ROYCE FOCUS TRUST INC
Form N-CSR
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT
OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-05379

Name of Registrant: Royce Focus Trust, Inc.

Address of Registrant: 1414 Avenue of the Americas
New York, NY 10019

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

Registrants telephone number, including area code: (212) 486-1445
Date of fiscal year end: December 31
Date of reporting period: January 1, 2008 December 31, 2008

Item 1. Reports to Shareholders.

Royce Value Trust

Royce Micro-Cap Trust

Royce Focus Trust

ANNUAL REVIEW AND REPORT
TO STOCKHOLDERS

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 had a quarterly distribution policy for its common stock in 2008.

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

Why Dividend Reinvestment Is Important

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

This page is not part of the 2008 Annual Report to Stockholders

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For more than 30 years, we have used a value approach to invest in smaller-cap securities. We focus primarily on the quality of a company's balance sheet, its ability to generate free cash flow and other measures of profitability or sound financial condition. At times, we may also look at other factors, such as a company's unrecognized asset values, its future growth prospects or its turnaround potential following an earnings disappointment or other business difficulties. We then use these factors to assess the company's current worth, basing the assessment on either what we believe a knowledgeable buyer might pay to acquire the entire company, or what we think the value of the company should be in the stock market.

Performance Table

NAV Average Annual Total Returns

Through December 31, 2008

	Royce Value Trust	Royce Micro-Cap Trust	Royce Focus Trust	Russell 2000
Fourth Quarter 2008*	-32.89%	-33.68%	-30.46%	-26.12%
July-December 2008*	-38.43	-38.23	-43.99	-26.94
One-Year	-45.62	-45.45	-42.71	-33.79
Three-Year	-11.95	-12.40	-9.36	-8.29
Five-Year	-2.12	-3.16	1.83	-0.93
10-Year	4.82	5.83	7.90	3.02
15-Year	7.52	8.14	n.a.	5.89
20-Year	9.24	n.a.	n.a.	7.86
Since Inception	8.95	8.13	7.86	
Inception Date	11/26/86	12/14/93	11/1/96**	

Important Performance and Risk Information

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

The thoughts expressed in this *Review and Report to Stockholders* concerning recent market movements and future prospects for small-company stocks are solely the opinion of Royce at December 31, 2008, and, of course, historical market trends are not necessarily indicative of future market movements. Statements regarding the future prospects for particular securities held in the Funds' portfolios and Royce's investment intentions with respect to those securities reflect Royce's opinions as of December 31, 2008 and are subject to change at any time without notice. There can be no assurance that securities mentioned in this *Review and Report to Stockholders* will be included in any Royce-managed portfolio in the future.

* Not annualized.

** Date Royce & Associates, LLC assumed investment management responsibility for the Fund.

Letter to Our Stockholders

A Series Of Unfortunate Events

Each crisis...has its unique individual features the nature of the shock, the object of speculation, the form of credit expansion, the ingenuity of the swindlers, and the nature of the incident that touches off revulsion. But if one may borrow a French phrase, the more something changes, the more it remains the same. Details proliferate; structure abides.
Charles P. Kindelberger, Manias, Panics and Crashes: A History of Financial Crises

In our 2008 *Semiannual Review and Report* we observed, The first six months of 2008 gave even the most serene investor cause for anxiety, if not panic. We wrote those words in July, two months before the word bailout had entered our collective lexicon. It was a time when Lehman Brothers was a major investment bank, AIG was a highly respected insurance business and only a few people were concerned about the prospects for the U.S. auto industry. Bear Stearns was at that point the only significant corporate casualty. Ah, the good old days. However, there was a whiff of dread in the air, with most of the fear coalescing around the impact of a rapidly contracting credit market and a declining real estate market, both exacerbated by the ominous effects of record defaults in subprime

So while we took ample advantage of what we thought were excellent opportunities in 2008 particularly in the fourth quarter we remain profoundly disappointed in our showing during this most disconcertingly memorable year.

Ultimately, asset management is a numbers game, and the numbers that matter most are performance numbers. Success or failure is measured in returns, which are analogous to the final score in a sporting event. So while investing and sports are dominated by performance, the study of how successful performance is achieved, and how it may best be maintained have also become increasingly critical topics, particularly among management teams in either field concerned with creating long-term winners.

With the stock market enduringat the most generous estimatethe equivalent of a disastrous, injury-riddled season, we thought that it was worth looking at some of the related numbers that help to tell the story of what has been happening over the last 18 months in our smaller-company universe, especially now that the playing field has grown significantly larger.

As the market

Letter to Our Stockholders

mortgages and troubles with the wildly complicated securities that housed them. There were also concerns about the sluggish economy and the stumbling stock market.

All of this, of course, began to worsen quickly and radically in mid-September with a succession of collapses, near-collapses and restructurings that began with the sale of Merrill Lynch to Bank of America, the bankruptcy of Lehman Brothers and the narrow escape of AIG from a similar fate, courtesy of a government-sponsored financial rescue plan. Other financial institutions quickly lobbied for the same privilege, as worries about the global financial system seizing up led to the enactment of the Troubled Assets Relief Program (TARP) in early October, which provided up to $700 billion for firms at risk. The stock market, in a dramatic swoon, initially took its cues from the still-contracted credit market, paying little heed to the federal governments efforts to stabilize the system and reduce the pain. An interim low for equities was not reached until November 20, more than a month after the passage of the Emergency Economic Stabilization Act of 2008 (of which TARP is a part). And, in spite of a short-term rally from that November low through the end of December, the year lurched toward its end with plenty of volatile days when the major indices closed in the red.

So much has changed, yet we find ourselves going about our business in much the same manner as always. We are humbled by the fact that we saw so little of it coming. **Some kind of correction for smaller companies looked inevitable to us as early as 2006, but crisis did not seem like a sure thing as late as Labor Day of 2008.** We have certainly been chastened by our inability to find enough companies capable of withstanding this historically severe bear market. One of our chief sources of collective pride over the years was our portfolios generally strong records in down markets. With a few notable exceptions, that was simply not the case in 2008. So while we took ample advantage of what we thought were excellent opportunitiesparticularly in the fourth quarterwe remain profoundly disappointed in our showing during this most disconcertingly memorable year.

A Journal Of The Plague Year

Of course, we were not alone in posting uninspiring results. The ongoing horserace between small- and large-cap stocks, as measured by the Russell 2000 and S&P 500, respectively, offered no real winner in 2008, only varying levels of painful negative returns. That said, the Russell 2000 received 2008s dubious distinction award. The small-cap indexs -33.8% calendar-year returnits worst everoutpaced the S&P 500s -37.0% result, as well as the more tech-heavy Nasdaq Composites -40.5% performance, the global MSCI EAFEs (Europe, Australasia and Far East) -43.4% mark and the MSCI World Small Cores -41.9% showing. **Little else in any investment category provided positive returns in 2008, with the exception of a few municipal-bond indices. Losses were considerable across several asset groups. Domestic and international equities of every size, commodities and real estate all endured declines in excess of 30% in 2008.**

approached its 2008 lows, for example, a story first reported by Reuters on November 19th revealed some interesting numbers within the S&P 500 index. One hundred and one companies in the large-cap index at that time were

Continued on page 6...

The relative advantage for smaller domestic stocks was built in the year's second and third quarters, especially the latter, a period in which the Russell 2000 fell 1.1% while the S&P 500 declined 8.4%. During the fourth quarter's decline, the Russell 2000 gave back a portion of its edge, falling 26.1% versus a loss of 21.9% for its large-cap counterpart. It was the worst quarterly showing for either index since the fourth quarter of 1987. Recent market cycle results were also discouraging. From the Russell 2000's recent peak on 7/13/07 through the trough on 11/20/08, the small-cap index lost 54.1%. The S&P 500 declined 50.7% from its 2007 performance peak on 10/9/07 through 11/20/08. The longer-term picture was equally dispiriting. Three-and five-year returns ended 12/31/08 were negative for both the Russell 2000 and S&P 500. Ten-year returns for the S&P 500 were also negative, and among the worst in the long history of the large-cap index. These longer-term returns offer particularly compelling evidence of just how devastating the current bear market has been.

In the context of such poor results, it makes sense that few people commented on, or even noticed, the otherwise dynamic rally that followed the trough on 11/20/08 through the year's end, a period that saw the Russell 2000 gain 30.0% versus a gain of 20.5% for the S&P 500. Always a bit skeptical about short-term rallies, we were actually more encouraged by the fact that a system was put in place, both here and in other developed nations, to aid financial firms in trouble. While we may not have seen the last of financial institutions failing, there was a growing steadiness to the market's behavior as the fourth quarter came to a close. **We really cannot expect any long-term recovery until we achieve systemic stability.** The credit market has not yet recovered, but it did show some signs of life, with the LIBOR spread contracting as the year ended. One other key component, though not technically a sign of stability, is the unpredictable nature of markets and economies. None of us can see around corners, and no one can say with any assurance what will happen next, which is why the most informed, seemingly insightful forecasts can soon look short-sighted.

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The Waste Land

In 2007 and through the first six months of 2008, small-cap value stocks, as measured by the Russell 2000 Value index, underperformed small-cap growth stocks, as measured by the Russell 2000 Growth index. This followed a seven-year period of performance dominance

trading for less than $10 per share, a list that included former market cap behemoths such as Ford Motor, Starbucks, Citigroup and Xerox. The $10 mark was notable not simply as a gauge of lost value, but also because many institutions do not like to buy shares of companies trading for less than $10 a share.

As the year rushed to its close, the market's movements were uncommonly (and increasingly) violent as well. The S&P 500 moved up or down more than 5% during intraday trading seven times between 2000 and 2006, and only three times from the beginning of 2008 through the end of September. However, from October 1 through December 31, 2008, there were 31 days in which the large-cap index moved in excess of 5%. (Source: Bloomberg)

The current bear market for smaller companies is now more than seventeen months old and counting. At the small-cap market low on November 20, 2008, 59% of the constituents in the Russell 2000 were trading for less than $10 a share. As of the same date, 51%

of the companies in the small-cap index sported market caps less than $250 million, while only 6% were greater than $1 billion. Within the S&P 500, there were not only 105 companies trading for less than $10 a share, but, incredibly, 24% of the index was small-cap by our definition companies with a market cap of up to $2.5 billion. In fact, 49% of the large-cap index s constituents had market caps less than $5 billion. (Source: FactSet)

Continued on page 8...

Letter to Our Stockholders

for small-cap value stocks that began in earnest with the previous small-cap market peak on 3/9/00. As long-time believers in the power of reversion to the mean, we thought that small-cap growth s overall advantage in the 18-month period that ended on 7/15/08 made sense considering that small-cap value stocks had been the superior performers between 2000 and 2006. When it was clear to us by mid-October 2008 that the stock market was in not just a bear market but an historically awful one, we were not sure how matters would shake out within the smaller stock universe. However, we did feel sure that, regardless of either style s ultimate advantage in 2008, each calendar-year return would be dismal.

The Russell 2000 Value index declined 28.9% versus a loss of 38.5% for the Russell 2000 Growth index in 2008. The first signs of a shift back to small-cap value, at least in the short term, can be seen in 2008 s first quarter (-6.5% versus -12.8%), although the Russell 2000 Value index then lost ground to its small-cap growth sibling in the second quarter (-3.6% versus +4.5%). Outperformance for small-cap value was more consistent in the second half of 2008, with advantages over small-cap growth in both the third (+5.0% versus -7.0%) and fourth quarters (-24.9% versus -27.5%).

The performance advantage for the Russell 2000 Value index also held during recent market-cycle periods, although in each instance its edge was slight and mostly attributable to second-half results in 2008. From the small-cap peak on 7/13/07 through 12/31/08, small-cap value was down 39.4% versus a loss of 41.8% for small-cap growth. **Both indices have thus been mauled badly by the bear.** In the short-term rally from the small-cap trough on 11/20/08 through 12/31/08, small-cap value gained 31.3% versus 28.6% for its small-cap growth counterpart. **Small-cap value s slender advantage in both the decline and the rally**

within the current market cycle is preferable to underperformance, but stands out more as an example that this bear has shown no mercy, save to a tiny handful of stocks.

Cold Comfort Farm

The same observation could be made from looking at the calendar-year results for the three portfolios in this *Review and Report*, which all lent support to the accuracy of the old adage that in a real bear market, no stock is spared. We were highly disappointed that Royce Value Trust, Royce Micro-Cap Trust and Royce Focus Trust all underperformed their small-cap benchmark, the Russell 2000, in 2008. Our dissatisfaction was magnified by the fact that for each portfolio we have historically managed far better in difficult markets only to come up substantially short in this particularly challenging one. For all of our closed-end funds, 2008 provided the worst absolute returns since each one's respective inception. The fact that many other funds in the industry posted similarly dreary results offers little comfort.

Losses were sizeable across each Fund's equity sector and industry groups, regardless of the respective portfolio's market capitalization focus or specific investment approach. In

fact, there was little disparity among calendar-year results as a whole, though the story grew more varied at the company, industry or sector level. Each Fund's use of leverage also magnified net losses in 2008. **However, we were pleased that all three closed-end Royce funds outperformed the Russell 2000 for the 10-year period ended 12/31/08.** (Discussion of each Fund's performance begins on page 12.)

Been Down So Long It Looks Like Up To Me

What, exactly, happened? How did a group of mostly veteran portfolio managers at a firm that has taken great pride in the historical down market performance of its portfolios fare so poorly in a bear market? In large part, it has been the nature of this particular bear, which has clawed deeply at every area in nearly every stock market covering the globe. And its savagery has been deep and wide, owing to the near-catastrophic economic circumstances that have been its compatriots. From the first stirrings of the housing crisis in 2006 through our first look at a large-scale economic stimulus plan in January 2009, the news has been unremittingly bad, including a global financial system that barely avoided a massive failure to function between mid-September and mid-November. This last crisis took place in the midst of a deepening recession. In such an uncertain environment, it was simply not possible for stock markets to perform their historically typical role of confidently looking forward and gauging the prospects of success for businesses.

We had also been wondering for some time if the correction which followed the bursting Internet bubble in 2000 was less severe than such a heady and irrational bull market quite deserved. While we were perfectly content to enjoy strong absolute and relative returns for our funds from 2000 to 2007 (especially since we were relatively unscathed by much of the Internet mania), we also— somewhat nervously—believed that many valuations throughout the market remained too high. **It seemed to us that the decline which stretched from early 2000 through October 2002 for both small- and large-cap stocks, while undoubtedly unpleasant, was**

We have always taken our responsibility as risk managers very seriously. To therefore see so much panic-driven, indiscriminate selling has been very painful for us. To watch those stocks suffer as much as all the rest really tested our commitment to our approach.

Steven DeSanctis of Merrill Lynch pointed out in a November report that "all small cap sectors have fallen more than their previous bear market averages, with three now down over 60%." All of this suggests a wider and wider pool of potential opportunities for bargain-conscious small-cap value investors like ourselves. If one is cautiously optimistic about the long-term prospects for stocksas we arethen this must be good news, yes?

The answer is complicated. Having more choices is not always a good thing. More importantly, our portfolio managers have learned over the years that most stocks are cheap for very good reasons. The current bear market will scarcely alter that truth by having punished nearly all companies with nearly equal force. With the expanded number of both smaller companies and cheap stocks, it becomes even more critical for us to exercise strict discipline in building our portfolios. As we are always more interested in long-term success, we have become even more exacting in our selection process. We see that as the best way to lay the foundation for recovery from this historically difficult market.

Letter to Our Stockholders

relatively benign considering the excesses that history has previously demanded be wrung out of stock prices following a bubble. Yet we saw no serious downturn in the equity markets until 2008, when it was accompanied by far-reaching crises on several other fronts. In retrospect, it is no longer so shocking that investors panicked as they did, selling anything and everything without regard to company quality, valuation, or long-term outlook.

When we select securities for our portfolios, we look for quality, for attributes that we believe will help a given company survive when times are bad and flourish when they are good. Characteristics such as a strong balance sheet and the ability to generate free cash flow indicate a business that is equipped with the necessary resources to withstand a downturn in its industry and/or a more widespread economic slowdown. Carrying little or no debt and having ample cash generally give a company the necessary resilience to make it through tough times. **Our preference for cash-rich, low-leverage companies comes from years of ongoing research into which kinds of businesses endure and which ones wither. However, when investors began to flee equities in September, these tools of cautious risk management offered no bulwark against the stampede of liquidation that grew frighteningly intense in the first two weeks of October and lasted into November.**

The Audacity Of Hope

Witnessing the punishment that was inflicted on the stock prices of what we regard as well-run, high-quality businesses has been one of the worst parts of the downturn, particularly as much of the sell-off was driven by the deleveraging activities of hedge funds and other financial institutions covering shorts and dealing with fallout from the

mortgage crisis. We have always taken our responsibility as risk managers very seriously. To therefore see so much panic-driven, indiscriminate selling has been very painful for us. To watch those stocks suffer as much as all the rest really tested our commitment to our approach.

Each bear market is different for example, the current situation is more global in scope than the crisis in 1973-4, which was itself distinguished by stagflation, the oil embargo and the creation of the misery index. Common ground exists in that each period has been marked by controversial wars, the departure of an unpopular president and uncertainty about the future of the U.S. economy. What is perhaps most interesting is how our country s eventual recovery from both the Great Depression and the recession of the Seventies may be fueling some tempered optimism about our current period. **While there is definitely a lot of pessimism in the media and elsewhere about the economy, we also think there is a sense that, however difficult our challenges are in the months and years ahead, we are capable as a nation of meeting them and ultimately succeeding.**

We think that we may be approaching the worst phase of this very painful recession. Not anticipating same-store sales declines in the 20% range next year at this time, we believe that late in 2009 we may be seeing scattered signs of an economic comeback, one of which may be a stock market showing signs of a recovery. The current valuation picture lends some support to this idea. Overall valuations for smaller companies finished 2008 at levels not seen in nearly two decades. While shorter-term returns may continue to be lackluster, we believe that historical performance patterns for stocks should return to the market. This will be good news for two reasons: The first would be the very fact of positive movement in the markets again (and post-bear-market results have historically been robust); the second would be the stock market playing its traditional role of looking forward and seeing signs of an economy on the mend. Or at least that is our audacious hope.

We believe that late in 2009 we may be seeing scattered signs of an economic comeback, one of which may be a stock market showing signs of a recovery. The current valuation picture lends some support to this idea. Overall valuations for smaller companies finished 2008 at levels not seen in nearly two decades.

Sincerely,

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

January 31, 2008

Small-Cap Market Cycle Performance

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

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

Peak-to-Peak

For the full cycle, value provided a sizeable margin over growth, which finished the period with a loss. Each of our closed-end funds held a sizeable performance advantage over the Russell 2000 on both an NAV (net asset value) and market price basis. On an NAV basis, Royce Focus Trust (+264.2%) was our best performer by a wide margin, followed by Royce Micro-Cap Trust (+175.9%) and Royce Value Trust (+161.3%).

Peak-to-Current

During the difficult, volatile period ended 12/31/08, both value and growth posted similarly negative returns. (While the Russell 2000 seemed to regain its footing after hitting a low in March, events in the financial markets preceding the September 30, 2008 quarter-end caused the index to decline significantly in the fourth quarter, dropping to a cyclical-year low on 11/20/08.) The index then recovered significantly, gaining 30.0% from 11/20/08 through 12/31/08.

Each of our closed-end funds trailed the index during the decline, while both Royce Focus Trust and Royce Value Trust outperformed during the short rally from 11/20/08 through 12/31/08.

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

	Peak-to-Peak 3/9/00-7/13/07	Peak-to-Trough 7/13/07-11/20/08	Trough-to-Current 11/20/08-12/31/08
Russell 2000	**54.9%**	**-54.1%**	**30.0%**
Russell 2000 Value	**189.5**	**-53.8**	**31.3**
Russell 2000 Growth	**-14.8**	**-54.8**	**28.6**

Royce Value Trust	161.3	-62.8	35.9
Royce Micro-Cap Trust	175.9	-61.6	28.0
Royce Focus Trust	264.2	-62.7	42.3

The thoughts concerning recent market movements and future prospects for smaller-company stocks are solely those of Royce & Associates and, of course, there can be no assurance with regard to future market movements. Smaller-company stocks may involve considerably more risk than larger-cap stocks. Past performance is no guarantee of future results. See page 2 for important performance information for all of the above funds.

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impact in U.S. dollars we have noted in the past. This figure more accurately represents the percentage, up or down, that a security contributed to the Fund's total return for the period.

AVERAGE ANNUAL NAV TOTAL RETURNS
Through 12/31/08

Fourth Quarter 2008*	-32.89%
July-December 2008*	-38.43
One-Year	-45.62
Three-Year	-11.95
Five-Year	-2.12
10-Year	4.82
15-Year	7.52
20-Year	9.24
Since Inception (11/26/86)	8.95

* Not annualized

CALENDAR YEAR NAV TOTAL RETURNS

Year	RVT	Year	RVT
2008	-45.6%	1999	11.7%
2007	5.0	1998	3.3
2006	19.5	1997	27.5
2005	8.4	1996	15.5
2004	21.4	1995	21.6
2003	40.8	1994	0.1
2002	-15.6	1993	17.3
2001	15.2	1992	19.3
2000	16.6	1991	38.4

TOP 10 POSITIONS
% of Net Assets Applicable

to Common Stockholders

Ritchie Bros. Auctioneers	2.0%
Ash Grove Cement Cl. B	1.8
Weyco Group	1.7
Landauer	1.4
SEACOR Holdings	1.4
Adaptec	1.4
Simpson Manufacturing	1.3
AllianceBernstein Holding L.P.	1.1
Forward Air	1.1
ManTech International Cl. A	1.1

PORTFOLIO SECTOR BREAKDOWN
% of Net Assets Applicable
to Common Stockholders