

GABELLI EQUITY TRUST INC  
Form N-CSR  
March 11, 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 811-04700

The Gabelli Equity Trust Inc.

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: December 31, 2012

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct

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comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Reports to Stockholders.**

The Report to Shareholders is attached herewith.

# The Gabelli Equity Trust Inc.

## Annual Report December 31, 2012

### Portfolio Management Team

#### To Our Shareholders,

For the year ended December 31, 2012, the net asset value ( NAV ) total return of The Gabelli Equity Trust Inc. (the Fund ) was 19.2%, compared with total returns of 16.0% and 10.1% for the Standard & Poor s ( S&P ) 500 Index and the Dow Jones Industrial Average, respectively. The total return for the Fund s publicly traded shares was 23.6%. The Fund s NAV per share was \$5.60, while the price of the publicly traded shares closed at \$5.58 on the New York Stock Exchange ( NYSE ). See page 2 for additional performance information.

Enclosed are the schedule of investments and financial statements as of December 31, 2012.

Sincerely yours,

Bruce N. Alpert

President

February 22, 2013

## Comparative Results

Average Annual Returns through December 31, 2012 (a) (Unaudited)

	1 Year	5 Year	10 Year	20 Year	25 Year	Since Inception (08/21/86)
<b>Gabelli Equity Trust</b>						
NAV Total Return (b)	19.21%	2.15%	11.09%	9.67%	10.37%	10.43%
Investment Total Return (c)	23.62	1.84	9.86	9.62	11.34	10.06
S&P 500 Index	16.00	1.66	7.10	8.22	9.71	9.27(d)
Dow Jones Industrial Average	10.14	2.60	7.32	9.66	10.77	10.47(d)
Nasdaq Composite Index	17.60	3.77	9.43	7.86	8.40	8.15(d)

- (a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. You cannot invest directly in an index.
- (b) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date, adjustments for rights offerings, spin-offs, and taxes paid on undistributed long-term capital gains and are net of expenses. Since inception return is based on an initial NAV of \$9.34.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings, spin-offs, and taxes paid on undistributed long-term capital gains. Since inception return is based on an initial offering price of \$10.00.
- (d) From August 31, 1986, the date closest to the Fund's inception for which data is available.

**Summary of Portfolio Holdings (Unaudited)**

The following table presents portfolio holdings as a percent of total investments as of December 31, 2012:

**The Gabelli Equity Trust Inc.**

Food and Beverage	12.6%
Cable and Satellite	8.2%
Financial Services	7.4%
Equipment and Supplies	6.4%
Energy and Utilities	5.9%
Diversified Industrial	5.8%
Entertainment	5.6%
Health Care	4.1%
Consumer Products	4.0%
Telecommunications	3.7%
Automotive: Parts and Accessories	3.5%
Consumer Services	3.2%
Machinery	3.0%
Retail	2.8%
Publishing	2.6%
Aerospace and Defense	2.6%
Business Services	2.4%
Aviation: Parts and Services	2.1%
Hotels and Gaming	1.8%
Broadcasting	1.5%
Specialty Chemicals	1.5%
Electronics	1.2%
Metals and Mining	1.1%
Wireless Communications	0.9%
Computer Software and Services	0.9%
Environmental Services	0.9%
U.S. Government Obligations	0.8%
Agriculture	0.8%
Communications Equipment	0.5%
Automotive	0.5%
Transportation	0.4%
Real Estate	0.4%
Closed-End Funds	0.4%
Building and Construction	0.3%
Real Estate Investment Trusts	0.1%
Manufactured Housing and Recreational Vehicles	0.1%
	100.0%

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

**Proxy Voting**

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The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

**The Gabelli Equity Trust Inc.****Portfolio Changes Quarter Ended December 31, 2012 (Unaudited)**

	Shares	Ownership at December 31, 2012
<b>NET PURCHASES</b>		
<b>Common Stocks</b>		
Avon Products Inc.	30,000	95,000
Blyth Inc.	14,000	25,000
Boston Scientific Corp.	18,000	330,000
Citigroup Inc.	27,000	107,000
Coldwater Creek Inc.(a)	5,000	5,000
Eaton Corp. plc(b)	148,760	148,760
Endo Health Solutions Inc.	4,000	12,000
Freeport-McMoRan Copper & Gold Inc.	6,000	30,000
Gardner Denver Inc.	15,000	15,000
Hillshire Brands Co.	4,000	140,000
Kraft Foods Group Inc.(c)	53,333	53,333
Liberty Ventures, Cl. A	3,451	13,451
Mondelez International Inc., Cl. A(c)	180,000	220,000
NRG Energy Inc.(d)	1,824	1,824
Orient-Express Hotels Ltd., Cl. A	13,000	45,000
Pentair Ltd.(e)	44,318	44,318
Ryman Hospitality Properties Inc.(f)	195,784	195,784
Skyline Corp.	5,000	34,000
The ADT Corp.(e)	112,500	112,500
True Religion Apparel Inc.	85,000	85,000
<b>NET SALES</b>		
<b>Common Stocks</b>		
Artio Global Investors Inc.	(13,000)	13,000
Bel Fuse Inc., Cl. A	(500)	18,500
BorgWarner Inc.	(4,000)	65,000
Brunswick Corp.	(7,000)	-
Burger King Worldwide Inc.	(10,000)	50,000
Chestnut Hill Ventures(g)	(2,002)	-
Cisco Systems Inc.	(10,000)	65,000
CLARCOR Inc.	(16,000)	122,000
CNH Global NV	(2,000)	10,000
Coldwater Creek Inc.(a)	(20,000)	-
Collective Brands Inc.(h)	(126,000)	-
Cooper Industries plc(b)	(198,000)	-
Deckers Outdoor Corp.	(10,000)	-
Diamond Foods Inc.	(20,000)	-
DIRECTV	(7,000)	460,000
Dole Food Co. Inc.	(10,000)	40,000
Ford Motor Co.	(5,000)	30,000
Fortune Brands Home & Security Inc.	(9,000)	121,000
GATX Corp.	(2,000)	139,000
Gaylord Entertainment Co.(f)	(173,000)	-
GenOn Energy Inc.(d)	(15,000)	-
	<b>Shares</b>	<b>Ownership at December 31, 2012</b>
GrafTech International Ltd.	(5,000)	95,000
Griffon Corp.	(2,000)	28,000



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Grupo Bimbo SAB de CV, Cl. A	(50,000)	2,000,000
H.J. Heinz Co.	(13,000)	20,000
Huntsman Corp.	(17,000)	23,000
IDEX Corp.	(3,000)	285,000
Ingredion Inc.	(1,000)	25,000
InterXion Holding NV	(7,000)	28,000
Janus Capital Group Inc.	(13,000)	302,000
Kaman Corp.	(2,000)	35,800
Kinder Morgan Inc.	(5,000)	75,000
Kraft Foods Inc., Cl. A(c)	(160,000)	-
Layne Christensen Co.	(2,000)	23,000
Liberty Media Corp. - Liberty Capital, Cl. A	(2,000)	78,000
LSI Corp.	(5,000)	45,000
Macy's Inc.	(4,000)	373,000
Materion Corp.	(200)	4,800
Monster Worldwide Inc.	(40,000)	19,000
National Fuel Gas Co.	(2,000)	5,000
Navistar International Corp.	(20,000)	120,000
News Corp., Cl. A	(20,000)	630,000
NII Holdings Inc.	(70,000)	-
OMNOVA Solutions Inc.	(3,000)	260,000
Pentair Inc.(e)	(1,000)	-
Regeneron Pharmaceuticals Inc.	(2,000)	3,000
RPC Inc.	(3,000)	32,000
SanDisk Corp.	(10,000)	-
Sealed Air Corp.	(8,000)	14,000
Smiths Group plc	(20,000)	30,000
Swedish Match AB	(2,000)	835,000
Telefonos de Mexico SAB de CV, Cl. L(i)	(80,000)	-
Telephone & Data Systems Inc.	(21,740)	589,000
Tenneco Inc.	(1,000)	-
Terex Corp.	(8,000)	-
The Bank of New York Mellon Corp.	(3,000)	200,000
The Boeing Co.	(3,000)	140,000
The Clorox Co.	(5,000)	-
The E.W. Scripps Co., Cl. A	(2,000)	25,000
The Greenbrier Companies Inc.	(3,000)	15,000
The Madison Square Garden Co., Cl. A	(15,000)	326,000
Time Warner Inc.	(14,000)	-