

GABELLI EQUITY TRUST INC  
Form N-CSR  
March 07, 2019

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, 2018

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, 450 Fifth Street, NW, Washington, DC 20549-0609. 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, 2018**

**(Y)our Portfolio Management Team**

**Mario J. Gabelli, CFA Christopher J. Marangi Kevin V. Dreyer Robert D. Leininger, CFA Daniel M. Miller Jennie Tsai**

<i>Chief Investment Officer</i>	<i>Co-Chief Investment Officer</i>	<i>Co-Chief Investment Officer</i>	<i>Portfolio Manager</i>	<i>Managing Director,</i>	<i>Portfolio Manager</i>
	<i>BA, Williams College</i>	<i>BSE, University of Pennsylvania</i>	<i>BA, Amherst College</i>	<i>GAMCO Investors</i>	<i>BS, University of Virginia</i>
	<i>MBA, Columbia Business School</i>	<i>University of Pennsylvania</i>	<i>MBA, Wharton School, University of Pennsylvania</i>	<i>BS, University of Miami</i>	<i>MBA, Columbia Business School</i>

**To Our Shareholders,**

For the year ended December 31, 2018, the net asset value (NAV) total return of The Gabelli Equity Trust Inc. (the Fund) was (10.2)%, compared with total returns of (4.4)% and (3.5)% 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 (8.4)%. The Fund's NAV per share was \$5.25, while the price of the publicly traded shares closed at \$5.10 on the New York Stock Exchange (NYSE). See page 2 for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2018.

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's annual and semiannual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (www.gabelli.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. To elect to receive all future reports in paper free of charge, please contact your financial intermediary, or, if you invest directly with the Fund, you may call 800-422-3554 or send an email request to info@gabelli.com.

## Comparative Results

### Average Annual Returns through December 31, 2018 (a) (Unaudited)

	1 Year	5 Year	10 Year	15 Year	20 Year	25 Year	Since Inception (08/21/86)
<b>Gabelli Equity Trust</b>							
<b>NAV Total Return (b)</b>	(10.17)%	4.41%	14.40%	8.84%	8.22%	9.25%	10.33%
<b>Investment Total Return</b>							
<b>(c)</b>	(8.43)	2.55	15.40	8.61	7.85	8.65	9.97
S&P 500 Index	(4.38)	8.49	13.12	7.77	5.62	9.07	9.80(d)
Dow Jones Industrial Average	(3.50)	9.65	13.11	8.17	7.25	10.11	10.89(d)
Nasdaq Composite Index	(2.80)	11.05	16.85	9.56	6.70	9.85	10.24(e)

(a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund's use of leverage may magnify the volatility of net asset value changes versus funds that do not employ leverage. 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 are available.

(e) From September 30, 1986, the date closest to the Fund's inception for which data are available.

**Summary of Portfolio Holdings (Unaudited)**

The following table presents portfolio holdings as a percent of total investments as of December 31, 2018:

**The Gabelli Equity Trust Inc.**

Food and Beverage	11.7%
Financial Services	9.8%
Entertainment	6.6%
Equipment and Supplies	6.0%
Health Care	5.7%
Consumer Services	5.0%
Diversified Industrial	4.7%
Business Services	3.9%
Consumer Products	3.8%
Energy and Utilities	3.7%
Automotive: Parts and Accessories	3.7%
Cable and Satellite	3.6%
Telecommunications	3.3%
Machinery	2.7%
Retail	2.5%
Aerospace and Defense	2.5%
Broadcasting	2.4%
Electronics	2.3%
Specialty Chemicals	2.1%
U.S. Government Obligations	1.9%
Environmental Services	1.8%
Hotels and Gaming	1.8%
Aviation: Parts and Services	1.4%
Wireless Communications	1.1%
Computer Software and Services	0.8%
Building and Construction	0.7%
Closed-End Funds	0.7%
Automotive	0.7%
Metals and Mining	0.6%
Communications Equipment	0.5%
Transportation	0.5%
Publishing	0.5%
Agriculture	0.5%
Real Estate	0.4%
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**

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).

We have separated the portfolio managers' commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio managers' commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com](http://www.gabelli.com).

**The Gabelli Equity Trust Inc.****Portfolio Changes Quarter Ended December 31, 2018 (Unaudited)**

	Shares	Ownership at December 31, 2018
<b>NET PURCHASES</b>		
<b>Common Stocks</b>		
Acorda Therapeutics Inc.	2,911	7,911
Acuity Brands Inc.	500	8,000
Aerie Pharmaceuticals Inc.	1,000	1,000
Akorn Inc.	12,500	20,000
Allergan plc	1,000	20,600
Alnylam Pharmaceuticals Inc.	1,500	2,000
AmerisourceBergen Corp.	1,500	24,700
Arcosa Inc.(a)	28,333	28,333
Armstrong Flooring Inc.	9,000	40,000
Astec Industries Inc.	18,000	18,000
Axalta Coating Systems Ltd.	2,000	22,000
Banco Santander SA, ADR	585	72,585
Bank of America Corp.	19,000	60,000
Bluebird Bio Inc.	1,500	1,500
Celgene Corp.	1,500	1,500
Cigna Corp.(b)	4,868	4,868
CIRCOR International Inc.	30,000	139,000
Clovis Oncology Inc.	8,000	14,900
CNH Industrial NV	30,000	255,010
Comcast Corp., Cl. A	9,000	174,000
Conagra Brands Inc.	30,000	175,000
ConforMIS Inc.	45,000	104,056
Corus Entertainment Inc., OTC, Cl. B	6,666	24,000
CRISPR Therapeutics AG	2,000	2,000
Cutera Inc.	8,500	18,900
DowDuPont Inc.	23,000	105,000
EchoStar Corp., Cl. A	8,000	39,933
Editas Medicine Inc.	1,000	1,000
Emerald Expositions Events Inc.	2,000	27,000
Energy Transfer LP	62,000	62,000
Evolus Inc.	1,000	5,000
Facebook Inc., Cl. A	3,000	3,000
Fomento Economico Mexicano SAB de CV, ADR	1,600	77,800
frontdoor Inc.(c)	2,500	2,500
Garrett Motion Inc.(d)	24,200	24,200
Gogo Inc.	91,691	459,691



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Graf Industrial Corp.	15,000	15,000
Greif Inc., Cl. B	2,000	12,000
Groupon Inc.	200,000	350,000
Herc Holdings Inc.	67,400	156,559
ICU Medical Inc.	500	500
Intellia Therapeutics Inc.	2,000	2,000
Intelsat SA	6,000	25,000
Internap Corp.	175,000	250,875
IntriCon Corp.	3,500	3,500
IRIDEX Corp.	5,000	5,000
KLX Energy Services Holdings Inc.	24,415	49,615
LeMaitre Vascular Inc.	1,500	1,600
		<b>Ownership at December 31, 2018</b>
	<b>Shares</b>	
Liberty Media Corp.-Liberty Formula One, Cl. A	10,000	89,250
Liberty Media Corp.-Liberty SiriusXM, Cl. C	10,000	158,000
Loral Space & Communications Inc.	2,000	45,000
Macquarie Infrastructure Corp.	7,000	100,000
Marinus Pharmaceuticals Inc.	12,000	17,000
Marriott Vacations Worldwide Corp.	300	3,600
Matthews International Corp., Cl. A	2,000	7,000
McKesson Corp.	1,000	1,000
Meredith Corp.	5,000	87,700
MGM Resorts International	5,000	150,000
Modine Manufacturing Co.	20,000	180,000
Molson Coors Brewing Co., Cl. B	24,000	50,000
Mueller Water Products Inc., Cl. A	12,000	230,000
Navistar International Corp.	22,000	180,000
Nektar Therapeutics	1,500	5,000
Nevro Corp.	1,500	13,500
NextEra Energy Partners LP	1,000	8,000
Nilfisk Holding A/S	2,000	6,000
Och-Ziff Capital Management Group LLC, Cl. A	45,000	45,000
Oi SA, Cl. C, ADR(e)	4,267	4,267
Patterson Cos. Inc.	1,359	9,859
Patterson-UTI Energy Inc.	34,000	135,000
Penn National Gaming Inc.(f)	7,560	7,560
Perrigo Co. plc	1,000	1,000
PetIQ Inc.	32,600	50,000
PetMed Express Inc.	4,500	9,800
Puma Biotechnology Inc.	3,500	7,000
Reading International Inc., Cl. A	4,000	14,000
Replimune Group Inc.	5,000	5,000
Resideo Technologies Inc.(g)	75,334	75,334
Rogers Communications Inc., New York, Cl. B	19,310	447,200
Rollins Inc.(h)	620,400	1,905,000
Rolls-Royce Holdings plc, Cl. C	55,614,000	55,614,000
Schultze Special Purpose Acquisition Corp.	50,000	50,000
ServiceMaster Global Holdings Inc.(c)	6,000	31,000

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Shaw Communications Inc., New York, Cl. B	40,000	160,000
Sol-Gel Technologies Ltd.	5,000	5,500
State Street Corp.	35,000	161,100
Stericycle Inc.	1,000	3,000
T. Rowe Price Group Inc.	10,000	112,400
Teva Pharmaceutical Industries Ltd., ADR	3,000	8,000
Textron Inc.	12,000	73,400
The Blackstone Group LP	2,000	25,000
The Hain Celestial Group Inc.	20,426	127,426
The Madison Square Garden Co., Cl. A	3,500	104,167
The St. Joe Co.	5,000	325,000
TimkenSteel Corp.	16,052	215,000

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Portfolio Changes (Continued) Quarter Ended December 31, 2018 (Unaudited)**

	Shares	Ownership at December 31, 2018
Trinity Industries Inc.(a)	23,000	85,000
Twenty-First Century Fox Inc., Cl. B	3,000	405,000
United Technologies Corp.(i)	1,745	1,745
Viacom Inc., Cl. A	32,900	313,615
Vivendi SA	2,000	240,000
Weight Watchers International Inc.	2500	6500
Zimmer Biomet Holdings Inc.	1,000	19,000
<b>NET SALES</b>		
<b>Common Stocks</b>		
Adient plc	(1,500)	15,162
Alexion Pharmaceuticals Inc.	(100)	3,500
Alphabet Inc., Cl. C	(250)	3,500
Altice USA Inc., Cl. A	(15,000)	-
American Express Co.	(2,000)	350,000
AMETEK Inc.	(5,000)	403,000
Amgen Inc.	(2,000)	32,000
Apple Inc.	(4,000)	5,000
Arena Pharmaceuticals Inc.	(1,000)	1,500
AT&T Inc.	(4,960)	252,192
AtriCure Inc.	(3,000)	2,200
AutoNation Inc.	(10,000)	80,300
Bed Bath & Beyond Inc.	(25,000)	-
Berkshire Hathaway Inc., Cl. A	(1)	113
BioScrip Inc.	(761,586)	2,933,819
Cardinal Health Inc.	(1,500)	-
Corning Inc.	(5,000)	285,000
Corus Entertainment Inc., Toronto, Cl. B	(6,666)	-
Daseke Inc.	(15,000)	-
Deere & Co.	(5,000)	180,000
Dell Technologies Inc., Cl. V	(19,000)	-
Delphi Technologies plc	(35,758)	-
Diageo plc, ADR	(5,000)	127,000
Diebold Nixdorf Inc.	(57,000)	310,290
Donnelley Financial Solutions, Inc.	(8,000)	25,000
Edgewell Personal Care Co.	(9,000)	174,000
Endo International plc	(8,800)	17,200
Every Inc.	(68,000)	42,000
Express Scripts Holding Co.(b)	(20,000)	-

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First Data Corp., Cl. A	(1,761)	60,000
Forest City Realty Trust Inc., Cl. A, REIT	(25,000)	-
Forum Energy Technologies Inc.	(20,000)	-
General Electric Co.	(169,000)	240,000
Glaukos Corp.	(2,767)	-
Globus Medical Inc., Cl. A	(10,000)	-
Henry Schein Inc.	(1,500)	61,000
Honeywell International Inc.(d)(g)	(5,000)	298,000
Hostess Brands Inc.	(8,000)	-
IDEX Corp.	(500)	210,000
Incyte Corp.	(1,000)	8,400
International Flavors & Fragrances Inc.	(10,000)	55,000
K2M Group Holdings Inc.	(55,287)	-
Kerry Group plc, Cl. A	(500)	63,500
		<b>Ownership at December 31, 2018</b>
	<b>Shares</b>	
KLX Inc.	(15,500)	-
Lamb Weston Holdings Inc.	(6,666)	50,000
Liberty Global plc, Cl. C	(45,000)	342,893
Mastercard Inc., Cl. A	(1,000)	254,000
Mattel Inc.	(8,000)	25,000
Melinta Therapeutics Inc.	(6,500)	-
Modern Times Group MTG AB, Cl. B	(1,419)	-
MSG Networks Inc., Cl. A	(10,000)	279,600
NeoGenomics Inc.	(32,635)	8,602
NextEra Energy Inc.	(1,000)	12,000
NuVasive Inc.	(1,000)	6,000
Och-Ziff Capital Management Group LLC, Cl. A	(60,000)	-
O Reilly Automotive Inc.	(9,000)	70,000
Pandora Media Inc.	(173,600)	-
Penske Automotive Group Inc.	(19,900)	10,000
PG&E Corp.	(14,000)	-
Pinnacle Entertainment Inc.(f)	(18,000)	-
Qurate Retail Inc.	(2,000)	251,265
Ra Pharmaceuticals Inc.	(11,000)	1,037
Regeneron Pharmaceuticals Inc.	(400)	500
Rockwell Collins Inc.(i)	(4,651)	-
Rogers Communications Inc., Toronto, Cl. B	(19,310)	-
Roper Technologies Inc.	(2,250)	-
S&P Global Inc.	(13,300)	62,000
Sally Beauty Holdings Inc.	(2,700)	30,600
Shaw Communications Inc., Toronto, Cl. B	(40,000)	-
Shire plc, ADR	(1,500)	-
Standard Motor Products Inc.	(6,000)	105,000
Tenneco Inc., Cl. A	(42,013)	-
Terex Corp.	(7,000)	-
TESARO Inc.	(5,900)	2,400
Texas Instruments Inc.	(3,000)	233,000
The J.M. Smucker Co.	(1,000)	18,500

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The Manitowoc Co. Inc.	(1,000)	-
Tribune Media Co., Cl. A	(4,000)	30,000
Twenty-First Century Fox Inc., Cl. A	(30,000)	485,200
United Natural Foods Inc.	(9,000)	-
UnitedHealth Group Inc.	(5,000)	49,000
Varian Medical Systems Inc.	(1,500)	-
Weatherford International plc	(235,000)	262,300
Xylem Inc.	(20,000)	232,000

- 
- (a) Spin-off - 1 New Arcosa Inc. (039653100) share for every 3 shares of Trinity Industries Inc. (896522109) held. 23,000 shares of Trinity Industries Inc. were purchased before spin-off.
- (b) Merger - 0.2434 Cigna Corp.(125523100) shares plus cash dividend of \$48.75 for every 1 share of Express Scripts Holding Co. (30219G108) held.
- (c) Spin-off - 1 New Front Door Inc. (35905A109) share for every 2 shares of ServiceMaster Global Holdings Inc. (81761R109) held. 10,000 shares of Front Door Inc. were sold after the spin-off and 6,000 shares of ServiceMaster Global Holdings Inc. were purchased after spin-off.

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.**

**Portfolio Changes (Continued) Quarter Ended December 31, 2018 (Unaudited)**

- (d) Spin-off - 1 Garrett Motion Inc. (366505105) share for every 10 shares of Honeywell International Inc. (438516106) held. 6,100 shares of Garrett Motion Inc. were sold after spin-off and 5,000 shares of Honeywell International Inc. were sold after spin-off.
- (e) Rights Offering - 0.266726 Oi SA, Cl. C, ADR (670851500) Right for every 1 preferred ADR (670851401) held.
- (f) Merger - 0.42 Penn National Gaming (707569109) shares plus cash dividend of \$20.00 for every 1 share of Pinnacle Entertainment Inc.(72348Y105) held.
- (g) Spin-off - 1 Resideo Technologies Inc. (76118Y104) share for every 6 shares of Honeywell International Inc. (438516106) held. 26,500 shares of Resideo Technologies Inc. were purchased and 1,666 shares were sold after the spin-off.
- (h) Stock Split - 3 New shares of Rollins Inc. (775711104) for every 2 old shares held. 8,600 shares were sold prior to the split and 9,000 shares were sold after the split.
- (i) Merger - 0.37525 New United Technologies Corp. (913017109) shares plus cash dividend of \$93.33 for every 1 share of Rockwell Collins Inc.(774341101) held.

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Schedule of Investments December 31, 2018**

Shares		Cost	Market Value
<b>COMMON STOCKS 97.4%</b>			
<b>Food and Beverage 11.7%</b>			
3,000	Ajinomoto Co. Inc.	\$ 52,866	\$ 53,565
105,200	Brown-Forman Corp., Cl. A	1,456,472	4,988,584
49,300	Brown-Forman Corp., Cl. B	1,130,138	2,345,694
63,800	Campbell Soup Co.	1,781,130	2,104,762
65,000	Chr. Hansen Holding A/S	2,725,303	5,751,400
15,000	Coca-Cola European Partners plc	275,290	687,750
175,000	Conagra Brands Inc.	5,511,447	3,738,000
30,000	Constellation Brands Inc., Cl. A	376,266	4,824,600
18,000	Crimson Wine Group Ltd.	91,848	140,850
201,500	Danone SA	9,779,634	14,200,741
1,277,600	Davide Campari-Milano SpA	3,498,059	10,810,248
127,000	Diageo plc, ADR	11,895,752	18,008,600
80,000	Flowers Foods Inc.	263,976	1,477,600
77,800	Fomento Economico Mexicano SAB de CV, ADR	3,108,750	6,694,690
40,000	General Mills Inc.	1,885,325	1,557,600
1,848,400	Grupo Bimbo SAB de CV, Cl. A	2,624,248	3,687,065
41,300	Heineken NV	1,962,995	3,653,067
11,000	Ingredion Inc.	162,440	1,005,400
105,000	ITO EN Ltd.	2,422,898	4,718,078
27,000	Kellogg Co.	1,489,530	1,539,270
63,500	Kerry Group plc, Cl. A	729,927	6,238,757
102,400	Keurig Dr Pepper Inc.	2,442,598	2,625,536
50,000	Lamb Weston Holdings Inc.	1,785,039	3,678,000
9,700	LVMH Moët Hennessy Louis Vuitton SE	335,341	2,869,579
20,000	Maple Leaf Foods Inc.	365,417	400,381
50,000	Molson Coors Brewing Co., Cl. B	3,131,847	2,808,000
365,000	Mondelēz International Inc., Cl. A	13,315,052	14,610,950
14,000	Morinaga Milk Industry Co. Ltd.	299,202	393,413
41,000	Nestlé SA	1,791,828	3,328,721
160,000	PepsiCo Inc.	13,485,743	17,676,800
39,200	Pernod Ricard SA	3,228,300	6,436,096
31,000	Post Holdings Inc.	2,232,792	2,763,030
41,500	Remy Cointreau SA	2,589,709	4,704,940
99,600	The Coca-Cola Co.	3,092,328	4,716,060
127,426	The Hain Celestial Group Inc.	2,697,833	2,020,976
18,500	The J.M. Smucker Co.	1,791,781	1,729,565

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85,000	The Kraft Heinz Co.	4,069,470	3,658,400
134,930	Tootsie Roll Industries Inc.	1,755,700	4,506,662
48,000	Tyson Foods Inc., Cl. A	397,211	2,563,200
341,000	Yakult Honsha Co. Ltd.	9,700,538	24,018,247
		121,732,023	203,734,877

		<b>Market</b>	
<b>Shares</b>		<b>Cost</b>	<b>Value</b>
<b>Financial Services 9.8%</b>			
350,000	American Express Co.(a)	\$ 29,113,626	\$ 33,362,000
25,000	American International Group Inc.	1,374,505	985,250
16,698	Argo Group International Holdings Ltd.	389,834	1,122,941
72,585	Banco Santander SA, ADR	548,401	325,181
60,000	Bank of America Corp.	1,855,091	1,478,400
113	Berkshire Hathaway Inc., Cl. A	332,448	34,578,000
11,000	CIT Group Inc.	479,878	420,970
99,000	Citigroup Inc.	4,911,936	5,153,940
9,000	Cullen/Frost Bankers Inc.	665,261	791,460
30,000	Deutsche Bank AG	778,621	244,500
30,000	Fidelity National Financial Inc.	1,064,754	943,200
20,000	GAM Holding AG	187,747	78,462
63,000	H&R Block Inc.	1,483,396	1,598,310
5,000	I3 Verticals Inc., Cl. A	75,042	120,500
40,000	Interactive Brokers Group Inc., Cl. A	643,310	2,186,000
100,000	Janus Henderson Group plc	3,032,331	2,072,000
88,000	Jefferies Financial Group Inc.	1,259,355	1,527,680
61,400	JPMorgan Chase & Co.	3,250,397	5,993,868
29,800	Kinnevik AB, Cl. A	494,015	709,448
145,000	Legg Mason Inc.	4,109,572	3,698,950
14,000	Loews Corp.	558,454	637,280
100,000	Marsh & McLennan Companies Inc.	4,026,856	7,975,000
9,000	Moody's Corp.	312,150	1,260,360
45,000	Och-Ziff Capital Management Group LLC, Cl. A	91,150	41,400
20,000	PayPal Holdings Inc.	651,955	1,681,800
62,000	S&P Global Inc.	3,545,109	10,536,280
161,100	State Street Corp.	8,115,787	10,160,577
17,000	SunTrust Banks Inc.	358,050	857,480
112,400	T. Rowe Price Group Inc.	6,592,342	10,376,768
212,500	The Bank of New York Mellon Corp.	6,816,744	10,002,375
25,000	The Blackstone Group LP	876,470	745,250
20,000	The Charles Schwab Corp.	292,250	830,600
12,300	The Dun & Bradstreet Corp.	292,691	1,755,702
10,000	The PNC Financial Services Group Inc.	956,448	1,169,100
3,000	TransUnion	128,898	170,400
13,000	W. R. Berkley Corp.	476,775	960,830
170,000	Waddell & Reed Financial Inc., Cl. A	3,871,168	3,073,600
230,000	Wells Fargo & Co.	7,227,021	10,598,400



101,239,838

170,224,262

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) December 31, 2018**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Entertainment 6.6%</b>			
29,358	Charter Communications Inc., Cl. A	\$ 7,181,151	\$ 8,366,149
41,600	Discovery Inc., Cl. A	1,391,742	1,029,184
309,800	Discovery Inc., Cl. C	5,276,607	7,150,184
50,000	Entertainment One Ltd.	140,629	227,261
90,000	Genting Singapore Ltd.	74,910	64,382
516,000	Grupo Televisa SAB, ADR	8,157,920	6,491,280
21,500	Liberty Media Corp.-Liberty Braves, Cl. A	479,343	536,210
95,758	Liberty Media Corp.-Liberty Braves, Cl. C	1,739,854	2,383,417
48,641	Lions Gate Entertainment Corp., Cl. B	1,269,530	723,778
10,000	Live Nation Entertainment Inc.	274,451	492,500
14,000	Reading International Inc., Cl. A	219,493	203,560
104,167	The Madison Square Garden Co., Cl. A	9,232,584	27,885,506
40,000	Tokyo Broadcasting System Holdings Inc.	796,181	635,007
485,200	Twenty-First Century Fox Inc., Cl. A	12,196,123	23,347,824
405,000	Twenty-First Century Fox Inc., Cl. B	12,243,465	19,350,900
65,000	Universal Entertainment Corp.	931,984	1,891,793
313,615	Viacom Inc., Cl. A	14,075,873	8,721,633
240,000	Vivendi SA.	5,803,696	5,851,579
		81,485,536	115,352,147
<b>Equipment and Supplies 6.0%</b>			
403,000	AMETEK Inc.	15,448,290	27,283,100
7,000	Amphenol Corp., Cl. A	12,928	567,140
139,000	CIRCOR International Inc.	4,674,655	2,960,700
325,800	Donaldson Co. Inc.	7,692,826	14,136,462
222,000	Flowserve Corp.	6,124,697	8,440,440
37,400	Franklin Electric Co. Inc.	215,706	1,603,712
210,000	IDEX Corp.	16,319,641	26,514,600
43,000	Ingersoll-Rand plc	928,418	3,922,890
100,000	Mueller Industries Inc.	2,565,501	2,336,000
230,000	Mueller Water Products Inc., Cl. A	2,560,103	2,093,000
13,000	Sealed Air Corp.	208,280	452,920
45,000	Tenaris SA, ADR	1,981,220	959,400
80,000	The Timken Co.	3,018,718	2,985,600
59,600	The Weir Group plc	250,790	986,041

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131,000	Watts Water Technologies Inc., Cl. A	5,739,663	8,453,430
4,000	Welbilt Inc.	19,596	44,440
		67,761,032	103,739,875

Shares		Cost	Market Value
	<b>Health Care 5.7%</b>		
9,500	ACADIA Pharmaceuticals Inc.	\$ 149,937	\$ 153,615
191,000	Achaogen Inc.	1,055,967	234,930
7,911	Acorda Therapeutics Inc.	155,564	123,253
1,000	Aerie Pharmaceuticals Inc.	34,020	36,100
20,000	Akorn Inc.	170,180	67,800
3,500	Alexion Pharmaceuticals Inc.	386,547	340,760
20,600	Allergan plc	3,700,110	2,753,396
2,000	Alnylam Pharmaceuticals Inc.	137,040	145,820
24,700	AmerisourceBergen Corp.	2,203,697	1,837,680
32,000	Amgen Inc.	2,587,279	6,229,440
1,000	AngioDynamics Inc.	19,005	20,130
6,000	Anika Therapeutics Inc.	207,117	201,660
1,500	Arena Pharmaceuticals Inc.	50,630	58,425
2,200	AtriCure Inc.	36,243	67,320
20,771	Axovant Sciences Ltd.	46,536	20,688
5,000	Bausch Health Cos. Inc.	95,850	92,350
13,000	Baxter International Inc.	400,407	855,660
9,200	Biogen Inc.	1,702,446	2,768,464
1,500	BioMarin Pharmaceutical Inc.	118,526	127,725
2,933,819	BioScrip Inc.	6,047,839	10,473,734
1,500	Bluebird Bio Inc.	141,515	148,800
250,000	Boston Scientific Corp.	6,370,239	8,835,000
146,300	Bristol-Myers Squibb Co.	7,608,977	7,604,674
3,000	Cardiovascular Systems Inc.	64,060	85,470
1,500	Celgene Corp.	98,030	96,135
4,868	Cigna Corp.	937,667	924,530
14,900	Clovis Oncology Inc.	501,536	267,604
104,056	ConforMIS Inc.	142,681	37,252
2,000	CRISPR Therapeutics AG	51,640	57,140
18,900	Cutera Inc.	582,137	321,678
6,000	Dermira Inc.	56,600	43,140
1,000	Editas Medicine Inc.	19,720	22,750
2,000	ElectroCore Inc.	28,040	12,520
25,267	Electromed Inc.	128,953	128,609
17,200	Endo International plc	127,782	125,560
5,000	Evolus Inc.	89,134	59,500
10,370	GenMark Diagnostics Inc.	44,815	50,398
61,000	Henry Schein Inc.	2,112,787	4,789,720
500	ICU Medical Inc.	107,502	114,815
8,400	Incyte Corp.	843,615	534,156
46,800	Indivior plc	28,408	67,018

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2,000	Intellia Therapeutics Inc.	25,140	27,300
5,000	IRIDEX Corp.	24,000	23,500
37,000	Johnson & Johnson	2,596,768	4,774,850
7,000	Jounce Therapeutics Inc.	54,040	23,590
28,323	Lannett Co. Inc.	264,804	140,482
1,600	LeMaitre Vascular Inc.	46,532	37,824
9,500	Mallinckrodt plc	140,990	150,100

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) December 31, 2018**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Health Care (Continued)</b>			
17,000	Marinus Pharmaceuticals Inc.	\$ 89,153	\$ 48,790
1,000	McKesson Corp.	110,030	110,470
105,200	Merck & Co. Inc.	5,251,624	8,038,332
4,000	Meridian Bioscience Inc.	59,880	69,440
1,000	Myriad Genetics Inc.	27,520	29,070
17,559	Nabriva Therapeutics plc	47,240	25,636
3,000	Natus Medical Inc.	97,570	102,090
5,000	Nektar Therapeutics	236,762	164,350
8,602	NeoGenomics Inc.	63,376	108,471
13,500	Nevro Corp.	767,239	525,015
84,000	Novartis AG, ADR	4,880,280	7,208,040
6,000	NuVasive Inc.	312,889	297,360
2,000	Orthofix Medical Inc.	107,164	104,980
9,859	Patterson Cos. Inc.	231,487	193,828
1,000	Perrigo Co. plc	38,520	38,750
7,000	Puma Biotechnology Inc.	237,498	142,450
1,037	Ra Pharmaceuticals Inc.	6,200	18,873
500	Regeneron Pharmaceuticals Inc.	159,786	186,750
5,000	Replimune Group Inc.	71,818	50,000
3,000	Sangamo Therapeutics Inc.	39,060	34,440
5,500	Sol-Gel Technologies Ltd.	33,500	33,000
8,135	Tandem Diabetes Care Inc.	21,798	308,886
2,400	TESARO Inc.	130,088	178,200
8,000	Teva Pharmaceutical Industries Ltd., ADR	144,760	123,360
3,700	United Therapeutics Corp.	439,066	402,930
49,000	UnitedHealth Group Inc.	8,302,505	12,206,880
4,000	Waters Corp.	285,470	754,600
250,000	William Demant Holding A/S	2,276,453	7,093,532
19,000	Zimmer Biomet Holdings Inc.	1,752,876	1,970,680
35,000	Zoetis Inc.	1,122,327	2,993,900
21,297	Zosano Pharma Corp.	87,283	45,150
		69,974,274	99,721,318
<b>Consumer Services 5.0%</b>			
20,000	eBay Inc.	416,823	561,400

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83,935	GCI Liberty Inc., Cl. A	2,664,064	3,454,765
350,000	Groupon Inc.	1,242,492	1,120,000
39,000	IAC/InterActiveCorp.	2,406,941	7,138,560
18,642	Liberty Expedia Holdings Inc., Cl. A	411,913	729,089
21,000	Liberty TripAdvisor Holdings Inc., Cl. A	247,059	333,690
3,600	Marriott Vacations Worldwide Corp.	355,909	253,836
7,000	Matthews International Corp., Cl. A	354,476	284,340
251,265	Qurate Retail Inc.	4,188,346	4,904,693

**Market**

<b>Shares</b>		<b>Cost</b>	<b>Value</b>
1,905,000	Rollins Inc.	\$ 43,936,533	\$ 68,770,500
		56,224,556	87,550,873

**Diversified Industrial 4.7%**

8,000	Acuity Brands Inc.	1,045,758	919,600
163,227	Ampco-Pittsburgh Corp.	2,160,416	506,004
170,100	Crane Co.	8,699,432	12,277,818
240,000	General Electric Co.	2,842,090	1,816,800
15,000	Graf Industrial Corp.	150,000	150,000
127,000	Greif Inc., Cl. A	2,692,735	4,712,970
12,000	Greif Inc., Cl. B	727,946	532,800
79,942	Griffon Corp.	1,492,268	835,394
298,000	Honeywell International Inc.	28,181,121	39,371,760
3,500	IntriCon Corp.	88,555	92,330
97,000	ITT Inc.	2,136,880	4,682,190
11,000	Jardine Strategic Holdings Ltd.	222,951	403,810
40,000	Kennametal Inc.	895,654	1,331,200
50,000	Myers Industries Inc.	818,952	755,500
35,000	nVent Electric plc	381,839	786,100
85,000	Park-Ohio Holdings Corp.	892,930	2,608,650
9,666	Rayonier Advanced Materials Inc.	160,768	102,943
30,000	Rexnord Corp.	630,867	688,500
50,000	Schultze Special Purpose Acquisition Corp.	500,000	498,750
31,000	ServiceMaster Global Holdings Inc.	959,380	1,138,940
11,500	Sulzer AG	592,231	913,190
73,400	Textron Inc.	4,321,725	3,375,666
100,000	Toray Industries Inc.	771,663	704,347
12,000	Tredegar Corp.	171,530	190,320
85,000	Trinity Industries Inc.	1,397,210	1,750,150
		62,934,901	81,145,732

**Business Services 3.9%**

14,334	Allegion plc	232,677	1,142,563
180,035	Clear Channel Outdoor Holdings Inc., Cl. A	1,006,693	934,382
310,290	Diebold Nixdorf Inc.	3,473,278	772,622
25,000	Donnelley Financial Solutions, Inc.	522,103	350,750
3,000	Edenred	38,786	110,370

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27,000	Emerald Expositions Events Inc.	457,360	333,180
60,000	First Data Corp., Cl. A	938,966	1,014,600
160,000	G4S plc.	0	401,652
16,000	Jardine Matheson Holdings Ltd.	534,478	1,113,280
100,000	Macquarie Infrastructure Corp.	4,483,173	3,656,000
254,000	Mastercard Inc., Cl. A	25,757,229	47,917,100
75,334	Resideo Technologies Inc.	1,371,348	1,548,114

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) December 31, 2018**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Business Services (Continued)</b>			
3,000	Stericycle Inc.	\$ 174,010	\$ 110,070
280,000	The Interpublic Group of Companies Inc.	4,423,311	5,776,400
10,000	Vectrus Inc.	106,200	215,800
12,800	Visa Inc., Cl. A	140,800	1,688,832
		43,660,412	67,085,715
<b>Consumer Products 3.8%</b>			
160,000	Avon Products Inc.	401,495	243,200
14,100	Christian Dior SE	534,292	5,394,184
27,000	Church & Dwight Co. Inc.	383,636	1,775,520
45,600	Coty Inc., Cl. A	764,211	299,136
174,000	Edgewell Personal Care Co.	14,051,281	6,498,900
139,000	Energizer Holdings Inc.	5,695,151	6,275,850
27,600	Essity AB, Cl. B	294,742	677,625
2,100	Givaudan SA	725,396	4,862,753
90,000	Hanesbrands Inc.	775,521	1,127,700
23,800	Harley-Davidson Inc.	1,105,662	812,056
1,270	Hermes International	444,999	705,434
25,000	Mattel Inc.	384,026	249,750
11,000	National Presto Industries Inc.	529,994	1,286,120
6,000	Nilfisk Holding A/S	272,517	212,230
10,000	Oil-Dri Corp. of America	171,255	265,000
46,800	Reckitt Benckiser Group plc	1,391,995	3,586,831
27,600	Svenska Cellulosa AB, Cl. B	73,685	214,000
814,900	Swedish Match AB	10,248,449	32,097,844
6,500	Weight Watchers International Inc.	402,695	250,575
		38,651,002	66,834,708
<b>Energy and Utilities 3.7%</b>			
11,000	ABB Ltd., ADR	171,270	209,110
39,000	Anadarko Petroleum Corp.	2,262,604	1,709,760
59,000	Apache Corp.	2,771,519	1,548,750
80,000	Baker Hughes, a GE Company	3,044,117	1,720,000
80,000	BP plc, ADR	3,952,168	3,033,600



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16,000	CMS Energy Corp.	102,219	794,400
177,000	ConocoPhillips	8,738,624	11,035,950
204,000	El Paso Electric Co.	5,709,272	10,226,520
98,400	Enbridge Inc.	2,488,608	3,058,272
62,000	Energy Transfer LP	978,576	819,020
42,000	Evergy Inc.	2,359,753	2,384,340
24,000	Eversource Energy	545,324	1,560,960
51,600	Exxon Mobil Corp.	2,263,473	3,518,604
140,000	GenOn Energy Inc., Escrow (b)	0	0
206,700	Halliburton Co.	4,633,259	5,494,086
49,615	KLX Energy Services Holdings Inc.	1,306,506	1,163,472
4,000	Marathon Oil Corp.	111,366	57,360

**Market**

Shares		Cost	Value
22,000	Marathon Petroleum Corp.	\$ 836,230	\$ 1,298,220
20,000	Murphy USA Inc.	886,754	1,532,800
43,000	National Fuel Gas Co.	2,630,792	2,200,740
12,000	NextEra Energy Inc.	691,134	2,085,840
8,000	NextEra Energy Partners LP	360,852	344,400
1,000	Niko Resources Ltd., OTC	54,403	14
3,000	Niko Resources Ltd., Toronto	923	44
32,400	Oceaneering International Inc.	437,629	392,040
135,000	Patterson-UTI Energy Inc.	2,337,079	1,397,250
32,100	Phillips 66	2,587,758	2,765,415
115,000	Rowan Companies plc, Cl. A	3,925,087	964,850
98,485	RPC Inc.	1,474,251	972,047
15,000	Southwest Gas Holdings Inc.	347,695	1,147,500
111,500	The AES Corp.	981,563	1,612,290
262,300	Weatherford International plc	684,052	146,626
		59,674,860	65,194,280

**Automotive: Parts and Accessories 3.7%**

15,162	Adient plc	695,492	228,340
9,500	Aptiv plc	537,675	584,915
107,600	BorgWarner Inc.	4,288,790	3,738,024
231,900	Dana Inc.	2,502,902	3,160,797
24,200	Garrett Motion Inc.	254,809	298,628
249,200	Genuine Parts Co.	16,169,470	23,928,184
180,000	Modine Manufacturing Co.	3,181,636	1,945,800
70,000	O Reilly Automotive Inc.	15,801,505	24,103,100
105,000	Standard Motor Products Inc.	1,181,521	5,085,150
73,000	Superior Industries International Inc.	1,462,789	351,130
12,000	Visteon Corp.	652,054	723,360
		46,728,643	64,147,428

**Cable and Satellite 3.6%**

245,600	AMC Networks Inc., Cl. A	11,872,791	13,478,528
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200	Cable One Inc.	77,334	164,020
174,000	Comcast Corp., Cl. A	4,066,916	5,924,700
159,900	DISH Network Corp., Cl. A	6,480,648	3,992,703
39,933	EchoStar Corp., Cl. A	1,572,000	1,466,340
145,605	Liberty Global plc, Cl. A	2,504,125	3,107,211
342,893	Liberty Global plc, Cl. C	7,868,696	7,077,311
21,712	Liberty Latin America Ltd., Cl. A	407,240	314,390
42,918	Liberty Latin America Ltd., Cl. C	1,218,719	625,315
3,000	Naspers Ltd., Cl. N	733,266	603,080
447,200	Rogers Communications Inc., New York, Cl. B	10,459,495	22,923,472

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) December 31, 2018**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Cable and Satellite (Continued)</b>			
160,000	Shaw Communications Inc., New York, Cl. B	\$ 407,615	\$ 2,894,400
		47,668,845	62,571,470
<b>Telecommunications 3.3%</b>			
252,192	AT&T Inc.	7,748,048	7,197,560
55,400	BCE Inc.	1,851,178	2,189,962
914,200	BT Group plc, Cl. A	3,780,313	2,774,434
7,040,836	Cable & Wireless Jamaica Ltd. (b)	128,658	80,135
35,250	CenturyLink Inc.	527,046	534,037
93,000	Cincinnati Bell Inc.	1,541,415	723,540
100,000	Deutsche Telekom AG, ADR	1,656,300	1,698,000
459,691	Gogo Inc.	2,251,466	1,374,476
32,001	Harris Corp.	2,556,439	4,308,935
36,000	Hellenic Telecommunications Organization SA	452,922	392,672
15,000	Hellenic Telecommunications Organization SA, ADR	91,062	80,700
25,000	Intelsat SA	540,229	534,750
264,732	Koninklijke KPN NV	448,166	776,491
45,000	Loral Space & Communications Inc.	1,762,430	1,676,250
16,000	Oi SA, ADR	620,984	4,150
4,267	Oi SA, Cl. C, ADR	118,940	6,827
40,053	Sprint Corp.	224,220	233,108
21,000	Telecom Argentina SA, ADR	127,554	326,760
535,000	Telecom Italia SpA	2,073,015	296,252
70,000	Telefonica Brasil SA, ADR	726,827	835,100
560,739	Telefonica SA, ADR	8,069,428	4,743,852
563,700	Telephone & Data Systems Inc.	23,634,535	18,342,798
105,000	Telesites SAB de CV	79,714	62,460
25,000	TELUS Corp.	233,734	828,633
119,000	Verizon Communications Inc.	4,950,353	6,690,180
48,027	Vodafone Group plc, ADR	2,096,997	925,961
20,000	Zayo Group Holdings Inc.	646,738	456,800
		68,938,711	58,094,823

**Machinery 2.7%**

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18,000	Astec Industries Inc.	647,768	543,420
12,800	Caterpillar Inc.	86,323	1,626,496
255,010	CNH Industrial NV	2,881,999	2,348,642
180,000	Deere & Co.(a)	10,767,852	26,850,600
232,000	Xylem Inc.	10,981,493	15,479,040
		25,365,435	46,848,198

**Retail 2.5%**

80,300	AutoNation Inc.	2,916,937	2,866,710
5,000	Casey's General Stores Inc.	531,212	640,700
41,000	Costco Wholesale Corp.	3,770,311	8,352,110

**Market**

Shares		Cost	Value
104,000	CVS Health Corp.	\$ 8,883,441	\$ 6,814,080
30,000	GNC Holdings Inc., Cl. A	92,299	71,100
220,000	Hertz Global Holdings Inc.	2,909,589	3,003,000
100,000	J.C. Penney Co. Inc.	969,807	104,000
29,000	Lowe's Companies Inc.	2,547,148	2,678,440
302,000	Macy's Inc.	5,786,947	8,993,560
10,000	Penske Automotive Group Inc.	446,474	403,200
50,000	PetIQ Inc.	1,395,096	1,173,500
9,800	PetMed Express Inc.	293,386	227,948
50,000	Rite Aid Corp.	116,990	35,415
30,600	Sally Beauty Holdings Inc.	242,911	521,730
16,000	The Cheesecake Factory Inc.	523,436	696,160
2,500	Tiffany & Co.	142,575	201,275
10,000	Vitamin Shoppe, Inc.	37,250	47,400
62,000	Walgreens Boots Alliance Inc.	2,261,145	4,236,460
32,000	Walmart Inc.	1,618,504	2,980,800
		35,485,458	44,047,588

**Aerospace and Defense 2.5%**

275,000	Aerojet Rocketdyne Holdings Inc.	4,615,399	9,688,250
1,246,553	BBA Aviation plc	2,811,697	3,466,884
35,800	Kaman Corp.	881,634	2,008,022
17,500	Northrop Grumman Corp.	2,151,104	4,285,750
1,209,000	Rolls-Royce Holdings plc	9,301,551	12,790,226
55,614,000	Rolls-Royce Holdings plc, Cl. C (b)	71,661	70,886
35,000	The Boeing Co.	6,617,390	11,287,500
1,745	United Technologies Corp.	215,804	185,808
		26,666,240	43,783,326

**Broadcasting 2.4%**

240,300	CBS Corp., Cl. A, Voting	7,190,946	10,537,155
10,000	CBS Corp., Cl. B, Non-Voting	576,806	437,200
2,000	Cogeco Inc.	39,014	85,321

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24,000	Corus Entertainment Inc., OTC, Cl. B	42,622	84,000
430,000	Entercom Communications Corp., Cl. A	4,051,872	2,455,300
16,000	Gray Television Inc.	14,422	235,840
19,250	Liberty Broadband Corp., Cl. A	608,060	1,382,343
63,192	Liberty Broadband Corp., Cl. C	2,222,510	4,551,720
89,250	Liberty Media Corp.-Liberty Formula One, Cl. A	2,645,063	2,652,510
52,250	Liberty Media Corp.-Liberty Formula One, Cl. C	1,197,836	1,604,075
75,000	Liberty Media Corp.-Liberty SiriusXM, Cl. A	1,647,568	2,760,000
158,000	Liberty Media Corp.-Liberty SiriusXM, Cl. C	4,150,046	5,842,840

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) December 31, 2018**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Broadcasting (Continued)</b>			
279,600	MSG Networks Inc., Cl. A	\$ 2,667,778	\$ 6,587,376
15,000	Nexstar Media Group Inc., Cl. A	920,250	1,179,600
85,200	Television Broadcasts Ltd.	339,712	161,249
30,000	Tribune Media Co., Cl. A	1,195,568	1,361,400
		29,510,073	41,917,929
<b>Electronics 2.3%</b>			
20,000	Bel Fuse Inc., Cl. A	547,758	275,000
4,000	Hitachi Ltd., ADR	287,076	211,840
50,000	Intel Corp.	1,074,470	2,346,500
328,342	Johnson Controls International plc	12,153,028	9,735,340
34,170	Koninklijke Philips NV	180,354	1,199,709
2,400	Mettler-Toledo International Inc.	337,270	1,357,392
40,000	TE Connectivity Ltd.	1,553,958	3,025,200
233,000	Texas Instruments Inc.	12,290,034	22,018,500
		28,423,948	40,169,481
<b>Specialty Chemicals 2.1%</b>			
11,000	AdvanSix Inc.	134,544	267,740
12,000	Air Products & Chemicals Inc.	2,000,681	1,920,600
11,000	Ashland Global Holdings Inc.	541,523	780,560
22,000	Axalta Coating Systems Ltd.	688,995	515,240
105,000	DowDuPont Inc.	6,158,190	5,615,400
390,000	Ferro Corp.	4,400,557	6,115,200
10,000	FMC Corp.	302,919	739,600
31,000	H.B. Fuller Co.	992,607	1,322,770
55,000	International Flavors & Fragrances Inc.	3,955,127	7,384,850
250,000	OMNOVA Solutions Inc.	1,510,742	1,832,500
165,800	Sensient Technologies Corp.	7,324,418	9,259,930
18,000	SGL Carbon SE	252,978	125,700
2,000	The Chemours Co.	22,594	56,440
20,000	Valvoline Inc.	393,398	387,000
		28,679,273	36,323,530

<b>Environmental Services 1.8%</b>			
35,000	Pentair plc	815,625	1,322,300
237,100	Republic Services Inc.	12,196,681	17,092,539
153,600	Waste Management Inc.	9,099,929	13,668,864
		22,112,235	32,083,703
<b>Hotels and Gaming 1.8%</b>			
16,000	Accor SA	549,282	680,301
49,000	Belmond Ltd., Cl. A	668,085	1,226,470
41,557	GVC Holdings plc	538,448	357,008
8,000	Hyatt Hotels Corp., Cl. A	263,258	540,800
34,000	Las Vegas Sands Corp.	632,350	1,769,700
4,458,500	Mandarin Oriental International Ltd.	7,820,217	9,095,340
<b>Market</b>			
Shares		Cost	Value
15,000	Marriott International, Inc., Cl. A	\$ 1,229,670	\$ 1,628,400
70,000	MGM China Holdings Ltd.	137,917	117,464
150,000	MGM Resorts International	4,380,500	3,639,000
7,560	Penn National Gaming Inc.	216,367	142,355
168,800	Ryman Hospitality Properties Inc., REIT	5,450,970	11,257,272
200,000	The Hongkong & Shanghai Hotels Ltd.	155,450	283,507
4,000	Wyndham Destinations Inc.	130,024	143,360
4,000	Wyndham Hotels & Resorts Inc.	152,872	181,480
6,000	Wynn Resorts Ltd.	469,634	593,460
		22,795,044	31,655,917
<b>Aviation: Parts and Services 1.4%</b>			
41,666	Arconic Inc.	805,593	702,489
224,800	Curtiss-Wright Corp.	15,453,441	22,956,576
		16,259,034	23,659,065
<b>Wireless Communications 1.1%</b>			
105,000	America Movil SAB de CV, Cl. L, ADR	735,232	1,496,250
99,000	Millicom International Cellular SA, SDR	6,382,128	6,272,009
150,000	NTT DoCoMo Inc.	2,980,751	3,383,742
46,075	Tim Participacoes SA, ADR	352,294	706,791
25,000	T-Mobile US Inc.	1,098,124	1,590,250
104,600	United States Cellular Corp.	4,965,942	5,436,062
		16,514,471	18,885,104
<b>Computer Software and Services 0.8%</b>			
3,500	Alphabet Inc., Cl. C	3,511,591	3,624,635
15,000	Blucora Inc.	74,987	399,600

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6,000	Check Point Software Technologies Ltd.	101,862	615,900
3,000	Facebook Inc., Cl. A	466,804	393,270
250,000	Hewlett Packard Enterprise Co.	3,607,039	3,302,500
250,875	Internap Corp.	1,607,055	1,041,131
23,000	InterXion Holding NV	338,737	1,245,680
2,000	Liq Participacoes SA	1,103	433
20,900	Rockwell Automation Inc.	648,748	3,145,032
		10,357,926	13,768,181

**Building and Construction 0.7%**

28,333	Arcosa Inc.	485,186	784,541
40,000	Armstrong Flooring Inc.	672,825	473,600
18,000	Assa Abloy AB, Cl. B	310,378	321,191
80,000	Fortune Brands Home & Security Inc.	2,239,525	3,039,200
2,500	frontdoor Inc.	92,509	66,525
12,150	Granite Construction Inc.	573,982	489,402

See accompanying notes to financial statements.



**The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) December 31, 2018**

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Building and Construction (Continued)</b>			
156,559	Herc Holdings Inc.	\$ 5,441,949	\$ 4,068,968
37,500	Lennar Corp., Cl. A	2,048,836	1,468,125
12,000	Sika AG.	1,556,815	1,521,213
		13,422,005	12,232,765
<b>Automotive 0.7%</b>			
80,000	General Motors Co.	3,044,272	2,676,000
180,000	Navistar International Corp.	4,569,128	4,671,000
70,000	PACCAR Inc.	1,294,774	3,999,800
		8,908,174	11,346,800
<b>Metals and Mining 0.6%</b>			
37,400	Agnico Eagle Mines Ltd.	1,530,570	1,510,960
54,000	Barrick Gold Corp.	1,581,120	731,160
30,000	Cleveland-Cliffs Inc.	296,432	230,700
80,000	Freeport-McMoRan Inc.	1,408,020	824,800
4,300	Materion Corp.	97,512	193,457
50,000	New Hope Corp. Ltd.	67,580	120,092
143,600	Newmont Mining Corp.	5,120,536	4,975,740
215,000	TimkenSteel Corp.	3,581,583	1,879,100
140,000	Turquoise Hill Resources Ltd.	726,343	231,000
15,000	Vale SA, ADR	171,892	197,850
		14,581,588	10,894,859
<b>Communications Equipment 0.5%</b>			
5,000	Apple Inc.	857,841	788,700
285,000	Corning Inc.	7,373,801	8,609,850
		8,231,642	9,398,550
<b>Transportation 0.5%</b>			
131,200	GATX Corp.	4,730,843	9,290,272

<b>Publishing 0.5%</b>			
1,100	Graham Holdings Co., Cl. B	588,093	704,638
87,700	Meredith Corp.	4,424,244	4,555,138
125,000	News Corp., Cl. A	1,939,129	1,418,750
100,600	News Corp., Cl. B	1,289,652	1,161,930
70,000	The E.W. Scripps Co., Cl. A	831,325	1,101,100
		9,072,443	8,941,556
<b>Agriculture 0.5%</b>			
200,000	Archer-Daniels-Midland Co.	9,150,371	8,194,000
10,000	The Mosaic Co.	428,085	292,100
		9,578,456	8,486,100
<b>Real Estate 0.4%</b>			
15,000	Gaming and Leisure Properties Inc., REIT	186,426	484,650
56,000	Griffin Industrial Realty Inc.	542,694	1,786,400
29,000	Rayonier Inc., REIT	454,837	803,010
325,000	The St. Joe Co.	5,900,736	4,280,250
<b>Market</b>			
Shares		Cost	Value
20,000	Weyerhaeuser Co., REIT	\$ 711,588	\$ 437,200
		7,796,281	7,791,510
<b>Manufactured Housing and Recreational Vehicles 0.1%</b>			
5,000	Martin Marietta Materials Inc.	106,125	859,350
30,000	Nobility Homes Inc.	349,956	600,000
42,000	Skyline Champion Corp.	256,482	616,980
		712,563	2,076,330
<b>TOTAL COMMON STOCKS</b>		1,205,877,765	1,698,998,272
<b>CLOSED-END FUNDS 0.7%</b>			
122,000	Altaba Inc.	4,042,811	7,068,680
4,285	Royce Global Value Trust Inc.	37,280	38,051
45,000	Royce Value Trust Inc.	598,747	531,000
92,106	The Central Europe, Russia, and Turkey Fund Inc.	2,648,248	2,024,490
154,038	The New Germany Fund Inc.	2,077,654	1,802,245
		9,404,740	11,464,466
<b>TOTAL CLOSED-END FUNDS</b>		9,404,740	11,464,466
<b>CONVERTIBLE PREFERRED STOCKS 0.0%</b>			

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<b>Telecommunications 0.0%</b>			
21,000	Cincinnati Bell Inc., 6.750%, Ser. B	515,202	594,930
<b>RIGHTS 0.0%</b>			
<b>Entertainment 0.0%</b>			
139,123	Media General Inc., CVR (b)	0	0
<b>Hotels and Gaming 0.0%</b>			
579,400	Ladbrokes plc, CVR (b)	1	0
<b>TOTAL RIGHTS</b>		<b>1</b>	<b>0</b>

**Principal**

**Amount**

<b>U.S. GOVERNMENT OBLIGATIONS 1.9%</b>			
\$33,004,000	U.S. Treasury Bills, 2.184% to 2.511% , 01/31/19 to 06/13/19	32,843,291	32,844,293
<b>TOTAL INVESTMENTS 100.0%</b>		<b>\$ 1,248,640,999</b>	<b>1,743,901,961</b>

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) December 31, 2018**

	<b>Market Value</b>
<b>Other Assets and Liabilities (Net)</b>	\$ (382,572)
<b>PREFERRED STOCK</b> (12,520,529 preferred shares outstanding)	(412,913,225)
<b>NET ASSETS COMMON STOCK</b> (253,338,023 common shares outstanding)	\$ 1,330,606,164
<b>NET ASSET VALUE PER COMMON SHARE</b> (\$1,330,606,164 ÷ 253,338,023 shares outstanding)	\$ 5.25

- (a) Securities, or a portion thereof, with a value of \$39,947,000 were pledged as collateral for futures contracts.
- (b) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.  
Non-income producing security.  
Represents annualized yields at dates of purchase.
- ADR American Depositary Receipt  
CVR Contingent Value Right  
REIT Real Estate Investment Trust  
SDR Swedish Depositary Receipt

	<b>% of Total Investments</b>	<b>Market Value</b>
<b>Geographic Diversification</b>		
North America	83.5%	\$ 1,456,889,948
Europe	12.5	217,327,044
Japan	2.1	36,010,033
Latin America	1.3	21,830,196
Asia/Pacific	0.6	11,241,660
South Africa	0.0*	603,080
<b>Total Investments</b>	<b>100.0%</b>	<b>\$ 1,743,901,961</b>

\* Amount represents less than 0.05%.

See accompanying notes to financial statements.

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**The Gabelli Equity Trust Inc.**
**Statement of Assets and Liabilities****December 31, 2018****Assets:**

Investments, at value (cost \$1,248,640,999)	\$ 1,743,901,961
Foreign currency, at value (cost \$7)	7
Cash	4,684
Receivable for investments sold	104,280,959
Dividends receivable	3,495,928
Deferred offering expense	102,019
Prepaid expenses	12,459
<b>Total Assets</b>	<b>1,851,798,017</b>

**Liabilities:**

Distributions payable	299,987
Payable for investments purchased	105,375,651
Payable for investment advisory fees	1,382,729
Payable for payroll expenses	98,812
Payable for accounting fees	7,500
Payable for auction agent fees (a)	873,578
Other accrued expenses	240,371
<b>Total Liabilities</b>	<b>108,278,628</b>

**Cumulative Preferred Stock, \$0.001 par value:**

Series C (Auction Rate, \$25,000 liquidation value, 5,200 shares authorized with 2,880 shares issued and outstanding)	72,000,000
Series D (5.875%, \$25 liquidation value, 3,000,000 shares authorized with 2,363,860 shares issued and outstanding)	59,096,500
Series E (Auction Rate, \$25,000 liquidation value, 2,000 shares authorized with 1,120 shares issued and outstanding)	28,000,000
Series G (\$25 liquidation value, 3,280,477 shares authorized with 2,779,796 shares issued and outstanding) (b)	69,494,900
Series H (5.000%, \$25 liquidation value, 4,198,880 shares authorized with 4,172,873 shares issued and outstanding)	104,321,825
Series J (5.450%, \$25 liquidation value, 4,500,000 shares authorized with 3,200,000 shares issued and outstanding)	80,000,000
<b>Total Preferred Stock</b>	<b>412,913,225</b>

<b>Net Assets Attributable to Common Shareholders</b>	<b>\$ 1,330,606,164</b>
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**Net Assets Attributable to Common Shareholders Consist of:**

Paid-in capital	\$ 847,110,154
Total distributable earnings (c)	483,496,010

<b>Net Assets</b>	<b>\$ 1,330,606,164</b>
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**Net Asset Value per Common Share:**

(\$1,330,606,164 ÷ 253,338,023 shares outstanding at \$0.001 par value; 337,024,900 shares authorized)	\$ 5.25
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(a) This amount represents auction agent fees accrued for earlier fiscal periods, and not for the period covered by this report.

(b) Effective August 1, 2013, the Series G Preferred has an annual dividend rate of 5.000%.

(c) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X and discloses total distributable earnings. See Note 2 for further details.

**Statement of Operations****For the Year Ended December 31, 2018****Investment Income:**

Dividends (net of foreign withholding taxes of \$1,100,436)	\$ 35,547,627
Interest	1,749,773

<b>Total Investment Income</b>	<b>37,297,400</b>
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**Expenses:**

Investment advisory fees	20,079,329
Shareholder communications expenses	384,764
Custodian fees	263,268
Payroll expenses	221,098
Directors' fees	178,773
Legal and audit fees	134,320
Shareholder services fees	120,624
Accounting fees	45,000
Interest expense	78
Miscellaneous expenses	420,455

<b>Total Expenses</b>	<b>21,847,709</b>
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**Less:**

Advisory fee reduction (See Note 3)	(1,590,965)
Advisory fee reduction on unsupervised assets (See Note 3)	(3,886)
Expenses paid indirectly by broker (See Note 3)	(13,205)
Custodian fee credits	(5,528)

<b>Total Reductions and Credits</b>	<b>(1,613,584)</b>
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<b>Net Expenses</b>	20,234,125
<b>Net Investment Income</b>	17,063,275
<b>Net Realized and Unrealized Gain/(Loss) on Investments, Futures Contracts, and Foreign Currency:</b>	
Net realized gain on investments	154,977,426
Net realized gain on futures contracts	1,143,857
Net realized loss on foreign currency transactions	(42,084)
Net realized gain on investments, futures contracts, and foreign currency transactions	156,079,199
Net change in unrealized appreciation/depreciation:	
on investments	(301,211,894)
on futures contracts	211,500
on foreign currency translations	(16,458)
Net change in unrealized appreciation/depreciation on investments, futures contracts, and foreign currency translations	(301,016,852)
<b>Net Realized and Unrealized Gain/(Loss) on Investments, Futures Contracts, and Foreign Currency</b>	<b>(144,937,653)</b>
<b>Net Decrease in Net Assets Resulting from Operations</b>	<b>(127,874,378)</b>
Total Distributions to Preferred Shareholders	(19,766,096)
<b>Net Decrease in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>\$ (147,640,474)</b>

See accompanying notes to financial statements.



**The Gabelli Equity Trust Inc.****Statement of Changes in Net Assets Attributable to Common Shareholders**

	<b>Year Ended December 31, 2018</b>	<b>Year Ended December 31, 2017</b>
<b>Operations:</b>		
Net investment income	\$ 17,063,275	\$ 8,823,491
Net realized gain on investments, futures contracts, and foreign currency transactions	156,079,199	141,754,269
Net change in unrealized appreciation/depreciation on investments, futures contracts, and foreign currency translations	(301,016,852)	172,675,187
<b>Net Increase/(Decrease) in Net Assets Resulting from Operations</b>	<b>(127,874,378)</b>	<b>323,252,947</b>
<b>Distributions to Preferred Shareholders(a)</b>	<b>(19,766,096)</b>	<b>(18,290,066)*</b>
<b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	<b>(147,640,474)</b>	<b>304,962,881</b>
<b>Distributions to Common Shareholders:</b>		
Accumulated earnings	(152,700,630)	(133,073,393)**
Return of capital	(8,979,028)	(965,800)
<b>Total Distributions to Common Shareholders(a)</b>	<b>(161,679,658)</b>	<b>(134,039,193)</b>
<b>Fund Share Transactions:</b>		
Net increase from common shares issued in rights offering		173,327,861
Net increase in net assets from common shares issued upon reinvestment of distributions	7,658,026	8,540,513
Net increase in net assets from repurchase of preferred shares		19,887
Rights offering costs for common shares charged to paid-in capital	(58,709)	(600,000)
<b>Net Increase in Net Assets from Fund Share Transactions</b>	<b>7,599,317</b>	<b>181,288,261</b>
<b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders</b>	<b>(301,720,815)</b>	<b>352,211,949</b>
<b>Net Assets Attributable to Common Shareholders:</b>		
Beginning of year	1,632,326,979	1,280,115,030
End of year	\$ 1,330,606,164	\$ 1,632,326,979

(a) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X. See Note 2 for further details.

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- \* For the year ended December 31, 2017, the distributions to Preferred shareholders from net investment income and net realized gain were \$1,122,792 and \$17,167,274, respectively.
- \*\* For the year ended December 31, 2017, the distributions to Common shareholders from net investment income and net realized gain were \$8,169,123 and \$124,904,270, respectively.

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Financial Highlights**

Selected data for a common share outstanding throughout each year:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
<b>Operating Performance:</b>					
Net asset value, beginning of year	\$ 6.47	\$ 5.84	\$ 5.70	\$ 6.78	\$ 7.23
Net investment income	0.07	0.04	0.07	0.06	0.07
Net realized and unrealized gain/(loss) on investments, futures contracts, swap contracts, and foreign currency transactions	(0.57)	1.42	0.75	(0.44)	0.30
Total from investment operations	(0.50)	1.46	0.82	(0.38)	0.37
<b>Distributions to Preferred Shareholders: (a)</b>					
Net investment income	(0.01)	(0.00)(b)	(0.01)	(0.01)	(0.01)
Net realized gain	(0.07)	(0.08)	(0.06)	(0.05)	(0.05)
Total distributions to preferred shareholders	(0.08)	(0.08)	(0.07)	(0.06)	(0.06)
<b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations</b>	(0.58)	1.38	0.75	(0.44)	0.31

**Distributions to  
Common  
Shareholders:**

Net investment income	(0.06)	(0.04)	(0.08)	(0.05)	(0.05)
Net realized gain	(0.54)	(0.57)	(0.52)	(0.44)	(0.49)
Return of capital	(0.04)	(0.00)(b)	(0.00)(b)	(0.15)	(0.10)
<b>Total distributions to common shareholders</b>	<b>(0.64)</b>	<b>(0.61)</b>	<b>(0.60)</b>	<b>(0.64)</b>	<b>(0.64)</b>

**Fund Share  
Transactions:**

Increase/decrease in net asset value from common share transactions		(0.14)			(0.12)
Increase in net asset value from repurchase of preferred shares		0.00(b)	0.00(b)	0.00(b)	0.00(b)
Offering costs and adjustment to offering costs for preferred shares charged to paid-in capital			(0.01)		
Offering costs and adjustment to offering costs for common shares charged to paid-in capital	(0.00)(b)	(0.00)(b)			
<b>Total Fund share transactions</b>	<b>(0.00)(b)</b>	<b>(0.14)</b>	<b>(0.01)</b>	<b>0.00(b)</b>	<b>(0.12)</b>

**Net Asset Value  
Attributable to  
Common  
Shareholders, End  
of Year**

	\$ 5.25	\$ 6.47	\$ 5.84	\$ 5.70	\$ 6.78
NAV total return	(10.17)%	24.64%	13.66%	(6.85)%	4.68%
Market value, end of year	\$ 5.10	\$ 6.19	\$ 5.52	\$ 5.31	\$ 6.47
Investment total return	(8.43)%	24.65%	15.71%	(8.54)%	(6.08)%

**Ratios to Average  
Net Assets and  
Supplemental Data:**

Net assets including liquidation value of preferred shares, end of year (in 000 s)	\$ 1,743,519	\$ 2,045,240	\$ 1,693,448	\$ 1,582,823	\$ 1,820,361
Net assets attributable to common shares, end of year (in 000 s)	\$ 1,330,606	\$ 1,632,327	\$ 1,280,115	\$ 1,249,157	\$ 1,486,491
Ratio of net investment income to average net assets attributable to common shares before preferred distributions	1.07%	0.64%	1.23%	0.91%	0.82%
Ratio of operating expenses to average net assets attributable to common shares: before fee reductions(c)	1.37%(d)	1.42%(d)	1.44%(d)	1.36%(d)	1.37%
net of fee reductions, if any(e)	1.27%(d)	1.42%(d)	1.44%(d)	1.25%(d)	1.33%
Portfolio turnover rate	17.1%	11.4%	12.7%	8.9%	10.9%

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Financial Highlights (Continued)**

	<b>Year Ended December 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Cumulative Preferred Stock:</b>					
<b>Auction Rate Series C Preferred</b>					
Liquidation value, end of year (in 000 s)	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000
Total shares outstanding (in 000 s)	3	3	3	3	3
Liquidation preference per share	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquidation value(f)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share(g)	\$ 105,562	\$ 123,830	\$ 102,426	\$ 118,593	\$ 136,308
<b>5.875% Series D Preferred</b>					
Liquidation value, end of year (in 000 s)	\$ 59,097	\$ 59,097	\$ 59,097	\$ 59,097	\$ 59,097
Total shares outstanding (in 000 s)	2,364	2,364	2,364	2,364	2,364
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value(h)	\$ 25.62	\$ 26.16	\$ 26.22	\$ 25.69	\$ 25.21
Asset coverage per share(g)	\$ 105.56	\$ 123.83	\$ 102.43	\$ 118.59	\$ 136.31
<b>Auction Rate Series E Preferred</b>					
Liquidation value, end of year (in 000 s)	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000
Total shares outstanding (in 000 s)	1	1	1	1	1
Liquidation preference per share	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquidation value(f)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share(g)	\$ 105,562	\$ 123,830	\$ 102,426	\$ 118,593	\$ 136,308
<b>Series G Preferred</b>					
Liquidation value, end of year (in 000 s)	\$ 69,495	\$ 69,495	\$ 69,743	\$ 69,925	\$ 70,099
	2,780	2,780	2,791	2,797	2,804

Total shares outstanding (in 000 s)					
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value(h)	\$ 23.92	\$ 24.50	\$ 24.67	\$ 23.78	\$ 23.32
Asset coverage per share(g)	\$ 105.56	\$ 123.83	\$ 102.43	\$ 118.59	\$ 136.31
<b>5.000% Series H Preferred</b>					
Liquidation value, end of year (in 000 s)	\$ 104,322	\$ 104,322	\$ 104,494	\$ 104,644	\$ 104,674
Total shares outstanding (in 000 s)	4,173	4,173	4,180	4,186	4,187
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value(h)	\$ 24.18	\$ 24.64	\$ 25.00	\$ 24.33	\$ 22.82
Asset coverage per share(g)	\$ 105.56	\$ 123.83	\$ 102.43	\$ 118.59	\$ 136.31
<b>5.450% Series J Preferred</b>					
Liquidation value, end of period (in 000 s)	\$ 80,000	\$ 80,000	\$ 80,000		
Total shares outstanding (in 000 s)	3,200	3,200	3,200		
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00		
Average market value(h)	\$ 25.14	\$ 25.36	\$ 25.43		
Asset coverage per share(g)	\$ 105.56	\$ 123.83	\$ 102.43		
<b>Asset Coverage(i)</b>	422%	495%	410%	474%	545%

Based on net asset value per share, adjusted for reinvestment of distributions at net asset value on the ex-dividend dates and adjustments for the rights offering.

Based on market value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan and adjustments for the rights offering.

- Calculated based on average common shares outstanding on the record dates throughout the years.
- Amount represents less than \$0.005 per share.
- Ratio of operating expenses to average net assets including liquidation value of preferred shares before fee reductions for the years ended December 31, 2018, 2017, 2016, 2015, and 2014 would have been 1.09%, 1.10%, 1.10%, 1.10%, and 1.10%, respectively.
- The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended December 31, 2018, 2017, 2016, and 2015, there was no impact on the expense ratios.
- Ratio of operating expenses to average net assets including liquidation value of preferred shares net of fee reductions for the years ended December 31, 2018, 2017, 2016, 2015, and 2014 would have been 1.01%, 1.10%, 1.10%, 1.01%, and 1.07%, respectively.
- Since February 2008, the weekly auctions have failed. Holders that have submitted orders have not been able to sell any or all of their shares in the auction.

- (g) Asset coverage per share is calculated by combining all series of preferred stock.
- (h) Based on weekly prices.
- (i) Asset coverage is calculated by combining all series of preferred stock.

See accompanying notes to financial statements.



## The Gabelli Equity Trust Inc.

### Notes to Financial Statements

**1. Organization.** The Gabelli Equity Trust Inc. (the Fund) is a non-diversified closed-end management investment company organized as a Maryland corporation on May 20, 1986 and registered under the Investment Company Act of 1940, as amended (the 1940 Act), whose primary objective is long term growth of capital with income as a secondary objective. Investment operations commenced on August 21, 1986.

The Fund will invest at least 80% of its assets in equity securities under normal market conditions (the 80% Policy). The 80% Policy may be changed without shareholder approval. The Fund will provide shareholders with notice at least sixty days prior to the implementation of any changes in the 80% Policy.

**2. Significant Accounting Policies.** As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**New Accounting Pronouncements.** The SEC recently adopted changes to Regulation S-X to simplify the reporting of information by registered investment companies in financial statements. The amendments require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities and also require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets Attributable to Common Shareholders. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets Attributable to Common Shareholders. These Regulation S-X amendments are reflected in the Fund's financial statements for the year ended December 31, 2018. As a result of adopting these amendments, the distributions to shareholders in the December 31, 2017 Statement of Changes in Net Assets Attributable to Common Shareholders presented herein have been reclassified to conform to the current year presentation.

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board recently issued Accounting Standard Update (ASU) 2018-13, Fair Value Measurement Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which adds, removes, and modifies certain aspects relating to fair value disclosure. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019; early adoption of the additions relating to ASU 2018-13 is not required, even if early adoption is elected for the removals under ASU 2018-13. Management has early adopted the removals set forth in ASU 2018-13 in these financial statements and has not early adopted the additions set forth in ASU 2018-13.

**Security Valuation.** Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (the Board) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national



**The Gabelli Equity Trust Inc.**

**Notes to Financial Statements (Continued)**

securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the Adviser).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt obligations for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value American Depositary Receipt securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

Level 1 quoted prices in active markets for identical securities;

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and

Level 3 significant unobservable inputs (including the Board's determinations as to the fair value of investments).

**The Gabelli Equity Trust Inc.****Notes to Financial Statements (Continued)**

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of December 31, 2018 is as follows:

	Valuation Inputs			Total Market Value at 12/31/18
	Level 1 Quoted Prices	Level 2 Observable Inputs	Level 3 Significant Unobservable Inputs	
<b>INVESTMENTS IN SECURITIES:</b>				
<b>ASSETS (Market Value):</b>				
Common Stocks:				
Aerospace and Defense	\$ 43,712,440		\$ 70,886	\$ 43,783,326
Diversified Industrial	80,496,982	\$ 648,750		81,145,732
Energy and Utilities	65,194,280		0	65,194,280
Manufactured Housing and Recreational Vehicles	1,476,330	600,000		2,076,330
Telecommunications	58,014,688		80,135	58,094,823
Other Industries (a)	1,448,703,781			1,448,703,781
Total Common Stocks	1,697,598,501	1,248,750	151,021	1,698,998,272
Closed-End Funds	11,464,466			11,464,466
Convertible Preferred Stocks (a)	594,930			594,930
Rights (a)			0	0
U.S. Government Obligations		32,844,293		32,844,293
<b>TOTAL INVESTMENTS IN SECURITIES ASSETS</b>	<b>\$1,709,657,897</b>	<b>\$34,093,043</b>	<b>\$151,021</b>	<b>\$1,743,901,961</b>

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings. During the year ended December 31, 2018, the Fund did not have material transfers into or out of Level 3.

**Additional Information to Evaluate Qualitative Information.**

**General.** The Fund uses recognized industry pricing services approved by the Board and unaffiliated with the Adviser to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

***Fair Valuation.*** Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not

**The Gabelli Equity Trust Inc.**

**Notes to Financial Statements (Continued)**

apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

**Derivative Financial Instruments.** The Fund may engage in various portfolio investment strategies by investing in derivative financial instruments for the purposes of increasing the income of the Fund, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

Collateral requirements differ by type of derivative. Collateral requirements are set by the broker or exchange clearing house for exchange traded derivatives, while collateral terms are contract specific for derivatives traded over-the-counter. Securities pledged to cover obligations of the Fund under derivative contracts are noted in the Schedule of Investments. Cash collateral, if any, pledged for the same purpose will be reported separately as Deposit at brokers, in the Statement of Assets and Liabilities.

The Fund's policy with respect to offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the master agreement does not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the Fund and the applicable counterparty. The enforceability of the right to offset may vary by jurisdiction.

The Fund's derivative contracts held at December 31, 2018, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

**Futures Contracts.** The Fund may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the initial margin. Subsequent payments (variation margin) are made or received by the Fund each day, depending on the daily fluctuations in the value of the contract, and are included in unrealized appreciation/depreciation on futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.



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**The Gabelli Equity Trust Inc.****Notes to Financial Statements (Continued)**

There are several risks in connection with the use of futures contracts as a hedging instrument. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. At December 31, 2018, there were no futures contracts held.

During the year ended December 31, 2018, the Fund held an average monthly notional amount of equity futures contracts of approximately \$22,450,406, while outstanding.

For the year ended December 31, 2018, the effect of futures contracts with equity risk exposure can be found in the Statement of Operations, under Net Realized and Unrealized Gain/(Loss) on Investments, Futures Contracts, and Foreign Currency; Net realized gain on futures contracts; and Net change in unrealized appreciation/depreciation on futures contracts.

***Limitations on the Purchase and Sale of Futures Contracts, Certain Options, and Swaps.*** Subject to the guidelines of the Board, the Fund may engage in commodity interest transactions (generally, transactions in futures, certain options, certain currency transactions, and certain types of swaps) only for bona fide hedging or other permissible transactions in accordance with the rules and regulations of the Commodity Futures Trading Commission (CFTC). Pursuant to amendments by the CFTC to Rule 4.5 under the Commodity Exchange Act (CEA), the Adviser has filed a notice of exemption from registration as a commodity pool operator with respect to the Fund. The Fund and the Adviser are therefore not subject to registration or regulation as a commodity pool operator under the CEA. In addition, certain trading restrictions are now applicable to the Fund which permit the Fund to engage in commodity interest transactions that include (i) bona fide hedging transactions, as that term is defined and interpreted by the CFTC and its staff, without regard to the percentage of the Fund's assets committed to margin and options premiums and (ii) non-bona fide hedging transactions, provided that the Fund does not enter into such non-bona fide hedging transactions if, immediately thereafter, either (a) the sum of the amount of initial margin deposits on the Fund's existing futures positions or swaps positions and option or swaption premiums would exceed 5% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions, or (b) the aggregate net notional value of the Fund's commodity interest transactions would not exceed 100% of the market value of the Fund's liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions. Therefore, in order to claim the Rule 4.5 exemption, the Fund is limited in its ability to invest in commodity futures, options, and certain types of swaps (including securities futures, broad based stock index futures, and financial futures contracts). As a result, in the future the Fund will be more limited in its ability to use these instruments than in the past, and these limitations may have a negative impact on the ability of the Adviser to manage the Fund, and on the Fund's performance.

***Investments in Other Investment Companies.*** The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the Acquired Funds) in accordance with the 1940 Act and related rules. Shareholders in the Fund would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund's expenses. For the year ended December 31, 2018, the Fund's pro rata portion of the periodic expenses charged by the Acquired Funds was less than 1 basis point.





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**The Gabelli Equity Trust Inc.****Notes to Financial Statements (Continued)**

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

**Foreign Securities.** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

**Foreign Taxes.** The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

**Restricted Securities.** The Fund may invest up to 10% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and, accordingly, the Board will monitor their liquidity. At December 31, 2018, the Fund held no restricted securities.

**Securities Transactions and Investment Income.** Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date, except for certain dividends from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

**Custodian Fee Credits and Interest Expense.** When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as

Custodian fee credits. When cash balances are overdrawn, the Fund is charged an

**The Gabelli Equity Trust Inc.****Notes to Financial Statements (Continued)**

overdraft fee of 110% of the 90 day U.S. Treasury Bill rate on outstanding balances. This amount, if any, would be included in the Statement of Operations.

**Distributions to Shareholders.** Distributions to common shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to tax treatment of currency gains and losses and investments in partnerships and real estate securities. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2018, reclassifications were made to decrease paid-in capital by \$24,536, with an offsetting adjustment to total distributable earnings.

Under the Fund's current common share distribution policy, the Fund declares and pays quarterly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. Pursuant to this policy, distributions during the year may be made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long term capital gains. The Fund's current distribution policy may restrict the Fund's ability to pass through to shareholders all of its net realized long term capital gains as a Capital Gain Dividend and may cause such gains to be treated as ordinary income. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment in the Fund. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's NAV and the financial market environment. The Fund's distribution policy is subject to modification by the Board at any time.

Distributions to shareholders of the Fund's Series C Auction Rate Cumulative Preferred Stock, 5.875% Series D Cumulative Preferred Stock, Series E Auction Rate Cumulative Preferred Stock, Series G Cumulative Preferred Stock, 5.000% Series H Cumulative Preferred Stock, and 5.450% Series J Cumulative Preferred Stock (Preferred Stock) are recorded on a daily basis and are determined as described in Note 5.

The tax character of distributions paid during the years ended December 31, 2018 and 2017 was as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Common	Preferred	Common	Preferred
<b>Distributions paid from:</b>				
Ordinary income (inclusive of short term capital gains)	\$ 15,785,455	\$ 2,043,324	\$ 8,169,123	\$ 1,122,792

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Net long term capital gains	136,915,175	17,722,772	124,904,270	17,167,274
Return of capital	8,979,028		965,800	
Total distributions paid	\$ 161,679,658	\$ 19,766,096	\$ 134,039,193	\$ 18,290,066

**Provision for Income Taxes.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute

**The Gabelli Equity Trust Inc.****Notes to Financial Statements (Continued)**

substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2018, the components of accumulated earnings/losses on a tax basis were as follows:

Net unrealized appreciation on investments and foreign currency translations	\$483,795,997
Other temporary differences*	(299,987)
<b>Total</b>	<b>\$483,496,010</b>

\* Other temporary differences are due to preferred share class distribution payables.

At December 31, 2018, the temporary differences between book basis and tax basis unrealized appreciation were primarily due to deferral of losses from wash sales for tax purposes, adjustments on the sale of securities no longer deemed passive foreign investment companies, and basis adjustments on investments in partnerships.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2018:

	<b>Cost</b>	<b>Gross Unrealized Appreciation</b>	<b>Gross Unrealized Depreciation</b>	<b>Net Unrealized Appreciation</b>
<b>Investments</b>	\$1,260,108,506	\$602,953,505	\$(119,160,050)	\$483,793,455

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are more-likely-than-not of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold. During the year ended December 31, 2018, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2018, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

**3. Investment Advisory Agreement and Other Transactions.** The Fund has entered into an investment advisory agreement (the Advisory Agreement) with the Adviser which provides that the Fund will pay the Adviser a fee, computed weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Fund's average weekly net assets including the liquidation value of preferred stock. In accordance with the Advisory Agreement, the Adviser

provides a continuous investment program for the Fund's portfolio and oversees the administration of all aspects of the Fund's business and affairs.

As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser). During the year ended December 31, 2018, the Fund accrued \$221,098 in payroll expenses in the Statement of Operations.

The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Series C, Series D, and Series E Preferred Stock (C, D, and E Preferred Stock) if the total return of the NAV of the common shares of the Fund, including distributions and advisory fee subject to reduction, does not exceed

**The Gabelli Equity Trust Inc.**

**Notes to Financial Statements (Continued)**

the stated dividend rate of the C, D, and E Preferred Stock for the year. The Fund's total return on the NAV of the common shares is monitored on a monthly basis to assess whether the total return on the NAV of the common shares exceeds the stated dividend rate of the C, D, and E Preferred Stock for the period. During the year ended December 31, 2018, the Fund's total return on the NAV of the common shares did not exceed the dividend rate of the outstanding C, D, and E Preferred Stock. Thus, advisory fees of the C, D, and E Preferred Stock were reduced by \$1,590,965.

During the year ended December 31, 2018, the Fund paid \$82,334 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

During the year ended December 31, 2018, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$13,205.

The cost of calculating the Fund's NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During the year ended December 31, 2018, the Fund accrued \$45,000 in accounting fees in the Statement of Operations.

There was a reduction in the advisory fee paid to the Adviser relating to certain portfolio holdings, i.e., unsupervised assets, of the Fund with respect to which the Adviser transferred dispositive and voting control to the Fund's Proxy Voting Committee. During the year ended December 31, 2018, the Fund's Proxy Voting Committee exercised control and discretion over all rights to vote or consent with respect to such securities, and the Adviser reduced its fee with respect to such securities by \$3,886.

The Fund pays each Director who is not considered an affiliated person an annual retainer of \$15,000 plus \$2,000 for each Board meeting attended. Each Director is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended. The Audit Committee Chairman receives an annual fee of \$3,000, and the Nominating Committee Chairman and the Lead Director each receives an annual fee of \$2,000. A Director may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Directors who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

**4. Portfolio Securities.** Purchases and sales of securities during the year ended December 31, 2018, other than short term securities and U.S. Government obligations, aggregated \$326,495,483 and \$327,835,638, respectively.

**5. Capital.** The Fund's Articles of Incorporation, as amended, permit the Fund to issue 337,024,900 shares of common stock (par value \$0.001) and authorizes the Board to increase its authorized shares from time to time. The Board has authorized the repurchase of its shares on the open market when the shares are trading on the NYSE at a discount of 10% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the years ended December 31, 2018 and 2017, the Fund did not repurchase any shares of its common stock in the open market.





**The Gabelli Equity Trust Inc.****Notes to Financial Statements (Continued)**

Transactions in shares of common stock were as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Increase from common shares issued in rights offering			31,514,058	\$ 173,327,861
Increase from common shares issued upon reinvestment of distributions	1,225,559	\$ 7,658,026	1,358,240	8,540,513
<b>Net increase</b>	<b>1,225,559</b>	<b>\$ 7,658,026</b>	<b>32,872,298</b>	<b>\$ 181,868,374</b>

The Fund has an effective shelf registration authorizing the offering of an additional \$500 million of common or preferred shares. As of December 31, 2018, after considering the November 2017 common share rights offering, the Fund has approximately \$327 million available for issuance under the current shelf registration.

On November 6, 2017, the Fund distributed one transferable right for each of the 220,598,406 common shares outstanding on that date. Seven rights were required to purchase one additional common share at the subscription price of \$5.50 per share. On December 19, 2017, the Fund issued 31,514,058 common shares receiving net proceeds of \$172,670,846, after the deduction of offering expenses of \$658,709. The NAV of the Fund was reduced by \$0.14 per share on the day the additional shares were issued due to the additional shares being issued below NAV.

The Fund's Articles of Incorporation, as amended, authorize the issuance of up to 18,000,000 shares of \$0.001 par value Preferred Stock. The Preferred Stock is senior to the common stock and results in the financial leveraging of the common stock. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on shares of the Preferred Stock are cumulative. The Fund is required by the 1940 Act and by the Fund's Articles Supplementary to meet certain asset coverage tests with respect to the Preferred Stock. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the Series C, Series D, Series E, Series G, Series H, and Series J Preferred Stock at redemption prices of \$25,000, \$25, \$25,000, \$25, \$25, and \$25, respectively, per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset coverage requirements could restrict the Fund's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund's assets may vary in a manner unrelated to the fixed and variable rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.

For Series C and Series E Preferred Stocks, the dividend rates, as set by the auction process that is generally held every seven days, are expected to vary with short term interest rates. Since February 2008, the number of shares of Series C and Series E Preferred Stock subject to bid orders by potential holders has been less than the number of shares of Series C and Series E Preferred Stock subject to sell orders. Holders that have submitted sell orders have not

been able to sell any or all of the Series C and Series E Preferred Stock for which they have submitted sell orders. Therefore, the weekly auctions have failed, and the dividend rate has been the maximum rate. For Series C and Series E Preferred Stock, the maximum auction rate is 175% of the AA Financial Composite Commercial Paper Rate. Existing Series C and Series E shareholders may submit an order to hold, bid, or sell such shares on each auction date, or trade their shares in the secondary market.

**The Gabelli Equity Trust Inc.****Notes to Financial Statements (Continued)**

The Fund may redeem at any time, in whole or in part, the Series C, Series D, Series E, Series G, and Series H Preferred Stock at their respective liquidation prices plus any accrued and unpaid dividends. In addition, the Board has authorized the repurchase of the Series J Preferred Stock in the open market at a price less than the \$25 liquidation value per share. During the years ended December 31, 2018 and 2017, the Fund did not repurchase or redeem any shares of Series C, Series D, Series E, and Series J Preferred Stock. During the year ended December 31, 2017, the Fund repurchased and retired 9,905 of the Series G Preferred in the open market at an investment of \$235,625 and an average discount of approximately 4.89%, and repurchased and retired 6,900 of the Series H Preferred in the open market at an investment of \$163,263 and an average discount of approximately 5.39%.

The Fund has the authority to purchase its auction rate Series C and Series E preferred shares through negotiated private transactions. The Fund is not obligated to purchase any dollar amount or number of auction rate preferred shares, and the timing and amount of any auction rate preferred shares purchased will depend on market conditions, share price, capital availability, and other factors. The Fund is not soliciting holders to sell these shares nor recommending that holders offer them to the Fund. Any offers can be accepted or rejected in the Fund's discretion.

The following table summarizes Cumulative Preferred Stock information:

Series	Issue Date	Authorized	Number of Shares		2018 Dividend Rate Range	Dividend	Accrued
			Outstanding at 12/31/18	Net Proceeds		Rate at 12/31/18	Dividends at 12/31/18
C							
Auction Rate	June 27, 2002	5,200	2,880	\$128,246,557	2.328% to 4.184%	4.184%	\$57,774
D							
5.875%	October 7, 2003	3,000,000	2,363,860	\$72,375,842	Fixed Rate	5.875%	\$48,221
E							
Auction Rate	October 7, 2003	2,000	1,120	\$49,350,009	2.381% to 4.149%	4.149%	\$12,731
G	August 1, 2012	3,280,477	2,779,796	\$69,407,417	Fixed Rate	5.000%	\$48,260
H							
5.000%	September 28, 2012	4,198,880	4,172,873	\$100,865,695	Fixed Rate	5.000%	\$72,446
J							
5.450%	March 28, 2016	4,500,000	3,200,000	\$77,212,332	Fixed Rate	5.450%	\$60,555

The holders of Preferred Stock generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common stock as a single class. The holders of Preferred Stock voting together as a single class also have the right currently to elect two Directors and, under certain circumstances, are entitled to elect a majority of the Board of Directors. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the preferred stock, voting as a single class, will

be required to approve any plan of reorganization adversely affecting the preferred stock, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding preferred stock and a majority (as defined in the 1940 Act) of the Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

**6. Indemnifications.** The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

**The Gabelli Equity Trust Inc.**

**Notes to Financial Statements (Continued)**

**7. Subsequent Events.** Management has evaluated the impact on the Fund of all subsequent events occurring through the date the financial statements were issued and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

**The Gabelli Equity Trust Inc.**

**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of

The Gabelli Equity Trust Inc.:

**Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Equity Trust Inc. (the Fund ) as of December 31, 2018, the related statement of operations for the year ended December 31, 2018, the statement of changes in net assets attributable to common shareholders for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2018 (collectively referred to as the financial statements ). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, the results of its operations for the year then ended, the changes in its net assets attributable to common shareholders for each of the two years in the period ended December 31, 2018 and the financial highlights for each of the five years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Fund s management. Our responsibility is to express an opinion on the Fund s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

New York, New York

February 28, 2019

We have served as the auditor of one or more investment companies in Gabelli/GAMCO Fund Complex since 1986.



**The Gabelli Equity Trust Inc.**

**Additional Fund Information (Unaudited)**

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors. Information pertaining to the Directors and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Directors and officers and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Equity Trust Inc. at One Corporate Center, Rye, NY 10580-1422.

Name, Position(s) Address <sup>1</sup> and Age	Term of Office and Length of Time Served <sup>2</sup>	Number of Funds in Fund		
		Complex Overseen by Director	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director <sup>3</sup>

**INTERESTED DIRECTORS<sup>4</sup> :**

<p><b>Mario J. Gabelli, CFA</b></p> <p>Chairman and Chief Investment Officer</p> <p>Age: 76</p>	<p>Since 1986*</p>	<p>35</p>	<p>Chairman, Chief Executive Officer, and Chief Investment Officer Value Portfolios of GAMCO Investors, Inc. and Chief Investment Officer Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/ Trustee or Chief Investment Officer of other registered investment companies within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.</p>	<p>Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)</p>
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**INDEPENDENT DIRECTORS<sup>5</sup>:**

<b>James P. Conn<sup>6</sup></b>	Since 1989***	26	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (1992-1998)	
Director				
Age: 80				
<b>Frank J. Fahrenkopf, Jr.<sup>7</sup></b>	Since 1998**	14	Co-Chairman of the Commission on Presidential Debates; Former President and Chief Executive Officer of the American Gaming Association (1995-2013); Former Chairman of the Republican National Committee (1983-1989)	Director of First Republic Bank (banking); Director of Eldorado Resorts, Inc. (casino entertainment company)
Director				
Age: 79				
<b>Michael J. Ferrantino</b>	Since 2017***	2	Chief Executive Officer of InterEx Inc.	
Director				
Age: 47				
<b>William F. Heitmann</b>	Since 2012*	4	Managing Director and Senior Advisor of Perlmutter Investment Company (real estate); Senior Vice President of Finance, Verizon Communications, and President, Verizon Investment Management (1971-2011)	Director and Audit Chair of Syncreon (contract logistics provider)
Director				
Age: 69				
<b>Kuni Nakamura<sup>7</sup></b>	Since 2018***	37	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	
Director				
Age: 50				
<b>Salvatore J. Zizza</b>	Since 1986**	32	President of Zizza & Associates Corp. (private holding company); Chairman of BAM	Director and Chairman of Trans-Lux Corporation (business services);
Director				

Age: 73

(semiconductor and  
aerospace  
manufacturing);  
President of Bergen  
Cove Realty Inc.;  
Chairman of  
Metropolitan Paper  
Recycling Inc.  
(recycling) (2005-2014)

Director and  
Chairman of Harbor  
Diversified Inc.  
(pharmaceuticals)  
(2009-2018)

**The Gabelli Equity Trust Inc.****Additional Fund Information (Continued) (Unaudited)**

<b>Name, Position(s)</b>	<b>Term of Office</b>	<b>Principal Occupation(s)</b>
<b>Address<sup>1</sup></b>	<b>and Length of</b>	<b>During Past Five Years</b>
<b>and Age</b>	<b>Time Served<sup>2</sup></b>	
<b><u>OFFICERS:</u></b>		
<b>Bruce N. Alpert</b> President Age: 67	Since 1988	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008
<b>John C. Ball</b> Treasurer Age: 42	Since 2017	Treasurer of funds within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014
<b>Agnes Mullady</b> Vice President Age: 60	Since 2006	Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016
<b>Andrea R. Mango</b> Secretary and Vice President Age: 46	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013

**Richard J. Walz** Since 2013 Chief Compliance Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013

Age: 59

**Molly A.F. Marion** Since 2009 Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Vice President of GAMCO Investors, Inc. since 2012

Age: 64

**Carter W. Austin** Since 2000 Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Senior Vice President (since 2015) and Vice President (1996-2015) of Gabelli Funds, LLC

Age: 52

**David I. Schachter** Since 2013 Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Vice President (since 2015) of GAMCO Investors, Inc. and Vice President (1999- 2015) of G.research, LLC

Age: 65

- <sup>1</sup> Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.
- <sup>2</sup> The Fund's Board of Directors is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:
- \* Term expires at the Fund's 2019 Annual Meeting of Shareholders or until their successors are duly elected and qualified.
  - \*\*Term expires at the Fund's 2020 Annual Meeting of Shareholders or until their successors are duly elected and qualified.
  - \*\*\*Term expires at the Fund's 2021 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

For officers, includes time served in prior officer positions with the Fund. Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

- <sup>3</sup> This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended, i.e., public companies, or other investment companies registered under the 1940 Act.
- <sup>4</sup> Interested person of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an interested person because of his affiliation with Gabelli Funds, LLC, which acts as the Fund's investment adviser.
- <sup>5</sup> Directors who are not interested persons are considered Independent Directors.
- <sup>6</sup> This Director is elected solely by and represents the stockholders of the preferred stock issued by this Fund.
- <sup>7</sup> Mr. Fahrenkopf's daughter, Lesle F. Foley, serves as a director of other funds in the Fund Complex. Mr. Nakamura is a director of Gabelli Merger Plus+ Trust Plc, which may be deemed to be controlled by

Mario J. Gabelli and/or affiliates and, in that event, would be deemed to be under common control with the Fund's Adviser.

**THE GABELLI EQUITY TRUST INC.****INCOME TAX INFORMATION (Unaudited)****December 31, 2018****Cash Dividends and Distributions**

	<b>Payable Date</b>	<b>Record Date</b>	<b>Ordinary Investment Income (a)</b>	<b>Long Term Capital Gains</b>	<b>Return of Capital (b)</b>	<b>Total Amount Paid Per Share (c)</b>	<b>Dividend Reinvestment Price</b>
<b>Common Stock</b>							
	03/22/18	03/15/18	\$0.01460	\$0.12700	\$0.00840	\$0.15000	\$6.14140
	06/22/18	06/15/18	0.01460	0.12700	0.00840	0.15000	6.33000
	09/21/18	09/14/18	0.01460	0.12700	0.00840	0.15000	6.53000
	12/14/18	12/07/18	0.01850	0.16080	0.01070	0.19000	5.28000
			\$0.06230	\$0.54180	\$0.03590	\$0.64000	
<b>5.875% Series D Cumulative Preferred Stock</b>							
	03/26/18	03/19/18	\$0.03786	\$0.32933		\$0.36719	
	06/26/18	06/19/18	0.03786	0.32933		0.36719	
	09/26/18	09/19/18	0.03786	0.32933		0.36719	
	12/26/18	12/18/18	0.03786	0.32933		0.36719	
			\$0.15144	\$1.31731		\$1.46875	
<b>Series G Cumulative Preferred Stock</b>							
	03/26/18	03/19/18	\$0.03220	\$0.28030		\$0.31250	
	06/26/18	06/19/18	0.03220	0.28030		0.31250	
	09/26/18	09/19/18	0.03220	0.28030		0.31250	
	12/26/18	12/18/18	0.03220	0.28030		0.31250	
			\$0.12880	\$1.12120		\$1.25000	
<b>5.000% Series H Cumulative Preferred Stock</b>							
	03/26/18	03/19/18	\$0.03220	\$0.28030		\$0.31250	
	06/26/18	06/19/18	0.03220	0.28030		0.31250	
	09/26/18	09/19/18	0.03220	0.28030		0.31250	
	12/26/18	12/18/18	0.03220	0.28030		0.31250	
			\$0.12880	\$1.12120		\$1.25000	
<b>5.450% Series J Cumulative Preferred Stock</b>							
	03/26/18	03/19/18	\$0.03512	\$0.30550		\$0.34062	
	06/26/18	06/19/18	0.03512	0.30550		0.34062	
	09/26/18	09/19/18	0.03512	0.30550		0.34062	
	12/26/18	12/18/18	0.03512	0.30550		0.34062	

\$0.14048      \$1.22202                      \$1.36250

**Auction Rate Series C and E Cumulative Preferred Stock**

Auction Rate Preferred Stocks pay dividends weekly based on the maximum rate. The distributions derived from long term capital gains for the Auction Rate Series C and Series E Cumulative Preferred Stock were \$2,136,183 and \$812,013, respectively.

A Form 1099-DIV has been mailed to all shareholders of record which sets forth specific amounts to be included in the 2018 tax returns. Ordinary income distributions include net investment income and realized net short term capital gains, if any. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV. The long term gain distributions for the year ended December 31, 2018 were \$154,637,947.

**Corporate Dividends Received Deduction, Qualified Dividend Income, and U.S. Government Securities Income**

In 2018, the Fund paid to common, 5.875% Series D, 5.000% Series G, 5.000% Series H, and 5.450% Series J preferred shareholders ordinary income dividends totaling \$0.06230, \$0.15144, \$0.12880, \$0.12880, and \$0.14048 per share, respectively. The Fund paid weekly distributions to auction rate Series C and Series E preferred shareholders at varying rates throughout the year, including an ordinary income dividend totaling \$85.26993 and \$83.34800 per share, respectively, in 2018. For the year ended December 31, 2018, 100% of the ordinary income dividend qualified for the dividend received deduction available to corporations, 100% of the ordinary income distribution was deemed qualified dividend income and is reported in box 1b on Form 1099-DIV, 100% of the ordinary income distribution was qualified short term capital gain, and 4.79% of the ordinary income distribution was qualified interest income. The percentage of the ordinary income dividends paid by the Fund during 2018 derived from U.S. Government securities was 4.36%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2018. The percentage of U.S. Government securities held as of December 31, 2018 was 1.88% of total investments.



**THE GABELLI EQUITY TRUST INC.**

**INCOME TAX INFORMATION (Unaudited) (Continued)**

**December 31, 2018**

**Historical Distribution Summary**

	<b>Investment Income (a)</b>	<b>Short Term Capital Gains (a)</b>	<b>Long Term Capital Gains</b>	<b>Return of Capital (b)</b>	<b>Total Distributions(c)</b>	<b>Adjustment to Cost Basis (d)</b>
<b>Common Stock</b>						
2018	\$0.05980	\$0.00250	\$0.54180	\$0.03590	\$0.64000	\$0.03590
2017(e)	0.03700		0.56850	0.00450	0.61000	0.00450
2016	0.06280	0.00960	0.52320	0.00440	0.60000	0.00440
2015	0.05210	0.01020	0.43270	0.14500	0.64000	0.14500
2014(f)	0.04848	0.01772	0.47238	0.10143	0.64000	0.10143
2013	0.05000	0.06250	0.50750		0.62000	
2012(g)	0.05800	0.10800		0.39400	0.56000	0.39400
2011	0.01676	0.00430		0.54895	0.57000	0.54895
2010				0.51000	0.51000	0.51000
2009	0.00040			0.71960	0.72000	0.71960
<b>5.875% Series D Cumulative Preferred Stock</b>						
2018	\$0.14561	\$0.00583	\$1.31731		\$1.46875	
2017	0.09005		1.37870		1.46875	
2016	0.15523	0.02360	1.28992		1.46875	
2015	0.15444	0.03023	1.28409		1.46876	
2014	0.13222	0.04831	1.28822		1.46875	
2013	0.11822	0.14819	1.20234		1.46875	
2012	0.51428	0.95447			1.46875	
2011	1.16910	0.29965			1.46875	
2010	1.05723			\$0.41152	1.46875	\$0.41152
2009	1.46875				1.46875	
<b>Series G Cumulative Preferred Stock</b>						
2018	\$0.12400	\$0.00480	\$1.12120		\$1.25000	
2017	0.07680		1.17320		1.25000	
2016	0.13200	0.02000	1.09800		1.25000	
2015	0.13160	0.02560	1.09280		1.25000	
2014	0.11240	0.04120	1.09640		1.25000	
2013	0.11270	0.14110	1.14550		1.39930	
2012	0.21155	0.39262			0.60417	
<b>5.000% Series H Cumulative Preferred Stock</b>						
2018	\$0.12400	\$0.00480	\$1.12120		\$1.25000	
2017	0.07680		1.17320		1.25000	
2016	0.13200	0.02000	1.09800		1.25000	
2015	0.13160	0.02560	1.09280		1.25000	

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2014	0.11240	0.04120	1.09640	1.25000
2013	0.10080	0.12600	1.02320	1.25000
2012	0.10700	0.19860		0.30560

**5.450% Series J Cumulative Preferred Stock**

2018	\$0.13507	\$0.00541	\$1.22202	\$1.36250
2017	0.08353		1.27897	1.36250
2016	0.10640	0.01618	0.88416	1.00674

**THE GABELLI EQUITY TRUST INC.**

**INCOME TAX INFORMATION (Unaudited) (Continued)**

**December 31, 2018**

**Historical Distribution Summary (Continued)**

	Investment Income (a)	Short Term Capital Gains (a)	Long Term Capital Gains	Return of Capital (b)	Total Distributions(c)	Adjustment to Cost Basis (d)
<b>Auction Rate Series C Cumulative Preferred Stock</b>						
2018	\$81.98543	\$ 3.28450	\$741.73007		\$827.00000	
2017	27.23682		417.02318		444.26000	
2016	18.45541	2.80628	153.35831		174.62000	
2015	4.58660	0.89764	38.13575		43.61999	
2014	2.81131	1.02727	27.39142		31.23000	
2013	2.49523	3.12766	25.37712		31.00000	
2012	13.04312	24.20688			37.25000	
2011	29.61842	7.59158			37.21000	
2010	47.84624			\$18.62376	66.47000	\$18.62376
2009	70.60000				70.60000	
<b>Auction Rate Series E Cumulative Preferred Stock</b>						
2018	\$80.13754	\$ 3.21047	\$725.01199		\$808.36000	
2017	27.45447		420.35553		447.81000	
2016	18.51566	2.81544	153.85890		175.19000	
2015	4.84737	0.94868	40.30395		46.10000	
2014	2.68709	0.98187	26.18104		29.85000	
2013	2.56686	3.21745	26.10568		31.89000	
2012	12.47587	23.15413			35.63000	
2011	27.47723	7.04277			34.52000	
2010	48.73162			\$18.96838	67.70000	\$18.96838
2009	65.24000				65.24000	

(a) Taxable as ordinary income.

(b) Non-taxable.

(c) Total amounts may differ due to rounding.

(d) Decrease in cost basis.

(e) On November 6, 2017, the Fund also distributed Rights equivalent to \$0.14 per common share based upon full subscription of all issued shares.

(f) On September 19, 2014, the Fund also distributed Rights equivalent to \$0.12 per common share based upon full subscription of all issued shares.

(g) On June 29, 2012, the Fund also distributed Rights equivalent to \$0.12 per common share based upon full subscription of all issued shares.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

**AUTOMATIC DIVIDEND REINVESTMENT  
AND VOLUNTARY CASH PURCHASE PLANS**

**Enrollment in the Plan**

It is the policy of The Gabelli Equity Trust Inc. (the Fund) to automatically reinvest dividends payable to common shareholders. As a registered shareholder, you automatically become a participant in the Fund's Automatic Dividend Reinvestment Plan (the Plan). The Plan authorizes the Fund to credit shares of common stock to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Fund. Plan participants may send their stock certificates to Computershare Trust Company, N.A. (Computershare) to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Equity Trust Inc.

c/o Computershare

P.O. Box 30170

College Station, TX 77842-3170

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan or requesting a copy of the terms of the Plan may contact Computershare at (800) 336-6983.

If your shares are held in the name of a broker, bank, or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of street name and re-registered in your own name. Once registered in your own name, your dividends will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in street name at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of common stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund's common stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of common stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund's common stock. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange (NYSE) trading day, the next trading day. If the net asset value of the common stock at the time of valuation exceeds the market price of the common stock, participants will receive shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, Computershare will buy common stock in the open market, or on the NYSE or elsewhere, for the participants' accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Fund to issue shares at net asset value if, following the commencement of such purchases, the market value of the common stock exceeds the then current net asset value.

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for federal income tax purposes

as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

### **Voluntary Cash Purchase Plan**

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Fund. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to Computershare for investments in the Fund's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to Computershare, P.O. Box 43010, Providence, RI 02940-3010 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

Shareholders wishing to liquidate shares held at Computershare must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address, and account number. The cost to liquidate shares is \$2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are expected to be less than the usual brokerage charge for such transactions.

For more information regarding the Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Fund.

The Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by Computershare on at least 90 days written notice to participants in the Plan.

**THE GABELLI EQUITY TRUST INC.**

**AND YOUR PERSONAL PRIVACY**

**Who are we?**

The Gabelli Equity Trust Inc. (the Fund) is a closed-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc., a publicly held company that has subsidiaries that provide investment advisory services for a variety of clients.

**What kind of non-public information do we collect about you if you become a Fund shareholder?**

When you purchase shares of the Fund on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

*Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.

*Information about your transactions with us.* This would include information about the shares that you buy or sell; it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services like a transfer agent we will also have information about the transactions that you conduct through them.

**What information do we disclose and to whom do we disclose it?**

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, [www.sec.gov](http://www.sec.gov).

**What do we do to protect your personal information?**

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

**THE GABELLI EQUITY TRUST INC.**

**One Corporate Center**

**Rye, NY 10580-1422**

**Portfolio Management Team Biographies**

**Mario J. Gabelli, CFA**, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

**Christopher J. Marangi** joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA degree with honors from Columbia Business School.

**Kevin V. Dreyer** joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA degree from Columbia Business School.

**Robert D. Leininger, CFA**, joined GAMCO Investors, Inc. in 1993 as an equity analyst. Subsequently, he was a partner and portfolio manager at Rorer Asset Management before rejoining GAMCO in 2010 where he currently serves as a portfolio manager of Gabelli Funds, LLC. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA degree from the Wharton School at the University of Pennsylvania.

**Daniel M. Miller** has been the portfolio manager of The Gabelli Focus Five Fund since inception of the investment strategy on January 1, 2012. He is also a Managing Director of GAMCO Investors, Inc. Mr. Miller joined the Firm in 2002 and graduated magna cum laude with a degree in finance from the University of Miami in Coral Gables, Florida.

**Jennie Tsai** joined Gabelli in 2001 as a research analyst responsible for the healthcare and medical products industries. At Gabelli, Ms. Tsai is focused on medical sectors, including dental, orthopedics, diagnostics, dermatology, and ophthalmology. She received a BS in Commerce at the University of Virginia and an MBA from Columbia Business School.

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "General Equity Funds," in Monday's The Wall Street Journal. It is also listed in Barron's Mutual Funds/Closed End Funds section under the heading "General Equity Funds."

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting [www.gabelli.com](http://www.gabelli.com).

The NASDAQ symbol for the Net Asset Value is XGABX.



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Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund's shares are trading at a discount of 10% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

**THE GABELLI EQUITY TRUST INC.**

One Corporate Center  
Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e info@gabelli.com  
[GABELLI.COM](http://GABELLI.COM)

**DIRECTORS**

Mario J. Gabelli, CFA  
Chairman and  
Chief Executive Officer,  
GAMCO Investors, Inc.  
Executive Chairman,  
Associated Capital Group, Inc.

James P. Conn  
Former Managing Director &  
Chief Investment Officer,  
Financial Security Assurance  
Holdings Ltd.

Frank J. Fahrenkopf, Jr.

**OFFICERS**

Bruce N. Alpert  
President

John C. Ball  
Treasurer

Agnes Mullady  
Vice President

Andrea R. Mango  
Secretary & Vice President

Richard J. Walz  
Chief Compliance Officer

Former President &

Chief Executive Officer,

American Gaming Association

Molly A.F. Marion

Vice President & Ombudsman

Michael J. Ferrantino

Chief Executive Officer,

InterEx, Inc.

Carter W. Austin

Vice President

William F. Heitmann

Former Senior Vice President

of Finance,

Verizon Communications, Inc.

David I. Schachter

Vice President

#### INVESTMENT ADVISER

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

Kuni Nakamura

President,

Advanced Polymer, Inc.

#### CUSTODIAN

Salvatore J. Zizza

Chairman,

Zizza & Associates Corp.

The Bank of New York Mellon

#### COUNSEL

Willkie Farr & Gallagher LLP

#### TRANSFER AGENT AND

#### REGISTRAR

Computershare Trust Company, N.A.

GAB Q4/2018

**Item 2. Code of Ethics.**

- (a) The registrant, as of the end of the period covered by this report, has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.
- (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, and that relates to any element of the code of ethics description.
- (d) The registrant has not granted any waivers, including an implicit waiver, from a provision of the code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this item's instructions.

**Item 3. Audit Committee Financial Expert.**

As of the end of the period covered by the report, the registrant's Board of Directors has determined that William F. Heitmann is qualified to serve as an audit committee financial expert serving on its audit committee and that he is independent, as defined by Item 3 of Form N-CSR.

**Item 4. Principal Accountant Fees and Services.**

Audit Fees

- (a) The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years are \$51,621 for 2017 and \$51,621 for 2018.

Audit-Related Fees

- (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported under paragraph (a) of this Item are \$0 for 2017 and \$0 for 2018.

Tax Fees

- (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning are \$4,750 for 2017 and \$4,750 for 2018. Tax fees represent tax compliance services provided in connection with the review of the Registrant's tax returns.

All Other Fees

- (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$11,500 for 2017 and \$0 for 2018. All other fees represent services provided in review of registration statement.
- (e)(1) Disclose the audit committee's pre-approval policies and procedures described in paragraph (c)(7) of Rule 2-01 of Regulation S-X.

Pre-Approval Policies and Procedures. The Audit Committee ( Committee ) of the registrant is responsible for pre-approving (i) all audit and permissible non-audit services to be provided by the independent registered public accounting firm to the registrant and (ii) all permissible non-audit services to be provided by the independent registered public accounting firm to the Adviser, Gabelli Funds, LLC, and any affiliate of Gabelli Funds, LLC ( Gabelli ) that provides services to the registrant (a Covered Services Provider ) if the independent registered public accounting firm's engagement related directly to the operations and financial reporting of the registrant. The Committee may delegate its responsibility to pre-approve any such audit and permissible non-audit services to the Chairperson of the Committee, and the Chairperson must report to the Committee, at its next regularly scheduled meeting after the Chairperson's pre-approval of such services, his or her decision(s). The Committee may also establish detailed pre-approval policies and procedures for pre-approval of such services in accordance with applicable laws, including the delegation of some or all of the Committee's pre-approval responsibilities to the other persons (other than Gabelli or the registrant's officers). Pre-approval by the Committee of any permissible non-audit services is not required so long as: (i) the permissible non-audit services were not recognized by the registrant at the time of the engagement to be non-audit services; and (ii) such services are promptly brought to the attention of the Committee and approved by the Committee or Chairperson prior to the completion of the audit.

- (e)(2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the audit committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X are as follows:
- (b) N/A
- (c) 0%
- (d) N/A

- (f) The percentage of hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was zero percent.

- (g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for each of the last two fiscal years of the registrant was \$0 for 2017 and \$0 for 2018.
- (h) The registrant's audit committee of the board of directors **has** considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

**Item 5. Audit Committee of Listed Registrants.**

The registrant has a separately designated audit committee consisting of the following members: Michael J. Ferrantino, William F. Heitmann, and Salvatore J. Zizza.

**Item 6. Investments.**

- (a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the report to shareholders filed under Item 1 of this form.
- (b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

The Proxy Voting Policies are attached herewith.

## POLICY REGARDING VOTING OF PROXIES ON BEHALF OF CLIENTS

### **Purpose and Scope**

The purpose of this policy and its related procedures regarding voting proxies for securities held in Client accounts and for which an Adviser has been delegated proxy voting authority ( Client Proxies ) is to establish guidelines regarding Client Proxies that are reasonably designed to conform with the requirements of applicable law (this Policy ).

### *General Policy*

Rule 206(4)-6 of the Advisers Act requires a registered investment adviser that exercises proxy voting authority over client securities to: (i) adopt and implement written policies and procedures that are reasonably designed to ensure that the investment adviser votes proxies related to client securities in the best interest of its Clients; (ii) ensure that the written policies and procedures address material conflicts that may arise between the interests of the investment adviser and those of its Clients; (iii) describe its proxy voting procedures to Clients, and provide copies of such procedures upon request by such Clients; and (iv) disclose to Clients how they may obtain information from the Adviser about how the Adviser voted with respect to their Securities. Each Adviser is committed to implementing policies and procedures that conform with the requirements of the Advisers Act. To that end, it has implemented this Policy to facilitate the Adviser's compliance with Rule 206(4)-6 and to ensure that proxies related to Client Securities are voted (or not voted) in a manner consistent with the best interest of its Clients.

### *The Voting of Proxies on Behalf of Clients*

These following procedures will be used by each of the Advisers to determine how to vote proxies relating to portfolio Securities held by their Clients, including the procedures that the Advisers use when a vote presents a conflict between the interests of the investors in a Private Fund Client, RIC or Managed Account Client, on the one hand, and those of the Adviser; the principal underwriter; or any affiliated person of such Client, the Advisers, or the principal underwriter. These procedures will not apply where the Advisers do not have voting discretion or where the Advisers have agreed with a Client to vote the Client's proxies in accordance with specific guidelines or procedures supplied by the Client (to the extent permitted by ERISA)<sup>1</sup>.

### *Proxy Voting Committee*

The Advisers' Proxy Voting Committee (the Proxy Committee ) was originally formed in April 1989 for the purpose of formulating guidelines and reviewing proxy statements within the parameters of the Proxy Voting Guidelines, which are appended as **EXHIBIT A** to this Policy. The Proxy Committee includes representatives from Research, Administration, Legal, and the Advisers. Additional or

<sup>1</sup> With respect to any Private Fund Client or RIC Client, such deviation from these guidelines will be disclosed in the offering materials for such Client.



replacement members of the Proxy Committee will be nominated by the Chairman and voted upon by the entire Proxy Committee.

Meetings are held on an as needed basis to form views on the manner in which the Advisers should vote proxies on behalf of their Clients.

In general, the Director of Proxy Voting Services, using the Proxy Voting Guidelines, recommendations of Institutional Shareholder Services Inc. ( ISS ), Glass Lewis & Co., LLC ( Glass Lewis ), other third-party services and the analysts of G.research, will determine how to vote on each issue. For non-controversial matters, the Director of Proxy Voting Services may vote the proxy if the vote is: (1) consistent with the recommendations of the issuer's Board of Directors and not contrary to the Proxy Voting Guidelines; (2) consistent with the recommendations of the issuer's Board of Directors and is a non-controversial issue not covered by the Proxy Voting Guidelines; or (3) the vote is contrary to the recommendations of the Board of Directors but is consistent with the Proxy Voting Guidelines. In those instances, the Director of Proxy Voting Services or the Chairman of the Proxy Committee may sign and date the proxy statement indicating how each issue will be voted.

All matters identified by the Chairman of the Proxy Committee, the Director of Proxy Voting Services or the General Counsel as controversial, taking into account the recommendations of ISS, Glass Lewis, other third party services and the analysts of G.research, will be presented to the Proxy Voting Committee. If the Chairman of the Proxy Committee, the Director of Proxy Voting Services or the General Counsel has identified the matter as one that (1) is controversial; (2) would benefit from deliberation by the Proxy Committee; or (3) may give rise to a conflict of interest between the Advisers and investors in the Clients or the Clients, the Chairman of the Proxy Committee will initially determine what vote to recommend that the relevant Adviser should cast and that determination will go before the Proxy Committee for review.

#### *Conflicts of Interest*

The Advisers have implemented this Policy in order to prevent conflicts of interest from influencing their proxy voting decisions. By following the Proxy Voting Guidelines, as well as the recommendations of ISS, Glass Lewis, other third-party services and the analysts of G.research, the Advisers seek to avoid, wherever possible, the influence of potential conflicts of interest. Nevertheless, circumstances may arise in which one or more of the Advisers are faced with a conflict of interest or the appearance of a conflict of interest in connection with a proxy vote. In general, a conflict of interest may arise when an Adviser knowingly does business with an issuer, and may appear to have a material conflict between its own interests and the interests of the investors in a Client regarding how the proxy is to be voted. A conflict also may exist when an Adviser has actual knowledge of a material business arrangement between an issuer and an affiliate of the Adviser.

In practical terms, a conflict of interest may arise, for example, when a proxy is voted for a company that is a Client of one of the Adviser. A conflict also may arise when a Client of one of the Advisers has made a shareholder proposal in a proxy to be voted upon by one or more of the Advisers. The Director of Proxy Voting Services, together with the General Counsel, will scrutinize all proxies for these or other situations that may give rise to a conflict of interest with respect to the voting of proxies.

Revised: November 14, 2018

*Operation of the Proxy Committee*

For matters submitted to the Proxy Committee, each member of the Proxy Committee will receive, prior to the meeting, a copy of the proxy statement, any relevant third party research, a summary of any views provided by the portfolio manager of the applicable Client and any recommendations by G.research analysts. The portfolio manager, any member of Senior Management or the G.research analysts may be invited to present their viewpoints to the Proxy Committee. If the Director of Proxy Voting Services or the General Counsel believes that the matter before the Proxy Committee is one with respect to which a conflict of interest may exist between the Advisers and their Clients or investors, the General Counsel may provide an opinion to the Proxy Committee concerning the conflict. If the matter is one in which the interests of the Clients or investors, on the one hand, or the applicable Adviser, on the other, may diverge, The General Counsel may so advise and the Proxy Committee may make different recommendations as to different Clients. For any matters where the recommendation may trigger appraisal rights, The General Counsel may provide an opinion concerning the likely risks and merits of such an appraisal action.

Each matter submitted to the Proxy Committee will be determined by the vote of a majority of the members present at the meeting. Should the vote concerning one or more recommendations be tied in a vote of the Proxy Committee, the Chairman of the Proxy Committee will cast the deciding vote. The Proxy Committee will notify the proxy department of its decisions and the proxies will be voted accordingly.

Although the Proxy Voting Guidelines express the normal preferences for the voting of any interests not covered by a contrary investment guideline provided by the Client, the Proxy Committee is not bound by the preferences set forth in the Proxy Voting Guidelines and will review each matter on its own merits. The Advisers subscribe to ISS and Glass Lewis, which supplies current information on companies, matters being voted on, regulations, trends in proxy voting and information on corporate governance issues.

If the vote cast either by the analyst or as a result of the deliberations of the Proxy Committee runs contrary to the recommendation of the Board of Directors of the issuer, the matter may be referred to the General Counsel to determine whether an amendment to the most recently filed Schedule 13D is appropriate.

*Social Issues and Other Client Guidelines*

If a Client has provided and the Advisers have accepted special instructions relating to the voting of proxies, they should be noted in the Client's account file and forwarded to the Proxy Voting Department. This is the responsibility of the investment professional or sales assistant for the Client. In accordance with Department of Labor guidelines, each Adviser shall vote on behalf of ERISA accounts in the best interest of the plan participants with regard to social issues that carry an economic impact. Where an account is not governed by ERISA, the Advisers will vote shares held on behalf of the Client in a manner consistent with any individual investment/voting guidelines provided by the Client. Otherwise the Advisers may abstain with respect to those shares.

Revised: November 14, 2018

Specific to the Gabelli ESG Fund, the Proxy Voting Committee will rely on the advice of the portfolio managers of the Gabelli ESG Fund to provide voting recommendations on the securities held in the portfolio.

#### *Client Retention of Voting Rights*

If a Client chooses to retain the right to vote proxies or if there is any change in voting authority, the following should be notified by the investment professional or sales assistant for the Client.

- Operations
- Proxy Department
- Investment professional assigned to the account
- Chief Compliance Officer

In the event that the Board of Directors (or a Committee thereof) of one or more of the Clients managed by one of the Advisers has retained direct voting control over any security, the Proxy Voting Department will provide each Board Member (or Committee member) of the Client with a copy of the proxy statement together with any other relevant information including recommendations of ISS or other third-party services.

#### *Proxies of Certain Non-U.S. Issuers*

Proxy voting in certain countries requires share-blocking. Shareholders wishing to vote their proxies must deposit their shares shortly before the date of the meeting with a designated depository. During the period in which the shares are held with a depository, shares that will be voted at the meeting cannot be sold until the meeting has taken place and the shares are returned to the Clients' custodian. Absent a compelling reason to the contrary, the Advisers believe that the benefit to the Client of exercising the vote is outweighed by the cost of voting and therefore, the Advisers will not typically vote the securities of non-U.S. issuers that require share-blocking.

In addition, voting proxies of issuers in non-US markets may also give rise to a number of administrative issues to prevent the Advisers from voting such proxies. For example, the Advisers may receive the notices for shareholder meetings without adequate time to consider the proposals in the proxy or after the cut-off date for voting. In these cases, the Advisers will look to Glass Lewis or other third party service for recommendations on how to vote. Other markets require the Advisers to provide local agents with power of attorney prior to implementing their respective voting instructions on the proxy. Although it is the Advisers' policies to vote the proxies for its clients for which they have proxy voting authority, in the case of issuers in non-US markets, we vote client proxies on a best efforts basis.

#### *Voting Records and Client Disclosure*

The Proxy Voting Department will retain a record of matters voted upon by the Advisers for their Clients. The Advisers will supply information on how they voted a Client's proxy upon request from the Client or an investor in a Client.

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*Registered Investment Companies and Form N-PX*

The complete voting records for each RIC that is managed by an Adviser will be filed on Form N-PX for the twelve months ended June 30th, no later than August 31st of each year. A description of the RIC 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 Gabelli Funds, LLC at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

*Form ADV Disclosure*

Each Adviser to a RIC or Private Fund Client will disclose in Part 2A of its Form ADV that such Clients may contact the Chief Compliance Officer during regular business hours, via email or telephone, to obtain information on how each Adviser voted such Client's proxies for the past 5 years. The summary of this Policy included in each Adviser's Part 2A of its Form ADV will be updated whenever this Policy is revised. Clients may also receive a copy of this Policy upon their request.

Note that updating the Form ADV with a change to this Policy outside of the annual update is voluntary. However, each Adviser will need to communicate to the Client any changes to this Policy affecting its fiduciary duty.

The Advisers' proxy voting records will be retained in accordance with the **Policy Regarding Recordkeeping**.

*Voting Procedures*

1. Custodian banks, outside brokerage firms and clearing firms are responsible for forwarding proxies directly to the Advisers.

Proxies are received in one of two forms:

\* Shareholder Vote Instruction Forms ( VIFs ) - Issued by Broadridge Financial Solutions, Inc. ( Broadridge ). Broadridge is an outside service contracted by the various institutions to issue proxy materials.

\* Proxy cards which may be voted directly.

2. Upon receipt of the proxy, the number of shares each form represents is logged into the proxy system, electronically or manually, according to security.

3. Upon receipt of instructions from the proxy committee, the votes are cast and recorded for each account.

Records have been maintained on the ProxyEdge system.

ProxyEdge records include:

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Security Name and CUSIP Number

Date and Type of Meeting (Annual, Special, Contest)

Client Name

Adviser or Fund Account Number

Directors Recommendation

How the Adviser voted for the client on item

4. VIFs are kept alphabetically by security. Records for the current proxy season are located in the Proxy Voting Department office. In preparation for the upcoming season, files are transferred to an offsite storage facility during January/February.

5. If a proxy card or VIF is received too late to be voted in the conventional matter, every attempt is made to vote including:

- When a solicitor has been retained, the solicitor is called. At the solicitor's direction, the proxy is faxed or sent electronically.
- In some circumstances VIFs can be faxed or sent electronically to Broadridge up until the time of the meeting.

6. In the case of a proxy contest, records are maintained for each opposing entity.

7. Voting in Person

a) At times it may be necessary to vote the shares in person. In this case, a legal proxy is obtained in the following manner:

\* Banks and brokerage firms using the services at Broadridge:

Broadridge is notified that we wish to vote in person. Broadridge issues individual legal proxies and sends them back via email or overnight (or the Adviser can pay messenger charges). A lead-time of at least two weeks prior to the meeting is needed to do this. Alternatively, the procedures detailed below for banks not using Broadridge may be implemented.

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\* Banks and brokerage firms issuing proxies directly:

The bank is called and/or faxed and a legal proxy is requested.

All legal proxies should appoint:

**Representative of [Adviser name] with full power of substitution.**

b) The legal proxies are given to the person attending the meeting along with the limited power of attorney.

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**EXHIBIT A**

**PROXY VOTING GUIDELINES**

**General Policy Statement**

It is the policy of the Advisers to vote in the best economic interests of our Clients. As we state in our Magna Carta of Shareholders Rights, established in May 1988, we are neither *for* nor *against* management. We are for shareholders.

At our first Proxy Committee meeting in 1989, it was decided that each proxy statement should be evaluated on its own merits within the framework first established by our Magna Carta of Shareholders Rights. The attached guidelines serve to enhance that broad framework.

We do not consider any issue routine. We take into consideration all of our research on the company, its directors, and their short and long-term goals for the company. In cases where issues that we generally do not approve of are combined with other issues, the negative aspects of the issues will be factored into the evaluation of the overall proposals but will not necessitate a vote in opposition to the overall proposals.

*Board of Directors*

We do not consider the election of the Board of Directors a routine issue. Each slate of directors is evaluated on a case-by-case basis.

Factors taken into consideration include:

- \* Historical responsiveness to shareholders

This may include such areas as:

- Paying greenmail
- Failure to adopt shareholder resolutions receiving a majority of votes

- \* Qualifications
- \* Nominating committee in place
- \* Number of outside directors on the board
- \* Attendance at meetings
- \* Overall performance

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*Selection of Auditors*

In general, we support the Board of Directors' recommendation for auditors.

*Blank Check Preferred Stock*

We oppose the issuance of blank check preferred stock.

Blank check preferred stock allows the company to issue stock and establish dividends, voting rights, etc. without further shareholder approval.

*Classified Board*

A classified board is one where the directors are divided into classes with overlapping terms. A different class is elected at each annual meeting.

While a classified board promotes continuity of directors facilitating long range planning, we feel directors should be accountable to shareholders on an annual basis. We will look at this proposal on a case-by-case basis taking into consideration the board's historical responsiveness to the rights of shareholders.

Where a classified board is in place we will generally not support attempts to change to an annually elected board.

When an annually elected board is in place, we generally will not support attempts to classify the board.

*Increase Authorized Common Stock*

The request to increase the amount of outstanding shares is considered on a case-by-case basis.

Factors taken into consideration include:

\* Future use of additional shares

-Stock split

-Stock option or other executive compensation plan

-Finance growth of company/strengthen balance sheet

-Aid in restructuring

-Improve credit rating

-Implement a poison pill or other takeover defense

\* Amount of stock currently authorized but not yet issued or reserved for stock option plans

\* Amount of additional stock to be authorized and its dilutive effect



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We will support this proposal if a detailed and verifiable plan for the use of the additional shares is contained in the proxy statement.

*Confidential Ballot*

We support the idea that a shareholder's identity and vote should be treated with confidentiality.

However, we look at this issue on a case-by-case basis. In order to promote confidentiality in the voting process, we endorse the use of independent Inspectors of Election.

*Cumulative Voting*

In general, we support cumulative voting.

Cumulative voting is a process by which a shareholder may multiply the number of directors being elected by the number of shares held on the record date and cast the total number for one candidate or allocate the voting among two or more candidates.

Where cumulative voting is in place, we will vote against any proposal to rescind this shareholder right.

Cumulative voting may result in a minority block of stock gaining representation on the board. When a proposal is made to institute cumulative voting, the proposal will be reviewed on a case-by-case basis. While we feel that each board member should represent all shareholders, cumulative voting provides minority shareholders an opportunity to have their views represented.

*Director Liability and Indemnification*

We support efforts to attract the best possible directors by limiting the liability and increasing the indemnification of directors, except in the case of insider dealing.

*Equal Access to the Proxy*

The SEC's rules provide for shareholder resolutions. However, the resolutions are limited in scope and there is a 500 word limit on proponents' written arguments. Management has no such limitations. While we support equal access to the proxy, we would look at such variables as length of time required to respond, percentage of ownership, etc.

*Fair Price Provisions*

Charter provisions requiring a bidder to pay all shareholders a fair price are intended to prevent two-tier tender offers that may be abusive. Typically, these provisions do not apply to board-approved transactions.

We support fair price provisions because we feel all shareholders should be entitled to receive the same benefits.

Reviewed on a case-by-case basis.

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### *Golden Parachutes*

Golden parachutes are severance payments to top executives who are terminated or demoted after a takeover.

We support any proposal that would assure management of its own welfare so that they may continue to make decisions in the best interest of the company and shareholders even if the decision results in them losing their job. We do not, however, support excessive golden parachutes. Therefore, each proposal will be decided on a case-by-case basis.

### *Anti-Greenmail Proposals*

We do not support greenmail. An offer extended to one shareholder should be extended to all shareholders equally across the board. *Limit Shareholders' Rights to Call Special Meetings*

We support the right of shareholders to call a special meeting.

Reviewed on a case-by-case basis.

### *Consideration of Nonfinancial Effects of a Merger*

This proposal releases the directors from only looking at the financial effects of a merger and allows them the opportunity to consider the merger's effects on employees, the community, and consumers. As a fiduciary, we are obligated to vote in the best economic interests of our Clients. In general, this proposal does not allow us to do that. Therefore, we generally cannot support this proposal.

Reviewed on a case-by-case basis.

### *Mergers, Buyouts, Spin-Offs, Restructurings*

Each of the above is considered on a case-by-case basis. According to the Department of Labor, we are not required to vote for a proposal simply because the offering price is at a premium to the current market price for ERISA Clients. We must take into consideration the long term interests of the shareholders.

### *Military Issues*

Shareholder proposals regarding military production must be evaluated on a purely economic set of criteria for our ERISA Clients. As such, decisions will be made on a case-by-case basis.

In voting on this proposal for our non-ERISA clients, we will vote according to the Client's direction when applicable. Where no direction has been given, we will vote in the best economic interests of our Clients. It is not our duty to impose our social judgment on others.

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*Northern Ireland*

Shareholder proposals requesting the signing of the MacBride principles for the purpose of countering the discrimination of Catholics in hiring practices must be evaluated on a purely economic set of criteria for our ERISA Clients. As such, decisions will be made on a case-by-case basis.

In voting on this proposal for our non-ERISA Clients, we will vote according to Client direction when applicable. Where no direction has been given, we will vote in the best economic interests of our clients. It is not our duty to impose our social judgment on others.

*Opt Out of State Anti-Takeover Law*

This shareholder proposal requests that a company opt out of the coverage of the state's takeover statutes. Example: Delaware law requires that a buyer must acquire at least 85% of the company's stock before the buyer can exercise control, unless the board approves.

We consider this on a case-by-case basis. Our decision will be based on the following:

- \* State of Incorporation
- \* Management history of responsiveness to shareholders
- \* Other mitigating factors

*Poison Pills*

In general, we do not endorse poison pills.

In certain cases where management has a history of being responsive to the needs of shareholders and the stock is very liquid, we will reconsider this position.

*Reincorporation*

Generally, we support reincorporation for well-defined business reasons. We oppose reincorporation if proposed solely for the purpose of reincorporating in a state with more stringent anti-takeover statutes that may negatively impact the value of the stock.

*Stock Incentive Plans*

Director and Employee Stock incentive plans are an excellent way to attract, hold and motivate directors and employees. However, each incentive plan must be evaluated on its own merits, taking into consideration the following:

- \* Dilution of voting power or earnings per share by more than 10%.
- \* Kind of stock to be awarded, to whom, when and how much.
- \* Method of payment.
- \* Amount of stock already authorized but not yet issued under existing stock plans.

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\* The successful steps taken by management to maximize shareholder value.

#### *Supermajority Vote Requirements*

Supermajority voting requirements in a company's charter or bylaws require a level of voting approval in excess of a simple majority of the outstanding shares. In general, we oppose supermajority-voting requirements. Supermajority requirements often exceed the average level of shareholder participation. We support proposals' approval by a simple majority of the shares voting.

Reviewed on a case-by-case basis.

#### *Limit Shareholders Right to Act by Written Consent*

Written consent allows shareholders to initiate and carry on a shareholder action without having to wait until the next annual meeting or to call a special meeting. It permits action to be taken by the written consent of the same percentage of the shares that would be required to effect proposed action at a shareholder meeting.

Reviewed on a case-by-case basis.

#### *Say-on-Pay / Say-When-on-Pay / Say-on-Golden-Parachutes*

Required under the Dodd-Frank Act; these proposals are non-binding advisory votes on executive compensation. We will generally vote with the Board of Directors' recommendation(s) on advisory votes on executive compensation ( Say-on-Pay ), advisory votes on the frequency of voting on executive compensation ( Say-When-on-Pay ) and advisory votes relating to extraordinary transaction executive compensation ( Say-on-Golden-Parachutes ). In those instances when we believe that it is in our clients' best interest, we may abstain or vote against executive compensation and/or the frequency of votes on executive compensation and/or extraordinary transaction executive compensation advisory votes.

#### *Proxy Access*

Proxy access is a tool used to attempt to promote board accountability by requiring that a company's proxy materials contain not only the names of management nominees, but also any candidates nominated by long-term shareholders holding at least a certain stake in the company. We will review proposals regarding proxy access on a case-by-case basis taking into account the provisions of the proposal, the company's current governance structure, the successful steps taken by management to maximize shareholder value, as well as other applicable factors.

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**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

**PORTFOLIO MANAGERS**

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of the Board of Directors of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School, and Honorary Doctorates from Fordham University and Roger Williams University.

Kevin V. Dreyer joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. He currently serves as Co-Chief Investment Officer of GAMCO Investors, Inc.’s Value team and a portfolio manager of Gabelli Funds, LLC. He manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA from Columbia Business School.

Robert D. Leininger, CFA, joined GAMCO Investors, Inc. in 1993 as an equity analyst. Subsequently, he was a partner and portfolio manager at Rorer Asset Management before rejoining GAMCO in 2010 where he currently serves as a portfolio manager of Gabelli Funds, LLC. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA from the Wharton School at the University of Pennsylvania.

Christopher J. Marangi joined Gabelli in 2003 as a research analyst. He currently serves as Co-Chief Investment Officer of GAMCO Investors, Inc.’s Value team and a portfolio manager of Gabelli Funds, LLC. He manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA with honors from Columbia Business School.

Daniel M. Miller currently serves as a portfolio manager of Gabelli Funds, LLC. He is also a Managing Director of GAMCO Investors, Inc. Mr. Miller graduated magna cum laude with a degree in finance from the University of Miami in Coral Gables, Florida.

**MANAGEMENT OF OTHER ACCOUNTS**

Information provided as of December 31, 2018

The table below shows the number of other accounts managed by the portfolio manager and the total assets in each of the following categories: registered investment companies, other paid investment vehicles and other accounts. For each category, the table also shows the number of accounts and the total assets in the accounts with respect to which the advisory fee is based on account performance.

Name of Portfolio	Type of	Total	Total	No. of	Total Assets
<u>Manager</u>	<u>Accounts</u>	No. of	<u>Assets</u>	Accounts	in Accounts
		Accounts		where	where
		<u>Managed</u>		Advisory	Advisory
				Fee is Based	Fee is Based

on on

				<u>Performance</u>	<u>Performance</u>
Mario J. Gabelli, CFA	Registered Investment Companies:	24	\$17.6 billion	5	\$3.2 billion
	Other Pooled Investment				



	Vehicles:	11	\$983.1 million	8	\$806.8 million
	Other				\$194.8 million
	Accounts:	1,214	\$8.4 billion	1	
Kevin V. Dreyer	Registered Investment Companies:	6	\$4.8 billion	1	\$2.2 billion
	Other Pooled Investment Vehicles:	1	\$29.7 million	1	\$29.7 million
	Other				
	Accounts:	353	\$1.7 billion	0	\$0
Christopher J. Marangi	Registered Investment Companies:	7	\$5.1 billion	2	\$2.4 billion
	Other Pooled Investment Vehicles:	1	\$29.7 million	1	\$29.7 million
	Other	357	\$1.6 billion	0	\$0
	Accounts:				

Daniel M. Miller	Registered Investment Companies:	2	\$65.2 million	0	\$0
	Other Pooled Investment Vehicles:	0	\$0	0	\$0
	Other Accounts:	18	\$50.6	0	\$0

million					
Robert D. Leininger, CFA	Registered Investment Companies:	3	\$2.3 billion	1	\$2.2 billion
	Other Pooled Investment Vehicles:	0	\$0	0	\$0
	Other Accounts:	192	\$275.3 million	0	\$0
Jennie Tsai	Registered Investment Companies:	0	\$0	0	\$0
	Other Pooled Investment Vehicles:	0	\$0	0	\$0
	Other Accounts:	6	\$2.0 million	0	\$0

### **POTENTIAL CONFLICTS OF INTEREST**

As reflected above, the Portfolio Managers manage accounts in addition to the Trust. Actual or apparent conflicts of interest may arise when a Portfolio Manager also has day-to-day management responsibilities with respect to one or more other accounts. These potential conflicts include:

**ALLOCATION OF LIMITED TIME AND ATTENTION.** Because the portfolio managers manage many accounts, they may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if they were to devote all of their attention to the

management of only a few accounts.

**ALLOCATION OF LIMITED INVESTMENT OPPORTUNITIES.** If the portfolio managers identify an investment opportunity that may be suitable for multiple accounts, the Fund may not be able to take full advantage of that opportunity because the opportunity may be allocated among all or many of these accounts or other accounts managed primarily by other portfolio managers of the Adviser, and their affiliates.

**SELECTION OF BROKER/DEALERS.** Because of Mr. Gabelli's indirect majority ownership interest in G.research, LLC, he may have an incentive to use G.research to execute portfolio transactions for a Fund.

**PURSUIT OF DIFFERING STRATEGIES.** At times, the portfolio managers may determine that an investment opportunity may be appropriate for only some of the accounts for which they exercises investment responsibility, or may decide that certain of these accounts should take differing positions with respect to a particular security. In these cases, the portfolio managers may execute differing or opposite transactions for one or more accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment of one or more of their accounts.

**VARIATION IN COMPENSATION.** A conflict of interest may arise where the financial or other benefits available to the portfolio manager differ among the accounts that they manage. If the structure of the Adviser's management fee or the portfolio manager's compensation differs among accounts (such as where certain accounts pay higher management fees or performance-based management fees), the portfolio managers may be motivated to favor certain accounts over others. The portfolio managers also may be motivated to favor accounts in which they have an investment interest, or in which the Adviser, or its affiliates have investment interests. Similarly, the desire to maintain assets under management or to enhance a Portfolio Manager's performance record or to derive other rewards, financial or otherwise, could influence the Portfolio Manager in affording preferential treatment to those accounts that could most significantly benefit the Portfolio Manager. For example, as reflected above, if the Portfolio Manager manages accounts which have performance fee arrangements, certain portions of his/her compensation will depend on the achievement of performance milestones on those accounts. The Portfolio Manager could be incented to afford preferential treatment to those accounts and thereby be subject to a potential conflict of interest.

The Adviser and the Funds have adopted compliance policies and procedures that are designed to address the various conflicts of interest that may arise for the Adviser and their staff members. However, there is no guarantee that such policies and procedures will be able to detect and prevent every situation in which an actual or potential conflict may arise.

#### **COMPENSATION STRUCTURE FOR MARIO J. GABELLI**

Mr. Gabelli receives incentive-based variable compensation based on a percentage of net revenues received by the Adviser for managing the Fund. Net revenues are determined by deducting from gross investment management fees the firm's expenses (other than Mr. Gabelli's compensation) allocable to this Fund. Six closed-end registered investment companies (including this Fund) managed by Mr. Gabelli have arrangements whereby the Adviser will only receive its investment advisory fee attributable to the liquidation value of outstanding preferred stock (and Mr. Gabelli would only receive his percentage of such advisory fee) if certain performance levels are met. Additionally, he receives similar incentive based variable compensation for managing other accounts within the firm and its affiliates. This method of compensation is based on the premise that superior long-term performance in managing a portfolio should be rewarded with higher compensation as a result of growth of assets through appreciation and net investment activity. The level of compensation is not determined with specific reference to the performance of any account against any specific benchmark. One of the other closed-end registered investment companies managed by Mr. Gabelli has a performance (fulcrum) fee arrangement for which his compensation is adjusted up or down based on the performance of the investment company relative to an index. Mr. Gabelli manages other accounts with performance fees. Compensation for managing these accounts has two components. One component is based on a percentage of net revenues to the investment adviser for managing the account. The second component is based on absolute performance of the account, with respect to which a percentage of such performance fee is paid to Mr. Gabelli. As an executive officer of the Adviser's parent company, GBL,

Mr. Gabelli also receives ten percent of the net operating profits of the parent company. He receives no base salary, no annual bonus, and no stock options. Mr. Gabelli may also enter into and has entered into agreements to defer or waive his compensation.

### **COMPENSATION STRUCTURE FOR PORTFOLIO MANAGERS OF THE ADVISER OTHER THAN MARIO GABELLI**

The compensation of the Portfolio Managers for the Fund is structure to enable the Adviser to attract and retain highly qualified professionals in a competitive environment. The Portfolio Managers receive a compensation package that includes a minimum draw or base salary, equity-based incentive compensation via awards of restricted stock, and incentive-based variable compensation based on a percentage of net revenue received by the Adviser for managing a Fund to the extent that the amount exceeds a minimum level of compensation. Net revenues are determined by deducting from gross investment management fees certain of the firm's expenses (other than the respective Portfolio Manager's compensation) allocable to the respective Fund (the incentive-based variable compensation for managing other accounts is also based on a percentage of net revenues to the investment adviser for managing the account). This method of compensation is based on the premise that superior long-term performance in managing a portfolio should be rewarded with higher compensation as a result of growth of assets through appreciation and net investment activity. The level of equity-based incentive and incentive-based variable compensation is based on an evaluation by the Adviser's parent, GBL, of quantitative and qualitative performance evaluation criteria. This evaluation takes into account, in a broad sense, the performance of the accounts managed by the Portfolio Manager, but the level of compensation is not determined with specific reference to the performance of any account against any specific benchmark. Generally, greater consideration is given to the performance of larger accounts and to longer term performance over smaller accounts and short-term performance.

### **OWNERSHIP OF SHARES IN THE FUND**

Mario J. Gabelli, Kevin V. Dreyer, Christopher J. Marangi, Daniel M. Miller, Robert D. Leininger, and Jennie Tsai each owned over \$1 million, \$0-\$10,000, \$0-\$10,000, \$0, \$0, and \$0, respectively, of shares of the Fund as of December 31, 2018.

(b) Not applicable.

### **Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

#### **REGISTRANT PURCHASES OF EQUITY SECURITIES**

<b>Period</b>	<b>(a) Total Number of Shares (or Units) Purchased</b>	<b>(b) Average Price Paid per Share (or Unit)</b>	<b>(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs</b>

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Month #1 07/01/2018 through	Common	N/A	Common	N/A	Common	N/A	Common	252,928,694
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07/31/2018	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	2,363,860
	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	2,779,796
	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	4,172,873
	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	3,200,000
Month #2	Common	N/A	Common	N/A	Common	N/A	Common	252,928,694
08/01/2018 through 08/31/2018	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	2,363,860
	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	2,779,796
	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	4,172,873
	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	3,200,000
Month #3	Common	N/A	Common	N/A	Common	N/A	Common	253,192,711
09/01/2018 through 09/30/2018	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	2,363,860
	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	2,779,796
	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	4,172,873



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	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	3,200,000
Month #4	Common	N/A	Common	N/A	Common	N/A	Common	253,192,711
10/01/2018 through 10/31/2018	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	2,363,860
	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	2,779,796
	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	4,172,873
	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	3,200,000
Month #5	Common	N/A	Common	N/A	Common	N/A	Common	253,192,711
11/01/2018 through 11/30/2018	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	2,363,860
	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	2,779,796
	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	4,172,873
	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	3,200,000
Month #6	Common	N/A	Common	N/A	Common	N/A	Common	253,338,023
12/01/2018 through 12/31/2018	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	2,363,860

Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	2,779,796
Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	4,172,873
Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	3,200,000
Total	Common	N/A	Common	N/A	Common	N/A	N/A
Preferred Series D	N/A	Preferred Series D	N/A	Preferred Series D	N/A		
Preferred Series G	N/A	Preferred Series G	N/A	Preferred Series G	N/A		
Preferred Series H	N/A	Preferred Series H	N/A	Preferred Series H	N/A		
Preferred Series J	N/A	Preferred Series J	N/A	Preferred Series J	N/A		

Footnote columns (c) and (d) of the table, by disclosing the following information in the aggregate for all plans or programs publicly announced:

- The date each plan or program was announced The notice of the potential repurchase of common and preferred shares occurs quarterly in the Fund's quarterly report in accordance with Section 23(c) of the Investment Company Act of 1940, as amended.
- The dollar amount (or share or unit amount) approved Any or all common shares outstanding may be repurchased when the Fund's common shares are trading at a discount of 10% or more from the net asset value of the shares. Any or all preferred Series D, Series G, Series H, and Series J outstanding may be repurchased when these preferred shares are trading at a discount to the liquidation values of \$25.00.
- The expiration date (if any) of each plan or program The Fund's repurchase plans are ongoing.
- Each plan or program that has expired during the period covered by the table The Fund's repurchase plans are ongoing.
- Each plan or program the registrant has determined to terminate prior to expiration, or under which the registrant does not intend to make further purchases. The Fund's repurchase plans are ongoing.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's Board of Directors, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 407(c)(2)(iv) of Regulation S-K (17 CFR 229.407) (as required by Item 22(b)(15) of Schedule 14A (17 CFR 240.14a-101)), or this Item.

**Item 11. Controls and Procedures.**

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the

report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).

- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

- (a) If the registrant is a closed-end management investment company, provide the following dollar amounts of income and fees/compensation related to the securities lending activities of the registrant during its most recent fiscal year:

(1) Gross income from securities lending activities; \$0

(2) All fees and/or compensation for each of the following securities lending activities and related services: any share of revenue generated by the securities lending program paid to the securities lending agent(s) ( revenue split ); fees paid for cash collateral management services (including fees deducted from a pooled cash collateral reinvestment vehicle) that are not included in the revenue split; administrative fees that are not included in the revenue split; fees for indemnification that are not included in the revenue split; rebates paid to borrowers; and any other fees relating to the securities lending program that are not included in the revenue split, including a description of those other fees; \$0

(3) The aggregate fees/compensation disclosed pursuant to paragraph (2); \$0 and

(4) Net income from securities lending activities (i.e., the dollar amount in paragraph (1) minus the dollar amount in paragraph (3)). \$0

- (b) If the registrant is a closed-end management investment company, describe the services provided to the registrant by the securities lending agent in the registrant's most recent fiscal year. N/A

**Item 13. Exhibits.**

(a)(1) Code of ethics, or any amendment thereto, that is the subject of disclosure required by Item 2 is attached hereto.

(a)(2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

(a)(3) Not applicable.

(a)(4) Not applicable.

- (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes- Oxley Act of 2002 are attached hereto.

