risk associated with

lower quality enterprises.

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Letter to Our Stockholders

Good-Bye to All That (We Hope)

Calendar-year results for our closed-end funds fell a bit short of our expectations on a relative basis, even as all three of the portfolios finished the year with both solid second-half performances and more-than-respectable absolute returns. Certainly some holdings drew a benefit from the market's suddenly renewed affection for quality characteristics. Results as a whole therefore left us frustrated yet hopeful, for the reasons outlined above.

We have previously discussed the reasons for recent performance disappointments, but they are worth recapping for what we would like to think will be the last time, at least for a while. Beginning with 2007's recession and moving through the global financial crisis into the early days of June 2012, the markets were highly volatile, closely correlated, and frequently disappointing. This pattern could first be seen emerging in the spring of 2010 and was cast in harder material by the small-cap high on April 29, 2011. **So while the one- and three-year numbers for the major domestic indexes were strong through the end of 2012, investors continue to be leery of the market, most probably owing to its lack of a sustainable course, bullish or bearish, especially in the roughly 13-month period between the April 2011 high and the 2012 low in early June. More importantly, this cycle of high correlation often proved difficult for our closed-end portfolios.**

2012 NAV TOTAL RETURNS FOR THE ROYCE FUNDS VS. RUSSELL 2000, RUSSELL MICROCAP AND THE RUSSELL 2500 as of 12/31/12

¹ Certain immaterial adjustments were made to the net assets of Royce Micro-Cap Trust at 12/31/12 for financial reporting purposes, and as a result the net asset value originally calculated on that date and the total return based on that net asset value differs from the adjusted net asset value and total return reported in the Financial Highlights.

Throughout this time, we remained patient and disciplined, resolutely searching for companies that met our standards for quality and attractive valuation while investors grew more interested in other matters. On the one hand, they sought safety in fixed income instruments, utilities, or high-yielding vehicles such as REITs and MLPs; on the other hand they looked

for fast, dramatic growth, which most often came from highly leveraged companies in which we take no interest. For our part, we continued to see many companies across several sector and industry groups that answered to our preferred combination of quality and value. However, many of the largest company, industry and/or sector weightings in some portfolios have fared poorest, including those in the Energy, Materials, and Information Technology sectors. While all of this has been frustrating, none of it has changed the way in which we invest or construct portfolios. **As we said in our Semiannual Review and Report, patience and discipline are not virtues to which we pay lip service. Our investment horizon will remain squarely focused on the long term, as it has for 40 years.**

New Cycle, New Balance

The recent era of low rates and ample liquidity has not changed our view of the importance of strong balance sheets, high returns on invested capital, cash flow, or dividends. Many small-cap companies that possess any number of these characteristics underperformed the Russell 2000 in 2010, 2011, and the first half of 2012, which definitely hampered the effectiveness of our disciplined approach. This can be seen in the Funds' three-, five-year, and in the case of Royce Value Trust, even 10-year, results. We did not enjoy watching certain portfolio favorites languish. But not once did we consider changing our core principles. We knew that we were in a highly anomalous market, one that we may not see again for more than a generation. So we stayed patient and consistent while we waited for the cycle to shift.

Our contention is that quality stocks underperformed through much of the recent cycle of correlation owing to both the zero-interest-rate policies that the Fed has implemented over the last few years and the related rounds of quantitative easing.

With interest rates so low, companies were finding it very easy to restructure debt or take on more of it. The price companies were paying to do so was miniscule, so investors acted accordingly by rewarding a number of fast-growing, highly leveraged businesses while often ignoring those with strong balance sheets. In an environment where the cost of debt has been virtually nil, low-debt companies lost their traditional advantage. (Our *Sidebar*, piece provides some more details.) **However, we also suspect that we have reached a stage where this advantage is diminishing because rates have been historically low for a few years now and monetary stimulus no longer has the same dramatic impact it had with the first two or three rounds of quantitative easing. In addition to their stalwart second-half returns, we think this is a good sign for high-quality small-cap stocks.**

We did not enjoy watching certain portfolio favorites languish. But not once did we consider changing our core principles. We knew that we were in a highly anomalous market, one that we may not see again for more than a generation. So we stayed patient and consistent while we waited for the cycle to shift.

A Quality Cycle?

As correlation continues to abate, we expect to see more opportunities for quality stocks to flourish. This is ultimately why we were not surprised by the market's strength in the second half, even with ample ongoing uncertainty. We feel confident that the market has entered a cycle

The current preference for passive strategies and ETFs at the expense of active management has also played a role. Within small-cap, active managers, especially those with a long-term orientation, tend to have a quality bias in their portfolios, while passive index vehicles, especially those meant to replicate the Russell 2000, have no bias other than market cap and therefore have a higher weighting in lower-quality companies. Persistent redemptions of actively managed funds combined with modest inflows to ETFs have further distorted the low quality/high performance differential.

The key question, then, is when will this change? It is our view that it may already have begun. Interest rates, while at historic lows, cannot fall much lower. In fact, each successive round of quantitative easing is exerting less and less pressure on rates while at the same time raising the specter of increased inflation down the road. While liquidity should remain abundant, the rate of change in the cost of capital has clearly peaked. By the same token, the rate of decline in market volatility has significantly slowed with the VIX now back to its long-run averages. And while the global economy continues to grow, GDP statistics are anything but

*robust. Low-quality companies
have
had an extended moment in the
sun,
but it is our strong belief that we
are
entering a new era for quality.*

Letter to Our Stockholders

in which stock picking matters. Our optimism, cautious as it is, is bolstered by the fact that in the years ahead earnings growth can accelerate for small caps and should be robust as the economy continues to improve. While many companies are hesitant about capital expenditures, those issues have more to do with timing. **That is, businesses were not willing to start spending until the President and Congress struck a deal. Yet our meetings with management teams have convinced us that there is no question about their willingness to invest.**

In this context, it is worth mentioning that the tax and stimulus deal that was struck early in January still left important matters such as infrastructure spending, entitlements, and the next debt ceiling increase unresolved. So there will be opportunities for political intransigence to potentially affect the markets in 2013, and it will be interesting to see how investors respond to additional rounds of fiscal gridlock. **Our thought is that greater levels of attention to business fundamentals will remain high. We believe that equities will continue their positive performance into 2013, that quality-oriented companies and active management approaches, especially within the small-cap universe, will continue their resurgence, and that non-U.S. small-caps will continue to surprise on the upside.** We are very happy to say that it looks like a new, more historically typical cycle has begun.

Sincerely

Charles M. Royce
President

W. Whitney George
Vice President

Jack E. Fockler, Jr.
Vice President

January 31, 2013

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Royce Value Trust

AVERAGE ANNUAL NAV TOTAL RETURNS

Through 12/31/12

July-December 2012 ¹	10.87%
One-Year	15.41
Three-Year	10.58
Five-Year	1.23
10-Year	9.48
15-Year	8.14
20-Year	10.06
25-Year	11.15
Since Inception (11/26/86)	10.33

¹ Not annualized

CALENDAR YEAR NAV TOTAL RETURNS

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

TOP 10 POSITIONS % of Net Assets

HEICO Corporation	1.1%
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Carter s	1.0
Mohawk Industries	1.0
Coherent	1.0
Lincoln Electric Holdings	1.0
Advisory Board (The)	1.0
Nordson Corporation	1.0
Reliance Steel & Aluminum	0.9
PAREXEL International	0.9
E-L Financial	0.8

PORTFOLIO SECTOR BREAKDOWN % of Net Assets

Industrials	27.8%
Information Technology	19.6
Financials	17.8
Consumer Discretionary	13.9
Materials	8.1
Health Care	6.5
Energy	5.1
Consumer Staples	2.1
Telecommunication Services	0.7
Diversified Investment Companies	0.4
Miscellaneous	3.8
Preferred Stock	0.1
Borrowings Under Revolving Credit Agreement Less Cash and Cash Equivalents	-5.9

Manager's Discussion

Strong results in the final six months of 2012 helped Royce Value Trust (RVT) to enjoy a strong year on an absolute basis even as it came up a bit short on a relative scale. **RVT gained 15.4% on an NAV (net asset value) basis and 16.2% on a market price basis in 2012 compared to gains of 16.3% for both of its unleveraged small-cap benchmarks, the Russell 2000 and S&P SmallCap 600 Indexes.**

The Fund enjoyed full participation in the rally that enlivened the year's first quarter, up 13.9% on an NAV basis and 14.7% on a market price basis versus 12.4% for the Russell 2000 and 12.0% for the S&P SmallCap 600. This relative advantage was lost, however, once stock prices began to decline following a small-cap high on March 26. Investors once again shifted from bullish to bearish based on a now-familiar set of macro headlines concerning European debt and the pace of global economic growth, particularly in the U.S. and China. RVT fell hard in the second quarter, down 8.6% on an NAV basis and 8.9% on a market price basis versus respective declines of 3.5% and 3.6% for the Russell 2000 and S&P SmallCap 600.

Small-cap stocks reached their low for the year on June 4, 2012, though it would not be until July and August that the presence of a rally began to be felt. Though not as dynamic as the first quarter's bull run, the third quarter was the year's second shift into an up phase. The Fund once more did well as share prices climbed, gaining 5.1% on an NAV basis and 6.3% based on market price while the Russell 2000 was up 5.3% and the S&P SmallCap 600 rose 5.4%. For stocks as a whole, the fourth quarter was a more mixed period. Investors did their best to make sense of the effects of Hurricane Sandy, the elections, the looming fiscal cliff, and another round of quantitative easing announced by the Fed in mid-December. This muted the performance of RVT's benchmarks—the Russell 2000 was up 1.9% in the fourth quarter while the S&P SmallCap 600 rose 2.2%. The Fund handily outpaced each benchmark for the same period, up 5.5% on an NAV basis and 4.6% on a market price basis. This gave the Fund an NAV advantage for the second half and from the 2012 small-cap low on June 4 through the end of December. For this period, RVT gained 17.4% on an NAV basis (+15.6% based on market price) versus respective gains of 16.3% and 15.8% for the Russell 2000 and S&P SmallCap 600.

Longer-term relative results were mixed, with some key pockets of strength. From the small-cap trough on March 9, 2009 through December 31, 2012, RVT was up 187.2% on an NAV basis and 207.0% on a market price basis versus a gain of 160.9% for the Russell 2000 and 174.6% for the S&P SmallCap 600. On an NAV basis, the Fund

outperformed both benchmarks for

GOOD IDEAS THAT WORKED

Top Contributors to 2012 Performance¹

Nordson Corporation	0.45%
Mohawk Industries	0.44
MAXIMUS	0.36
Carter s	0.34
PAREXEL International	0.31

¹ Includes dividends

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. The market price of the Fund s shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund invests primarily in securities of small-and micro-cap companies, which may involve considerably more risk than investing in a more diversified portfolio of larger-cap companies. Regarding the two Good Ideas tables shown above, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund s performance for 2012.

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Performance and Portfolio Review

the 15-, 25-year, and since inception (11/26/86) periods ended December 31, 2012. (The Fund also beat the Russell 2000 on both an NAV and market price basis for the 15-, 20-, 25-year, and since inception periods.) **RVT's NAV average annual total return since inception was 10.3%.**

Nordson Corporation, part of the machinery group in the top-performing Industrials sector, was the Fund's top contributor in 2012. The company has what we think is a highly attractive niche business making customized systems that apply adhesives, sealants, and coatings to consumer and industrial products during the manufacturing process. The company announced a 20% increase in its fiscal fourth quarter dividend in July, which not only excited investors, but also marked the 49th consecutive year in which it increased its dividend. We trimmed our position in August. The recovery in the housing industry spurred the rapidly rising stock price of Mohawk Industries in 2012, which in turn led us to take gains in February, May, November, and December. This conservatively capitalized company produces floor coverings for the residential and commercial markets. In addition to its robust earnings growth, investors seemed to like its aggressive attempts to capture market share by acquiring smaller competitors.

Shares of PMFG, a business we have owned since 1990, fell nearly 80% between its early February high and its 2012 low in late November, driven in large part by issuing a secondary offering priced at a sizable discount to its stock. As a manufacturer of custom products primarily for the natural gas industry, the company was also adversely affected by declining gas prices, increased expenses, and project delays, all of which hurt earnings. Fond of its growing business and attractive valuation, we increased our stake between February and September. Major Drilling Group International provides contract drilling services for the metals industry. Although the firm continued to operate profitably, revenue and earnings were hurt as precious metals miners pared back development projects. This in turn seemed to spark fears of a possible decrease in demand for its services. We added to our stake in 2012 before reducing it somewhat in early January 2013.

GOOD IDEAS AT THE TIME

Top Detractors from 2012 Performance¹

PMFG	-0.31%
Major Drilling Group International	-0.19
GrafTech International	-0.15
ADTRAN	-0.14
Sapient Corporation	-0.13

¹ Net of dividends

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

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

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

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

Fund Total Net Assets	\$1,082 million
Number of Holdings	478
Turnover Rate	25%
Symbol	
Market Price	RVT
NAV	XRVTX
Net Leverage ¹	6%
Average Market Capitalization ²	\$1,430 million
Weighted Average P/E Ratio ^{3,4}	15.2x
Weighted Average P/B Ratio ³	1.6x
U.S. Investments (% of Net Assets)	79.6%
Non-U.S. Investments (% of Net Assets)	26.3%

¹ Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets.

² **Geometric Average.** This weighted calculation uses each portfolio holding's market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio's center, which Royce believes offers a more accurate measure of average market cap than a simple mean or median.

³ **Harmonic Average.** This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio's share in the earnings or book value, as the case may be, of its underlying stocks.

⁴ The Fund's P/E ratio calculation excludes companies with **zero or negative earnings (10% of portfolio holdings as of 12/31/12).**

DOWN MARKET PERFORMANCE COMPARISON

All Down Periods of 7.5% or Greater

Over the Last 7 Years, in Percentages (%)

Royce Micro-Cap Trust

AVERAGE ANNUAL NAV TOTAL RETURNS

Through 12/31/12

July-December 2012 ¹	10.20%
One-Year	17.34
Three-Year	11.65
Five-Year	2.15
10-Year	10.45
15-Year	8.60
Since Inception (12/14/93)	10.42

¹ Not annualized

CALENDAR YEAR NAV TOTAL RETURNS

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

TOP 10 POSITIONS % of Net Assets

Kennedy-Wilson Holdings	2.0%
Integrated Electrical Services	1.6
Quaker Chemical	1.3

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Virtus Investment Partners	1.3
Seneca Foods	1.3
Tennant Company	1.3
Advisory Board (The)	1.2
America s Car-Mart	1.2
Flexsteel Industries	1.2
Sapient Corporation	1.2

PORTFOLIO SECTOR BREAKDOWN % of Net Assets

Industrials	27.7%
Information Technology	24.6
Financials	17.8
Consumer Discretionary	10.4
Materials	9.2
Health Care	7.7
Energy	4.1
Consumer Staples	3.2
Utilities	0.1
Miscellaneous	4.5
Preferred Stock	0.4
Borrowings Under Revolving Credit Agreement Less Cash and Cash Equivalents	-9.7

Manager s Discussion

The strong year for micro-cap stocks was reflected in the calendar-year results for Royce Micro-Cap Trust (RMT). **The Fund was up 17.3% on an NAV (net asset value) basis and 14.0% on a market price basis in 2012**

compared to 16.3% for its unleveraged small-cap benchmark, the Russell 2000 Index, and 19.8% for the unleveraged Russell Microcap Index.

Stocks as a whole took off fast in 2012, building on a rally that began in early October 2011 and making for a pleasant and bullish opening quarter. The Fund gained 11.4% on an NAV basis and 8.8% on a market price basis compared to a 12.4% increase for its benchmark and a gain of 15.3% for the microcap index. The rally lost steam after small-caps reached a first-half high on March 26, derailed for the third straight year by the same three concerns: sovereign debt in Europe and the pace of economic growth in the U.S. and China. These anxieties drove share prices down through most of the second quarter, with May seeing the largest losses. RMT fell 4.4% on an NAV basis and 3.8% based on its market price in the second quarter. That same period saw the Russell 2000 lose 3.5% while the Russell Microcap lost 2.0%.

Although the third quarter saw a resumption of bullish behavior, it was a more moderately paced run than what the market enjoyed during the first quarter. After reaching a 2012 low on June 4, share prices crept upward. For the third quarter, the Fund rose 6.8% on an NAV basis and 7.3% on a market price basis compared to a 5.3% increase for the Russell 2000 and a gain of 5.9% for the unleveraged Russell Microcap. The fourth quarter was a bit more volatile as investors tried to sort out the ramifications of Hurricane Sandy, the aftermath of the elections, the potential effects of the fiscal cliff, and a fourth round of quantitative easing. The Russell 2000 was up 1.9% and the Russell Microcap gained 0.04% while the Fund climbed 3.2% on an NAV basis and 1.4% based on market price for the year's final quarter.

The Fund's strong year helped it to build on previous relative advantages over longer-term time frames. From the small-cap trough on March 9, 2009 through December 31, 2012, RMT gained 197.8% on an NAV basis and 214.7% on a market price basis versus a gain of 160.9% for the Russell 2000 and 160.4% for the Russell Microcap. On both an NAV and market price basis, the Fund was ahead of each index for the 10-year period ended December 31, 2012 while it also outperformed the Russell 2000 for the 15-year and since inception (12/14/93) periods as well. (Data for the Russell Microcap only goes back to 2000.) **RMT's NAV average annual total return since inception was 10.4%.**

Eight of the Fund's nine equity sectors made positive contributions in 2012 while net losses for Energy—the portfolio's lone detractor—were relatively modest. Financials and Industrials led

GOOD IDEAS THAT WORKED

Top Contributors to 2012 Performance¹

Integrated Electrical Services	0.91%
<hr/>	
Celsion Corporation	0.90
<hr/>	
Acadia Pharmaceuticals	0.78
<hr/>	
Kennedy-Wilson Holdings	0.66
<hr/>	
Virtus Investment Partners	0.59
<hr/>	

¹ Includes dividends

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. Certain immaterial adjustments were made to the net assets of Royce Micro-Cap Trust at 12/31/12 for financial reporting purposes, and as a result the net asset value originally calculated on that date and the total return based on that net asset value differs from the adjusted net asset value and total return reported in the Financial Highlights. The market price of the Fund's shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund normally invests in micro-cap companies, which may involve considerably more risk than investing in a more diversified portfolio of larger-cap companies. Regarding the two Good Ideas tables shown above, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund's performance for 2012.

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Performance and Portfolio Review

by a sizable margin while Consumer Discretionary, Health Care, and Information Technology also posted notable net gains. In fact, RMT's underweight in Health Care did not stop the sector from making a meaningful positive impact—two of the Fund's top three contributors hailed from that sector. Cancer drug developer Celsion Corporation made progress toward FDA approval for its liver cancer treatment ThermoDox, which helped its shares to soar and led us to begin reducing our position in July. During November and December we sold our position in Acadia Pharmaceuticals. Its price shot up late in November after the company announced the success of its drug Pimavanserin in treating psychosis in patients with Parkinson's disease.

We also trimmed our stake in top contributor Integrated Electrical Services in October as its price rose. The company provides electrical contracting and maintenance services to the commercial, industrial, residential, and power line markets and also offers data communication services that include the installation of wiring for computer networks and fiber optic telecommunications systems. Its ongoing progress back to profitability seemed to attract investors, especially in the second half.

The stock price of PMFG, a business we have owned since 1994 in RMT's portfolio, fell nearly 80% between its early February high and its 2012 low in late November, driven in large part by issuing a secondary offering priced at a sizable discount to its stock. As a manufacturer of custom products primarily for the natural gas industry, the company was also affected by declining gas prices, increased expenses, and project delays, all of which hurt earnings. Still believing in its niche business and increasingly attractive valuation, we increased our stake between February and June. Tough times for the energy industry, disappointing earnings, and insider selling back in March all helped to drive investors away from Dawson Geophysical. The company acquires and processes three-dimensional seismic data used to analyze subsurface geological conditions for potential oil and natural gas reserves. Its margins remained solid, and it boasts what we think is a highly attractive niche business, so we were happy to hold our shares throughout 2012.

GOOD IDEAS AT THE TIME

Top Detractors from 2012 Performance¹

PMFG	-0.47%
Dawson Geophysical	-0.28
Chelsea Therapeutics International	-0.25
Sapient Corporation	-0.24
ChinaCast Education	-0.22

¹ Net of dividends

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION

(12/14/93) through 12/31/12

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

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of the 1994 rights offering.

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

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

Fund Total Net Assets	\$319 million
Number of Holdings	332
Turnover Rate	28%
Symbol	
Market Price	RMT
NAV	XOTCX
Net Leverage ¹	10%
Average Market Capitalization ²	\$350 million
Weighted Average P/E Ratio ^{3,4}	15.6
Weighted Average P/B Ratio ³	1.4x
U.S. Investments (% of Net Assets)	96.6%
Non-U.S. Investments (% of Net Assets)	13.1%

¹ Net leverage is the percentage, in excess of 100%, of the total value of equity type investments, divided by net assets.

² **Geometric Average.** This weighted calculation uses each portfolio holding's market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio's center, which Royce believes offers a more accurate measure of average market cap than a simple mean or median.

³ **Harmonic Average.** This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio's share in the earnings or book value, as the case may be, of its underlying stocks.

⁴ The Fund's P/E ratio calculation excludes companies with zero or negative earnings (25% of portfolio holdings as of 12/31/12).

DOWN MARKET PERFORMANCE COMPARISON

All Down Periods of 7.5% or Greater

Over the Last 7 Years, in Percentages (%)

Royce Focus Trust

AVERAGE ANNUAL NAV TOTAL RETURNS

Through 12/31/12

July-December 2012 ¹	11.50%
One-Year	11.42
Three-Year	6.69
Five-Year	1.38
10-Year	12.19
15-Year	9.17
Since Inception (11/1/96) ²	10.04

¹ Not annualized

² Royce & Associates assumed investment management responsibility for the Fund on 11/1/96.

CALENDAR YEAR NAV TOTAL RETURNS

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

TOP 10 POSITIONS % of Net Assets

Western Digital	3.9%
Analog Devices	3.3

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Berkshire Hathaway Cl. B	3.3
Microsoft Corporation	3.3
Mosaic Company (The)	3.1
Franklin Resources	3.1
Helmerich & Payne	2.9
Exxon Mobil	2.9
Buckle (The)	2.7
Apple	2.6

PORTFOLIO SECTOR BREAKDOWN % of Net Assets

Materials	29.6%
Information Technology	18.1
Financials	15.9
Energy	13.1
Consumer Discretionary	7.5
Industrials	7.0
Consumer Staples	4.9
Health Care	2.0
Cash and Cash Equivalents	1.9

Manager's Discussion

We were very pleased with the strong second half turned in by Royce Focus Trust (FUND), even if it was not quite strong enough to give the Fund an advantage over its new benchmark for the calendar year. **In 2012, FUND rose 11.4% on an NAV (net asset value) basis and 12.1% on a market price basis versus 17.9% for its new unleveraged benchmark, the Russell 2500 Index, and 16.3% for the similarly unleveraged Russell 2000 Index.**

The year began on a positive note by extending

the rally that began off the October 3, 2011 small-cap low. In the bullish first quarter of 2012, the Fund rose 11.0% on an NAV basis and 12.0% on a market price basis. While by each measure these were strong absolute showings, the Fund lagged both the Russell 2500, which was up 13.0%, and the Russell 2000, which rose 12.4%. Any hopes that the nearly six-month bull phase might keep running based on the slowly improving U.S. economy were dashed following an early small-cap high on March 26, 2012. Driving investors away from stocks was another round of macro worries, including anxiety over European debt and currency issues and the strength of the U.S. and Chinese economies. The effect on stock prices was predictably negative, hitting many of the Fund's most heavily weighted, economically sensitive sectors hardest. The Fund fell 10.0% on an NAV basis and 8.3% on a market price basis in the second quarter, while for the same period the Russell 2500 lost 4.1% and the Russell 2000 fell 3.5%.

Following the June 4, 2012 small-cap low, the market shook loose of the bear. The Fund's relative results also began to improve substantially. For the third quarter, FUND climbed 10.1% on an NAV basis and 8.4% on a market price basis, in both cases beating the Russell 2500 (+5.6%) and the Russell 2000 (+5.3%). For most small-cap and mid-cap stocks the fourth quarter was slightly rockier, particularly from mid-September through mid-November. The Fund gave up some ground to both indexes in the fourth quarter, gaining 1.3% in NAV and 0.7% in market price while the Russell 2500 rose 3.1% and the Russell 2000 was up 1.9%. Yet FUND outpaced both indexes for the second half of 2012 on both an NAV (+11.5%) and market price (+9.2%) basis. The Russell 2500 was up 8.8% during this same period, while the Russell 2000 increased 7.2%.

During the most recent full market cycle period that ran from the previous small-cap peak on July 13, 2007 through the small-cap peak on April 29, 2011, the Fund increased 10.2% on an NAV basis versus 9.2% for its new benchmark and 6.6% for the Russell 2000. On an NAV and market price basis, FUND beat both indexes for the 10-year, 15-year, and

GOOD IDEAS THAT WORKED

Top Contributors to 2012 Performance¹

Westlake Chemical	1.68%
Western Digital	1.25
Franklin Resources	1.02
Stella-Jones	0.85

Analog Devices

0.76

¹ Includes dividends

Important Performance and Risk Information

All performance information reflects past performance, is presented on a total return basis, and reflects the reinvestment of distributions. Past performance is no guarantee of future results. Current performance may be higher or lower than performance quoted. Returns as of the most recent month-end may be obtained at www.roycefunds.com. The market price of the Fund's shares will fluctuate, so that shares may be worth more or less than their original cost when sold. The Fund normally invests primarily in small-cap companies, which may involve considerably more risk than investing in a more diversified portfolio of larger-cap companies. Regarding the two Good Ideas tables shown above, the sum of all contributors to, and all detractors from, performance for all securities in the portfolio would approximate the Fund's performance for 2012.

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Performance and Portfolio Review

since inception of Royce's management (11/1/96) periods ended December 31, 2012. **The Fund's average annual NAV total return for the since inception of our management period was 10.0%.**

Westlake Chemical manufactures basic chemicals, vinyls, polymers, fabricated building products, plastics, and high-end plastic films used to wrap food. Natural gas is a feedstock for much of what it produces, which gave it a huge cost advantage thanks to slumping gas prices. A founder-controlled business with conservative and intelligent management, we think its ongoing prospects remain very strong, especially in light of the fact that it has yet to see much benefit from the reviving housing industry. We did, however, take gains in August as its stock price was climbing. Top holding Western Digital makes hard drives and related products. Its stock was quite volatile in 2012, though it was relatively more stable in the second half. After announcing in April that its disk prices were lower than they had been at the beginning of the year, its shares tumbled. The company bought back shares in the aftermath, which is nearly always a positive sign to us. The firm's earnings then surprised on the upside for the next two quarters, giving a boost to its stock price. Liking its ongoing prospects as a leader in its field, we were happy to hold a large position at the end of 2012.

Major Drilling Group International provides contract drilling services for the metals industry. Although the firm continued to operate profitably, revenue and earnings were hurt as precious metals miners pared back development projects. This in turn seemed to spark fears of a possible decrease in demand for its services. This looked to us like a case of guilt by association, so we built our position in June, August, and September. We have owned shares of steel and scrap metal recycler Schnitzer Steel Industries since 2004. Demand for recycled metals slackened amid the slow pace of growth in the U.S. Excess capacity, lower-than-normal spring scrap flows, and margins compressed from increases in raw materials and transport costs have all driven investors to keep selling while we continued to hold our shares in anticipation of a rebound in global industrial activity that we think will spark demand.

GOOD IDEAS AT THE TIME

Top Detractors from 2012 Performance¹

Major Drilling Group International	-0.75%
Schnitzer Steel Industries Cl. A	-0.60
Sprott	-0.55
Trican Well Service	-0.53
Newmont Mining	-0.48

¹ Net of dividends

MARKET PRICE PERFORMANCE HISTORY SINCE INCEPTION

(11/1/96)³ through 12/31/12

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

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

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

FUND INFORMATION AND PORTFOLIO DIAGNOSTICS

Fund Total Net Assets	\$164 million
Number of Holdings	52
Turnover Rate	16%
Symbol	
Market Price	FUND
NAV	XFUNX
Average Market Capitalization ¹	\$5,492 million
Weighted Average P/E Ratio ^{2,3}	14.1x
Weighted Average P/B Ratio ²	1.8x
U.S. Investments (% of Net Assets)	71.4%
Non-U.S. Investments (% of Net Assets)	26.7%

¹ **Geometric Average.** This weighted calculation uses each portfolio holding's market cap in a way designed to not skew the effect of very large or small holdings; instead, it aims to better identify the portfolio's center, which Royce believes offers a more accurate measure of average market cap than a simple mean or median.

² **Harmonic Average.** This weighted calculation evaluates a portfolio as if it were a single stock and measures it overall. It compares the total market value of the portfolio to the portfolio's share in the earnings, or book value, as the case may be, of its underlying stocks.

³ The Fund's P/E ratio calculation excludes companies with zero or negative earnings (8% of portfolio holdings as of 12/31/12).

DOWN MARKET PERFORMANCE COMPARISON

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

History Since Inception

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

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

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

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

³ Includes a return of capital.

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

History		Amount Invested	Purchase Price ¹	Shares	NAV Value ²	Market Value ²
Royce Micro-Cap Trust						
12/14/93	Initial Purchase	\$ 7,500	\$ 7.500	1,000	\$ 7,250	\$ 7,500
10/28/94	Rights Offering	1,400	7.000	200		
12/19/94	Distribution \$0.05		6.750	9	9,163	8,462
12/7/95	Distribution \$0.36		7.500	58	11,264	10,136
12/6/96	Distribution \$0.80		7.625	133	13,132	11,550
12/5/97	Distribution \$1.00		10.000	140	16,694	15,593
12/7/98	Distribution \$0.29		8.625	52	16,016	14,129
12/6/99	Distribution \$0.27		8.781	49	18,051	14,769
12/6/00	Distribution \$1.72		8.469	333	20,016	17,026
12/6/01	Distribution \$0.57		9.880	114	24,701	21,924
2002	Annual distribution total \$0.80		9.518	180	21,297	19,142
2003	Annual distribution total \$0.92		10.004	217	33,125	31,311
2004	Annual distribution total \$1.33		13.350	257	39,320	41,788
2005	Annual distribution total \$1.85		13.848	383	41,969	45,500
2006	Annual distribution total \$1.55		14.246	354	51,385	57,647
2007	Annual distribution total \$1.35		13.584	357	51,709	45,802
2008	Annual distribution total \$1.19 ³		8.237	578	28,205	24,807
3/11/09	Distribution \$0.22 ³		4.260	228	41,314	34,212
12/2/10	Distribution \$0.08		9.400	40	53,094	45,884
2011	Annual distribution total \$0.53 ³		8.773	289	49,014	43,596
2012	Annual distribution total \$0.51		9.084	285		

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

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

³ Includes a return of capital.

Distribution Reinvestment and Cash Purchase Options

Why should I reinvest my distributions?

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

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

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

How does this apply to registered stockholders?

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

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

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

What other features are available for registered stockholders?

The Distribution Reinvestment and Cash Purchase Plans also allow registered stockholders to make optional cash purchases of shares of a Fund's common stock directly through Computershare on a monthly basis, and to deposit certificates representing your Fund shares with Computershare for safekeeping. The Funds' investment adviser is absorbing all commissions on optional cash purchases under the Plans through December 31, 2012.

How do the Plans work for registered stockholders?

Computershare maintains the accounts for registered stockholders in the Plans and sends written confirmation of all transactions in the account. Shares in the account of each participant will be held by Computershare in non-certificated form

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

How can I get more information on the Plans?

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

Royce Value Trust

December 31, 2012

Schedule of Investments

	SHARES	VALUE
COMMON STOCKS 105.8%		
Consumer Discretionary 13.9%		
Auto Components - 0.4%		
China XD Plastics ¹	109,700	\$ 421,248
Drew Industries	46,591	1,502,560
Gentex Corporation ²	97,700	1,838,714
Mint Group	717,600	829,971
		4,592,493
Automobiles - 0.6%		
Thor Industries ²	77,500	2,900,825
Winnebago Industries ¹	222,500	3,811,425
		6,712,250
Distributors - 0.9%		
LKQ Corporation ¹	368,000	7,764,800
Weyco Group	97,992	2,289,093
		10,053,893
Diversified Consumer Services - 1.4%		
Career Education ¹	28,900	101,728
MegaStudy	39,150	2,885,627
Regis Corporation ^{2,3}	233,800	3,955,896
Sotheby's ²	206,500	6,942,530
Universal Technical Institute	110,432	1,108,737
		14,994,518
Hotels, Restaurants & Leisure - 0.4%		
CEC Entertainment	64,100	2,127,479
Lotto24 ¹	30,900	139,462
WMS Industries ^{1,2}	120,000	2,100,000
		4,366,941
Household Durables - 2.7%		
Blyth	34,200	531,810
Desarrolladora Homex ADR ¹	14,100	175,968
Ekornes	125,000	2,084,504
Ethan Allen Interiors	345,800	8,890,518
Hanssem	39,100	678,880
Harman International Industries ^{2,3}	121,400	5,419,296

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Mohawk Industries ^{1,2,3}	122,900	11,118,763
		<hr/>
		28,899,739
		<hr/>
Internet & Catalog Retail - 0.5%		
Manutan International	53,900	2,391,200
Takkt	190,000	2,645,215
		<hr/>
		5,036,415
		<hr/>
Leisure Equipment & Products - 0.4%		
Beneteau	180,000	1,954,824
Shimano	38,000	2,422,972
		<hr/>
		4,377,796
		<hr/>
Media - 1.0%		
Morningstar ²	98,900	6,213,887
Pico Far East Holdings	11,679,000	3,489,994
Television Broadcasts	135,000	1,013,340
		<hr/>
		10,717,221
		<hr/>
Multiline Retail - 0.5%		
Dollar Tree ¹	22,000	892,320
New World Department Store China	7,215,700	4,697,120
		<hr/>
		5,589,440
		<hr/>
Specialty Retail - 1.7%		
Ascena Retail Group ^{1,2}	89,900	1,662,251
Christopher & Banks ¹	43,700	238,165
Dickson Concepts (International)	934,300	497,189
Dover Saddlery ¹	17,821	58,809
GameStop Corporation Cl. A ²	32,400	812,916
Guess? ²	32,400	795,096
Lewis Group	350,000	2,854,939
L Occitane International	100,000	317,989
Luk Fook Holdings (International)	231,200	741,939
Men's Wearhouse (The) ²	44,700	1,392,852
Oriental Watch Holdings	407,600	143,513
OSIM International	1,400,000	1,990,669
Sa Sa International Holdings	800,000	661,711
Stein Mart	167,800	1,265,212
Systemax	194,000	1,872,100
TravelCenters of America LLC ¹	27,600	129,720
USS	12,000	1,243,854
West Marine ¹	131,100	1,409,325
Wet Seal (The) Cl. A ¹	75,200	207,552
		<hr/>
		18,295,801
		<hr/>
Textiles, Apparel & Luxury Goods - 3.4%		
Anta Sports Products	1,713,200	1,531,566
Carter's ^{1,2,3}	204,100	11,358,165

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Columbia Sportswear ^{2,3}	31,197	1,664,672
Daphne International Holdings	1,660,100	2,299,653
Gildan Activewear	20,000	731,600
Grendene	250,000	2,025,886
J.G. Boswell Company ⁴	2,292	1,870,249
K-Swiss Cl. A ¹	163,600	549,696
Pacific Textiles Holdings	5,571,000	5,040,501
PVH	4,600	510,646
Stella International Holdings	633,700	1,717,839
Texwinca Holdings	1,830,300	1,748,086
Van de Velde	30,000	1,356,683
Wolverine World Wide ²	100,000	4,098,000

36,503,242

Total (Cost \$115,105,364) 150,139,749

Consumer Staples 2.1%

Beverages - 0.0%		
MGP Ingredients	127,400	435,708

Food & Staples Retailing - 0.3%

FamilyMart	76,000	3,128,478
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Food Products - 1.8%

Alico	27,000	989,010
Cal-Maine Foods	28,248	1,136,135
First Resources	307,100	511,588
Industrias Bachoco ADR	3,000	83,760
Origin Agritech ¹	76,800	106,752
Seneca Foods Cl. A ¹	110,000	3,344,000
Seneca Foods Cl. B ¹	13,251	397,398
Super Group	590,000	1,570,516
Tootsie Roll Industries	322,058	8,347,743
Waterloo Investment Holdings ^{1,5}	598,676	87,526

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS. 2012 Annual Report to Stockholders | 19

Royce Value Trust

Schedule of Investments

	SHARES	VALUE
Consumer Staples (continued)		
Food Products (continued)		
Westway Group	380,000	\$ 2,534,600
		<hr/> 19,109,028 <hr/>
Total (Cost \$18,927,929)		<hr/> 22,673,214 <hr/>
Diversified Investment Companies 0.4%		
Closed-End Funds - 0.4%		
Central Fund of Canada Cl. A ^{2,3}	226,000	4,752,780
Total (Cost \$2,031,251)		<hr/> 4,752,780 <hr/>
Energy 5.1%		
Energy Equipment & Services - 4.4%		
Cal Dive International ¹	456,250	789,312
CARBO Ceramics ^{2,3}	8,000	626,720
Ensign Energy Services	225,100	3,478,222
Heckmann Corporation ^{1,2,3}	50,000	201,500
Helmerich & Payne ^{2,3}	125,100	7,006,851
ION Geophysical ¹	361,500	2,353,365
Oil States International ^{1,2,3}	103,823	7,427,497
Pason Systems	105,800	1,824,138
SEACOR Holdings ²	92,866	7,782,171
ShawCor Cl. A	54,300	2,128,438
Steel Excel ^{1,4}	156,880	3,890,624
Superior Energy Services ^{1,2}	77,600	1,607,872
TETRA Technologies ^{1,2}	68,000	516,120
TGS-NOPEC Geophysical	40,000	1,310,812
Tidewater	36,000	1,608,480
Trican Well Service	263,000	3,468,945
Unit Corporation ¹	34,000	1,531,700
		<hr/> 47,552,767 <hr/>
Oil, Gas & Consumable Fuels - 0.7%		
Africa Oil ¹	74,800	525,638
Bill Barrett ^{1,2}	50,000	889,500
Cimarex Energy ²	61,300	3,538,849
Green Plains Renewable Energy ¹	82,000	648,620
Resolute Energy ^{1,2}	201,134	1,635,219
VAALCO Energy ^{1,2}	33,300	288,045
		<hr/> 7,525,871 <hr/>

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Total (Cost \$47,035,152) 55,078,638

Financials 17.8%

Capital Markets - 9.0%		
Affiliated Managers Group ^{1,2,3}	42,200	5,492,330
AllianceBernstein Holding L.P. ²	514,600	8,969,478
AP Alternative Assets L.P. ¹	233,200	3,458,733
Artio Global Investors Cl. A	433,000	822,700
ASA Gold and Precious Metals	117,501	2,529,797
Ashmore Group	831,000	4,805,107
Cowen Group ¹	1,274,458	3,122,422
Dubai Investments	8,900,000	2,073,850
Eaton Vance ²	85,300	2,716,805
Egyptian Financial Group-Hermes Holding Company ¹	51,625	89,451
FBR & Co. ¹	576,200	2,229,894
Federated Investors Cl. B ^{2,3}	224,700	4,545,681
GAMCO Investors Cl. A	80,575	4,276,115
GFI Group ²	166,247	538,640
GIMV	35,000	1,759,934
Gleacher & Company ¹	200,000	150,000
Jupiter Fund Management	75,000	348,103
KKR & Co. L.P.	415,000	6,320,450
Lazard Cl. A	206,100	6,150,024
MVC Capital	254,200	3,088,530
Oppenheimer Holdings Cl. A	75,000	1,295,250
Paris Orleans	226,496	5,171,501
Partners Group Holding	11,200	2,586,881
Reinet Investments ¹	164,948	3,008,098
Reinet Investments DR ¹	500,000	930,652
SEI Investments	323,100	7,541,154
Sprott	370,600	1,475,396
Value Partners Group	7,071,900	4,747,299
VZ Holding	5,984	754,759
Waddell & Reed Financial Cl. A ²	139,300	4,850,426
Westwood Holdings Group	23,460	959,514

96,808,974

Commercial Banks - 1.8%

Bank of N.T. Butterfield & Son ¹	1,784,161	2,230,201
BCB Holdings ¹	598,676	211,523
Farmers & Merchants Bank of Long Beach	1,200	5,172,000
Fauquier Bankshares	160,800	1,913,520
First Citizens BancShares Cl. A	45,527	7,443,665
Mechanics Bank	200	2,150,000

19,120,909

Diversified Financial Services - 1.3%

Banca Finnat Euramerica	1,060,000	376,952
Leucadia National	38,300	911,157
PICO Holdings ¹	67,500	1,368,225
RHJ International ¹	622,500	3,272,454
Sofina	89,000	8,061,573

13,990,361

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Insurance - 3.1%		
Alleghany Corporation ^{1,2}	8,999	3,018,444
Argo Group International Holdings ²	18,200	611,338
E-L Financial	20,900	9,139,942
Erie Indemnity Cl. A ²	50,000	3,461,000
Independence Holding	349,423	3,326,507
Platinum Underwriters Holdings	161,900	7,447,400
Primerica	170,000	5,101,700
ProAssurance Corporation	44,000	1,856,360
		33,962,691
Real Estate Investment Trusts (REITs) - 0.0%		
Vestin Realty Mortgage II ¹	214,230	314,918
Real Estate Management & Development - 2.2%		
CBRE Group Cl. A ^{1,2}	24,200	481,580
Consolidated-Tomoka Land	63,564	1,971,120
E-House China Holdings ADR	585,161	2,399,160
Forestar Group ^{1,2}	222,000	3,847,260

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December 31, 2012

	SHARES	VALUE
Financials (continued)		
Real Estate Management & Development (continued)		
Kennedy-Wilson Holdings	191,000	\$ 2,670,180
Midland Holdings	2,398,600	1,164,775
St. Joe Company (The) ^{1,2,3}	167,000	3,854,360
Tejon Ranch ¹	279,900	7,859,592
		<u>24,248,027</u>
Thriffs & Mortgage Finance - 0.4%		
CFS Bancorp	150,000	936,000
Kearny Financial	70,862	690,904
Timberland Bancorp ^{1,6}	444,200	3,082,748
		<u>4,709,652</u>
Total (Cost \$200,748,625)		<u>193,155,532</u>
Health Care 6.5%		
Biotechnology - 0.1%		
Green Cross	5,000	647,779
<u>Health Care Equipment & Supplies</u>		
- 2.2%		
Allied Healthcare Products ¹	140,512	369,547
Analogic Corporation ²	40,135	2,982,030
Atrion Corporation	15,750	3,087,000
bioMerieux	17,000	1,643,232
Carl Zeiss Meditec	55,000	1,580,183
CONMED Corporation	81,500	2,277,925
DiaSorin	50,000	2,005,590
DynaVox Cl. A ¹	55,000	20,350
IDEXX Laboratories ^{1,2}	40,201	3,730,653
Kossan Rubber Industries	647,568	711,365
Nihon Kohden	25,100	761,049
Straumann Holding	10,000	1,235,985
Top Glove	375,000	691,512
Urologix ¹	142,648	97,001
Young Innovations	66,447	2,618,676
		<u>23,812,098</u>
<u>Health Care Providers & Services</u>		
- 0.9%		
Accretive Health ¹	160,000	1,849,600
Landauer ²	75,500	4,621,355
MWI Veterinary Supply ^{1,2}	10,000	1,100,000
VCA Antech ^{1,2}	82,500	1,736,625
WellCare Health Plans ¹	15,400	749,826

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		10,057,406
<hr/>		
Life Sciences Tools & Services - 1.9%		
Bio-Rad Laboratories Cl. A ¹	21,388	2,246,809
EPS Corporation	612	1,568,052
Furiex Pharmaceuticals ¹	8,333	160,494
ICON ADR ¹	43,963	1,220,413
Luminex Corporation ¹	20,000	335,200
PAREXEL International ¹	312,400	9,243,916
PerkinElmer ^{2,3}	185,800	5,897,292
		<hr/>
		20,672,176
<hr/>		
Pharmaceuticals - 1.4%		
Adcock Ingram Holdings	300,000	1,911,099
Almirall	200,000	1,964,882
Boiron	55,000	1,897,321
Kalbe Farma	4,000,000	441,704
Recordati	300,000	2,748,609
Santen Pharmaceutical	61,000	2,335,482
Vetoquinol	50,000	1,753,108
Virbac	10,000	1,977,333
		<hr/>
		15,029,538
<hr/>		
Total (Cost \$43,447,204)		70,218,997
<hr/>		
Industrials 27.8%		
Aerospace & Defense - 1.8%		
AeroVironment ¹	13,000	282,620
Alliant Techsystems ²	8,000	495,680
Cubic Corporation	11,800	566,046
Ducommun ¹	117,200	1,895,124
HEICO Corporation ^{2,3}	210,351	9,415,311
HEICO Corporation Cl. A	64,647	2,067,411
Hexcel Corporation ¹	47,500	1,280,600
Moog Cl. A ¹	25,000	1,025,750
National Presto Industries	3,000	207,300
Teledyne Technologies ¹	43,630	2,839,004
		<hr/>
		20,074,846
<hr/>		
Air Freight & Logistics - 1.4%		
Forward Air	209,750	7,343,348
Hub Group Cl. A ^{1,2,3}	149,400	5,019,840
UTi Worldwide	175,000	2,345,000
		<hr/>
		14,708,188
<hr/>		
Building Products - 1.4%		
American Woodmark ¹	123,335	3,431,180
Apogee Enterprises ²	78,400	1,879,248
Burnham Holdings Cl. B ⁴	36,000	507,600
Simpson Manufacturing	275,300	9,027,087
		<hr/>

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		14,845,115
<hr/>		
Commercial Services & Supplies - 2.5%		
Brink s Company (The)	206,320	5,886,309
CompX International Cl. A	185,300	2,581,229
Copart ¹	149,780	4,418,510
Kimball International Cl. B	286,180	3,322,550
Moshi Moshi Hotline	23,900	304,623
Ritchie Bros. Auctioneers ^{2,3}	297,800	6,221,042
Sykes Enterprises ¹	68,649	1,044,838
Tetra Tech ¹	119,900	3,171,355
TMS International Cl. A ¹	45,500	569,660
<hr/>		
		27,520,116
<hr/>		
Construction & Engineering - 1.8%		
EMCOR Group	199,400	6,901,234
Integrated Electrical Services ¹	266,349	1,241,186
Jacobs Engineering Group ^{1,2}	81,400	3,465,198
KBR	180,000	5,385,600
MYR Group ^{1,2}	25,900	576,275
Raubex Group	750,000	1,500,104
<hr/>		
		19,069,597
<hr/>		
Electrical Equipment - 3.1%		
AZZ	53,099	2,040,594
Belden	57,800	2,600,422

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS. 2012 Annual Report to Stockholders | 21

Royce Value Trust

Schedule of Investments

	SHARES	VALUE
Industrials (continued)		
Electrical Equipment (continued)		
Elektrobudowa	16,392	\$ 556,257
Franklin Electric	104,600	6,502,982
GrafTech International ¹	590,587	5,545,612
Hubbell Cl. B ²	7,000	592,410
Powell Industries ¹	92,400	3,837,372
Preformed Line Products	91,600	5,442,872
Regal-Beloit	100,000	7,047,000
		<hr/>
		34,165,521
		<hr/>
Industrial Conglomerates - 0.5%		
Carlisle Companies ²	10,400	611,104
Raven Industries ²	199,000	5,245,640
		<hr/>
		5,856,744
		<hr/>
Machinery - 10.1%		
Armstrong Industrial	1,514,500	326,656
Astec Industries	46,500	1,549,845
Burckhardt Compression Holding	14,400	4,722,953
Chen Hsong Holdings	1,615,000	493,456
CLARCOR ²	92,500	4,419,650
Columbus McKinnon ¹	110,800	1,830,416
Donaldson Company ^{2,3}	185,600	6,095,104
EVA Precision Industrial Holdings	3,476,000	576,067
FAG Bearings India	29,500	923,579
Gardner Denver	10,300	705,550
Graco	116,376	5,992,200
IDEX Corporation	67,400	3,136,122
Kennametal ^{2,3}	213,300	8,532,000
Lincoln Electric Holdings	223,060	10,858,561
NN ¹	197,100	1,805,436
Nordson Corporation	169,996	10,730,148
Pfeiffer Vacuum Technology	17,000	2,058,527
PMFG ¹	388,352	3,530,120
Rational	7,000	2,015,989
RBC Bearings ¹	47,000	2,353,290
Rotork	30,000	1,244,131
Semperit AG Holding	84,000	3,462,134
Spirax-Sarco Engineering	65,000	2,443,806
Sun Hydraulics	8,600	224,288
Timken Company (The)	9,400	449,602
Valmont Industries	44,500	6,076,475
WABCO Holdings ¹	103,800	6,766,722
Wabtec Corporation	87,725	7,679,446
Woodward ^{2,3}	208,400	7,946,292
		<hr/>
		108,948,565

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Marine - 0.5%		
Kirby Corporation ^{1,2}	80,000	4,951,200
<hr/>		
Professional Services - 2.8%		
Advisory Board (The) ^{1,2,3}	231,200	10,817,848
CRA International ¹	64,187	1,268,977
FTI Consulting ^{1,2}	7,850	259,050
JobStreet Corporation	723,400	520,431
ManpowerGroup	78,600	3,335,784
Michael Page International	325,000	2,099,068
On Assignment ¹	375,400	7,613,112
Robert Half International	136,100	4,330,702
<hr/>		
		30,244,972
<hr/>		
Road & Rail - 1.2%		
Frozen Food Express Industries ¹	286,635	255,105
Landstar System ²	99,400	5,214,524
Patriot Transportation Holding ¹	212,958	6,054,396
Universal Truckload Services	55,000	1,003,750
<hr/>		
		12,527,775
<hr/>		
Trading Companies & Distributors - 0.6%		
AerCap Holdings ¹	45,000	617,400
Lawson Products	161,431	1,598,167
MSC Industrial Direct Cl. A ²	59,548	4,488,728
<hr/>		
		6,704,295
<hr/>		
Transportation Infrastructure - 0.1%		
Wesco Aircraft Holdings ¹	68,400	903,564
<hr/>		
Total (Cost \$167,135,935)		300,520,498
<hr/>		
Information Technology 19.6%		
Communications Equipment - 1.6%		
AAC Technologies Holdings	177,600	625,662
Acme Packet ^{1,2,3}	121,000	2,676,520
ADTRAN ^{2,3}	187,700	3,667,658
Bel Fuse Cl. A	36,672	631,125
Cogo Group ¹	87,715	190,342
Comba Telecom Systems Holdings	997,728	367,811
Comtech Telecommunications ²	30,000	761,400
EVS Broadcast Equipment	35,000	2,064,860
Globecom Systems ¹	183,700	2,075,810
Sonus Networks ¹	1,124,000	1,910,800
Tellabs	700,000	1,596,000
VTech Holdings	47,050	528,645
<hr/>		
		17,096,633
<hr/>		

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Computers & Peripherals - 0.9%		
Asustek Computer	50,000	564,587
Catcher Technology	84,600	423,410
China Digital TV Holding Co. ADR	5,000	8,400
Diebold	151,600	4,640,476
Foxconn Technology	85,155	268,152
Intermec ¹	23,000	226,780
Intevac ¹	57,450	262,547
QLogic Corporation ¹	24,100	234,493
Seagate Technology ²	10,400	316,992
Simplo Technology	104,630	528,489
SMART Technologies Cl. A ¹	75,000	118,500
STEC ¹	375,500	1,851,215
Western Digital ²	10,400	441,896

9,885,937

Electronic Equipment, Instruments
& Components - 8.7%

Agilysys ¹	165,125	1,382,096
Anixter International ²	61,795	3,953,644
Benchmark Electronics ^{1,2}	165,200	2,745,624
Broadway Industrial Group	945,600	241,287
Chroma Ate	269,982	601,004

December 31, 2012

	SHARES	VALUE
Information Technology		
(continued)		
Electronic Equipment, Instruments & Components (continued)		
Cognex Corporation	179,900	\$ 6,623,918
Coherent	219,500	11,111,090
Dolby Laboratories Cl. A ²	149,600	4,387,768
DTS ¹	207,000	3,456,900
FARO Technologies ^{1,2}	32,300	1,152,464
FEI Company ²	93,200	5,168,872
FLIR Systems	246,000	5,488,260
Hana Microelectronics	708,100	529,108
Hollysys Automation Technologies ¹	63,927	758,813
Inficon Holding	1,100	263,804
IPG Photonics ²	64,420	4,293,593
Molex ²	72,600	1,984,158
National Instruments	251,850	6,500,249
Newport Corporation ¹	523,500	7,041,075
Perceptron	357,700	2,110,430
Plexus Corporation ¹	176,100	4,543,380
Richardson Electronics	333,912	3,779,884
Rofin-Sinar Technologies ¹	305,400	6,621,072
Tech Data ^{1,2,3}	91,300	4,156,889
TTM Technologies ^{1,2}	211,400	1,944,880
Vaisala Cl. A	161,680	3,396,064
		<hr/> 94,236,326 <hr/>
Internet Software & Services - 0.9%		
Active Network ¹	21,500	105,565
Perficient ¹	10,000	117,800
RealNetworks ¹	61,350	463,806
ValueClick ¹	145,000	2,814,450
VistaPrint ^{1,2,3}	187,000	6,144,820
		<hr/> 9,646,441 <hr/>
IT Services - 2.5%		
Convergys Corporation	121,000	1,985,610
CSE Global	1,792,100	1,154,241
eClerx Services	35,900	449,784
Forrester Research ²	20,100	538,680
Hackett Group	655,000	2,803,400
ManTech International Cl. A	35,400	918,276
MAXIMUS	94,200	5,955,324
MoneyGram International ^{1,2}	164,962	2,192,345
NeuStar Cl. A ¹	39,287	1,647,304
Sapient Corporation ¹	706,602	7,461,717
Unisys Corporation ¹	94,000	1,626,200

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		26,732,881
<hr/>		
Office Electronics - 0.1%		
Zebra Technologies Cl. A ^{1,2}	23,058	905,718
<hr/>		
Semiconductors & Semiconductor Equipment - 3.3%		
Aixtron ADR	88,258	1,054,683
Analog Devices ²	11,200	471,072
ASM Pacific Technology	15,000	184,128
ATMI ¹	92,215	1,925,449
BE Semiconductor Industries ⁴	58,000	429,200
Cabot Microelectronics	35,209	1,250,272
Diodes ¹	252,450	4,380,008
Exar Corporation ¹	157,576	1,402,426
Integrated Silicon Solution ¹	180,200	1,621,800
International Rectifier ¹	330,000	5,850,900
Intersil Corporation Cl. A ²	190,000	1,575,100
Miraial	26,170	492,972
Nanometrics ^{1,2}	159,400	2,298,548
Power Integrations ²	49,000	1,646,890
RDA Microelectronics ADR	94,800	1,019,100
Teradyne ^{1,2,3}	287,200	4,850,808
TriQuint Semiconductor ¹	670,000	3,242,800
Veeco Instruments ^{1,2}	88,000	2,597,760
<hr/>		
		36,293,916
<hr/>		
Software - 1.6%		
ACI Worldwide ^{1,2,3}	131,150	5,729,943
ANSYS ^{1,2,3}	105,600	7,111,104
Aspen Technology ¹	42,100	1,163,644
Blackbaud ²	31,400	716,862
Majesco Entertainment ¹	36,255	38,068
SimCorp	10,000	2,238,521
<hr/>		
		16,998,142
<hr/>		
Total (Cost \$184,774,858)		211,795,994
<hr/>		
Materials 8.1%		
Chemicals - 1.7%		
Cabot Corporation ^{2,3}	67,200	2,673,888
Hawkins	86,178	3,329,918
Huchems Fine Chemical	40,056	968,496
Intrepid Potash ²	131,766	2,805,298
KMG Chemicals	33,274	584,624
LSB Industries ¹	49,849	1,765,652
Minerals Technologies ²	57,860	2,309,771
Mosaic Company (The) ²	16,000	906,080
Victrex	85,000	2,293,983
W.R. Grace & Co. ^{1,2}	17,200	1,156,356
<hr/>		
		18,794,066
<hr/>		
Construction Materials - 0.9%		
Ash Grove Cement Cl. B ⁴	50,518	7,628,218
Cemex ADR ^{1,2}	30,000	296,100
Mardin Cimento Sanayii	500,000	1,496,783

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		9,421,101
<hr/>		
Containers & Packaging - 1.1%		
Greif Cl. A ²	90,844	4,042,558
Mayr-Melnhof Karton	70,000	7,508,986
<hr/>		
		11,551,544
<hr/>		
Metals & Mining - 4.4%		
Allied Nevada Gold ^{1,2}	23,600	711,068
AuRico Gold ¹	258,300	2,112,894
Central Steel & Wire ⁴	6,062	4,032,745
Cliffs Natural Resources	22,300	859,888
Endeavour Mining ¹	300,000	624,309
Fresnillo	25,000	775,720
Globe Specialty Metals	45,600	627,000
Hecla Mining	300,000	1,749,000
Hochschild Mining	250,000	1,942,513
Kimber Resources ¹	560,000	212,800

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS. 2012 Annual Report to Stockholders | 23

Royce Value Trust

December 31, 2012

Schedule of Investments

	SHARES	VALUE
Materials (continued)		
Metals & Mining (continued)		
Maharashtra Seamless	330,000	\$ 1,627,119
Major Drilling Group International	399,600	3,936,946
Medusa Mining	250,000	1,441,982
Pretium Resources ¹	39,000	515,190
Randgold Resources ADR	33,000	3,275,250
Reliance Steel & Aluminum		
^{2,3} Schnitzer Steel Industries Cl. A	160,720	9,980,712
² Silvercorp Metals ²	100,000	3,033,000
Sims Metal Management ADR	116,500	596,480
Synalloy Corporation	219,167	2,160,987
Worthington Industries	178,800	2,345,856
		185,000
		47,369,609
Paper & Forest Products - 0.0%		
Qunxing Paper Holdings ⁵	3,296,000	175,541
Total (Cost \$70,926,378)		87,311,861
Telecommunication Services		
0.7%		
Wireless Telecommunication Services - 0.7%		
Telephone and Data Systems	338,270	7,489,298
Total (Cost \$8,279,046)		7,489,298
Miscellaneous ⁷ 3.8%		
Total (Cost \$41,383,240)		41,610,785
TOTAL COMMON STOCKS		
(Cost \$899,794,982)		1,144,747,346
PREFERRED STOCK 0.1%		
Seneca Foods Conv. ^{1,5}		
(Cost \$796,469)	55,000	1,504,800
REPURCHASE AGREEMENT		
6.9%		
Fixed Income Clearing Corporation, 0.10% dated 12/31/12, due 1/2/13,		

maturity value \$74,647,415 (collateralized
by obligations of various U.S. Government
Agencies, 0.25% due 9/6/13, valued at \$76,140,056)
(Cost \$74,647,000) 74,647,000

TOTAL INVESTMENTS

112.8%
(Cost \$975,238,451) 1,220,899,146

**LIABILITIES LESS CASH
AND OTHER ASSETS**

(12.8)% (138,472,650)

NET ASSETS 100.0% **\$ 1,082,426,496**

New additions in 2012.

- ¹ Non-income producing.
- ² All or a portion of these securities were pledged as collateral in connection with the revolving credit agreement at December 31, 2012. Total market value of pledged securities at December 31, 2012, was \$343,415,150.
- ³ At December 31, 2012, a portion of these securities were rehypothecated in connection with the Fund's revolving credit agreement in the aggregate amount of \$146,902,041.
- ⁴ These securities are defined as Level 2 securities due to fair value being based on quoted prices for similar securities. See Notes to Financial Statements.
- ⁵ Securities for which market quotations are not readily available represent 0.2% of net assets. These securities have been valued at their fair value under procedures approved by the Fund's Board of Directors. These securities are defined as Level 3 securities due to the use of significant unobservable inputs in the determination of fair value. See Notes to Financial Statements.
- ⁶ At December 31, 2012, the Fund owned 5% or more of the Company's outstanding voting securities thereby making the Company an Affiliated Company as that term is defined in the Investment Company Act of 1940. See Notes to Financial Statements.
- ⁷ Includes securities first acquired in 2012 and less than 1% of net assets.

Bold indicates the Fund's 20 largest equity holdings in terms of December 31, 2012, market value.

TAX INFORMATION: The cost of total investments for Federal income tax purposes was \$971,980,024. At December 31, 2012, net unrealized appreciation for all securities was \$248,919,122, consisting of aggregate gross unrealized appreciation of \$342,393,387 and aggregate gross unrealized depreciation of \$93,474,265. The primary difference between book and tax basis cost is the timing of the recognition of losses on securities sold.

Royce Value Trust

December 31, 2012

Statement of Assets and Liabilities**ASSETS:**

Investments at value	
Non-Affiliated Companies (cost \$895,158,885)	\$ 1,143,169,398
Affiliated Companies (cost \$5,432,566)	3,082,748
Total investments at value	1,146,252,146
Repurchase agreements (at cost and value)	74,647,000
Cash and foreign currency	591,935
Receivable for investments sold	10,598,415
Receivable for dividends and interest	961,580
Prepaid expenses and other assets	472,346
Total Assets	1,233,523,422

LIABILITIES:

Revolving credit agreement	150,000,000
Payable for investments purchased	343,091
Payable for investment advisory fee	476,587
Payable for interest expense	21,000
Accrued expenses	256,248
Total Liabilities	151,096,926

Net Assets	\$ 1,082,426,496
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ANALYSIS OF NET ASSETS:

Paid-in capital - \$0.001 par value per share; 70,275,231 shares outstanding (150,000,000 shares authorized)	\$ 820,368,882
Undistributed net investment income (loss)	2,818,184
Accumulated net realized gain (loss) on investments and foreign currency	13,591,177
Net unrealized appreciation (depreciation) on investments and foreign currency	245,648,253
Net Assets (net asset value per share - \$15.40)	\$ 1,082,426,496
Investments at identified cost	\$ 900,591,451

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS. 2012 Annual Report to Stockholders | 25

Royce Value Trust

Year Ended December 31, 2012

Statement of Operations**INVESTMENT INCOME:**

Income:	
Dividends ¹	\$ 22,870,207
Interest	105,418
Rehypotheication income	38,430
Securities lending	526,743
Total income	23,540,798
Expenses:	
Investment advisory fees	5,838,929
Stockholder reports	403,494
Custody and transfer agent fees	345,803
Interest expense	252,048
Administrative and office facilities	149,691
Professional fees	145,456
Directors fees	129,647
Other expenses	118,684
Total expenses	7,383,752
Compensating balance credits	(71)
Fees waived by investment adviser	(50,000)
Net expenses	7,333,681
Net investment income (loss)	16,207,117
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY:	
Net realized gain (loss):	
Investments	63,037,316
Foreign currency transactions	(139,763)
Net change in unrealized appreciation (depreciation):	
Investments and foreign currency translations	75,703,358
Other assets and liabilities denominated in foreign currency	(476)
Net realized and unrealized gain (loss) on investments and foreign currency	138,600,435
NET INCREASE (DECREASE) IN NET ASSETS FROM INVESTMENT OPERATIONS	154,807,552
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS	(11,357,495)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS	\$ 143,450,057

¹ Net of foreign withholding tax of \$620,073.

Royce Value Trust

Statement of Changes in Net Assets Applicable to Common Stockholders

	Year ended 12/31/12	Year ended 12/31/11
INVESTMENT OPERATIONS:		
Net investment income (loss)	\$ 16,207,117	\$ 6,739,838
Net realized gain (loss) on investments and foreign currency	62,897,553	35,713,778
Net change in unrealized appreciation (depreciation) on investments and foreign currency	75,702,882	(143,670,265)
Net increase (decrease) in net assets from investment operations	154,807,552	(101,216,649)
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:		
Net investment income	(2,356,525)	(2,024,508)
Net realized gain on investments and foreign currency	(9,000,970)	(10,955,492)
Total distributions to Preferred Stockholders	(11,357,495)	(12,980,000)
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS FROM INVESTMENT OPERATIONS		
	143,450,057	(114,196,649)
DISTRIBUTIONS TO COMMON STOCKHOLDERS:		
Net investment income	(11,444,608)	(5,275,650)
Net realized gain on investments and foreign currency	(43,713,673)	(28,548,829)
Return of capital		(18,288,444)
Total distributions to Common Stockholders	(55,158,281)	(52,112,923)
CAPITAL STOCK TRANSACTIONS:		
Reinvestment of distributions to Common Stockholders	27,494,847	27,070,308
Total capital stock transactions	27,494,847	27,070,308
NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS		
	115,786,623	(139,239,264)
NET ASSETS APPLICABLE TO COMMON STOCKHOLDERS:		
Beginning of year	966,639,873	1,105,879,137
End of year (including undistributed net investment income (loss) of \$2,818,184 at 12/31/12 and \$2,529,467 at 12/31/11)	\$ 1,082,426,496	\$ 966,639,873

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS. 2012 Annual Report to Stockholders | 27

Royce Value Trust

Statement of Cash Flows

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net increase (decrease) in net assets from investment operations	\$ 154,807,552
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by operating activities:	
Purchases of long-term investments	(297,587,829)
Proceeds from sales and maturities of long-term investments	381,488,198
Net purchases, sales and maturities of short-term investments	9,436,000
Net (increase) decrease in dividends and interest receivable and other assets	228,801
Net increase (decrease) in interest expense payable, accrued expenses and other liabilities	(28,453)
Net change in unrealized appreciation (depreciation) on investments	(75,703,358)
Net realized gain on investments and foreign currency	(62,897,553)
Cash provided by operating activities	109,743,358
CASH FLOW FROM FINANCING ACTIVITIES:	
Net increase (decrease) in revolving credit agreement	150,000,000
Liquidation of Preferred Stock	(220,000,000)
Distributions paid to Preferred Stockholders	(11,645,944)
Distributions paid to Common Stockholders	(55,158,281)
Reinvestment of distributions to Common Stockholders	27,494,847
Cash used for financing activities	(109,309,378)
INCREASE (DECREASE) IN CASH:	433,980
Cash and foreign currency at beginning of year	157,955
Cash and foreign currency at end of year	\$ 591,935

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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,				
	2012	2011	2010	2009	2008
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 14.18	\$ 16.73	\$ 12.87	\$ 9.37	\$ 19.74
INVESTMENT OPERATIONS:					
Net investment income (loss)	0.23	0.10	0.24	0.17	0.14
Net realized and unrealized gain (loss) on investments and foreign currency	2.02	(1.62)	3.85	3.87	(8.50)
Total investment operations	2.25	(1.52)	4.09	4.04	(8.36)
DISTRIBUTIONS TO PREFERRED STOCKHOLDERS:					
Net investment income	(0.04)	(0.03)	(0.20)	(0.18)	(0.01)
Net realized gain on investments and foreign currency	(0.13)	(0.16)			