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GABELLI EQUITY TRUST INC
Form N-CSRS
September 05, 2003

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 811-4700

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, 2003

Date of reporting period: June 30, 2003

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 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. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

[LOGO OMITTED]
THE GABELLI
EQUITY TRUST INC.

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THE GABELLI EQUITY TRUST INC.

Semi-Annual Report
June 30, 2003

TO OUR SHAREHOLDERS,

We are changing the way we provide portfolio managers' commentary to shareholders of our Funds. Our shareholder reports have typically contained commentary on each portfolio manager's assessment of the stock market, individual stocks and how economic events affect their thinking in managing a specific Fund. We have always provided details about performance and presented returns, both good and bad, hopefully in a clear and concise fashion. These comments have been included as part of each Fund's quarterly, semi-annual, and annual financial statements.

The Sarbanes-Oxley Act's new corporate governance regulations now require a Fund's principal executive and financial officers to certify the entire contents of shareholder reports in a filing with the Securities and Exchange Commission on form N-CSR. This certification covers the portfolio manager's commentary and subjective opinions if they are attached to or a part of the financial statements.

Rather than ask our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts only, we are removing their commentary from the financial statements and sending it to you separately. As a result, this commentary will no longer be considered part of a Fund's financial report and therefore will not be subject to the officers' certifications.

We trust that you understand that our approach is an unintended consequence of the ever-increasing regulatory requirements affecting public companies generally. We hope the specific certification requirements of these new regulations will be modified as they relate to mutual funds, since investment companies have different corporate structures and objectives than other public companies.

Sincerely yours,

/S/ BRUCE N. ALPERT
Bruce N. Alpert
Chief Operating Officer
Gabelli Funds, LLC

August 8, 2003

THE GABELLI EQUITY TRUST INC.
PORTFOLIO CHANGES
QUARTER ENDED JUNE 30, 2003 (UNAUDITED)

| | SHARES | OWNERSHIP AT JUNE 30, 2003 |
|------------------------------------|--------|----------------------------------|
| | ----- | ----- |
| NET PURCHASES | | |
| COMMON STOCKS | | |
| Amadeus Global Travel Distribution | | |
| SA, Cl. A | 70,000 | 70,000 |
| AT&T Corp. | 15,000 | 315,000 |
| AT&T Wireless Services Inc. ... | 54,830 | 605,000 |
| ATX Communications Inc. | 20,000 | 80,540 |
| Bristol-Myers Squibb Co. | 20,000 | 130,000 |
| BT Group plc, ADR | 1,700 | 24,000 |
| Cable & Wireless | | |

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| | | |
|--|---------|-----------|
| Jamaica Ltd. (a) | 246,698 | 4,440,821 |
| Cadbury Schweppes plc, ADR | 15,000 | 30,000 |
| Cincinnati Bell Inc. | 880,000 | 880,000 |
| Compania de Telecomunicaciones de Chile SA, ADR | 13,000 | 60,000 |
| Cooper Industries Ltd., Cl. A . | 5,000 | 125,000 |
| Curtiss-Wright Corp., Cl. B ... | 1,000 | 102,320 |
| DQE Inc. | 5,000 | 115,000 |
| Embratel Participacoes SA, ADR (b) | 38,000 | 38,000 |
| Energy East Corp. | 10,000 | 40,000 |
| Exxon Mobile Corp. | 20,000 | 60,000 |
| Flowers Foods Inc. (c) | 20,800 | 62,400 |
| Fomento Economico Mexicano SA de CV, ADR | 1,000 | 8,000 |
| Gaylord Entertainment Co. | 8,300 | 248,300 |
| Gemstar-TV Guide International Inc. | 14,568 | 365,000 |
| Genuine Parts Co. | 40,000 | 250,000 |
| GrafTech International Ltd. ... | 10,000 | 80,000 |
| Grupo Bimbo SA de CV, Ser. A .. | 10,000 | 450,000 |
| Harmony Gold Mining Co. Ltd., ADR | 5,000 | 35,000 |
| Independent News & Media plc .. | 52,266 | 248,266 |
| InterActive Corp. | 480,000 | 480,000 |
| Japan Telecom Holdings Co. Ltd. | 25 | 255 |
| John Hancock Financial Services Inc. | 2,000 | 77,000 |
| KDDI Corp. | 65 | 208 |
| Knight-Ridder Inc. | 2,000 | 19,000 |
| Liberty Satellite & Technology Inc., Cl. A | 11,100 | 45,100 |
| Lucent Technologies Inc. | 5,000 | 130,000 |
| Maytag Corp. | 30,000 | 75,000 |
| Midas Inc. | 15,000 | 120,000 |
| Motorola Inc. | 20,000 | 140,000 |
| National Presto Industries Inc. | 1,300 | 51,300 |
| Nestle SA | 500 | 2,500 |
| New Germany Fund Inc. | 3,000 | 70,000 |
| Nikko Cordial Corp. | 50,000 | 257,500 |
| Nortel Networks Corp. | 10,000 | 110,000 |
| Northeast Utilities | 50,000 | 300,000 |
| NTT DoCoMo Inc. | 500 | 1,500 |
| Park-Ohio Holdings Corp. | 31,285 | 115,000 |

OWNERSHIP AT
JUNE 30,
2003

| | SHARES | |
|--|---------|---------|
| | ----- | ----- |
| Penton Media Inc. | 140,000 | 500,000 |
| Pfizer Inc. | 25,000 | 90,000 |
| PRIMEDIA Inc. | 50,000 | 400,000 |
| Pulitzer Inc. | 7,000 | 40,000 |
| Rayonier Inc. (d) | 5,000 | 15,000 |
| Reader's Digest Association Inc. | 7,200 | 178,000 |
| RFS Hotel Investors Inc. | 50,000 | 50,000 |
| Rohm Co. Ltd. | 1,500 | 7,500 |
| Sara Lee Corp. | 85,000 | 100,000 |
| Scheib (Earl) Inc. | 4,200 | 75,000 |

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| | | |
|--|--------|---------|
| Schering-Plough Corp. | 50,000 | 70,000 |
| Southwest Gas Corp. | 6,000 | 20,000 |
| Synthes-Stratec Inc. | 700 | 700 |
| Telecom Argentina Stet France Telecom SA, ADR | 2,000 | 42,000 |
| Texas Instruments Inc. | 15,000 | 220,000 |
| Thomas Nelson Inc. | 5,000 | 80,000 |
| Unitrin Inc. | 1,500 | 60,000 |
| Waddell & Reed Financial Inc., Cl. A | 4,900 | 60,000 |

NET PURCHASES

PREFERRED STOCKS

| | | |
|---|--------|--------|
| Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B | 26,000 | 26,000 |
|---|--------|--------|

NET SALES

COMMON STOCKS

| | | |
|---|-----------|---------|
| Abbott Laboratories | (6,000) | 14,000 |
| Acterna Corp. | (60,000) | -- |
| Acuity Brands Inc. | (10,000) | 210,000 |
| Adelphia Communications Corp., Cl. A | (100,000) | -- |
| Agere Systems Inc., Cl. B | (5,393) | 145,000 |
| AGL Resources Inc. | (5,000) | 65,000 |
| Aliant Inc. | (1,132) | 7,000 |
| Allegiance Telecom Inc. | (6,000) | -- |
| Allen Telecom Inc. | (65,000) | 225,000 |
| Allstate Corp. | (25,000) | 65,000 |
| ALLTEL Corp | (5,000) | 25,000 |
| Altria Group Inc. | (20,000) | -- |
| Amphenol Corp., Cl. A | (500) | 1,500 |
| Apache Corp. | (3,270) | 36,000 |
| Apogent Technologies Inc. (e) . | (40,000) | -- |
| Argonaut Group Inc. | (2,400) | 34,000 |
| ArvinMeritor Inc. | (2,000) | 18,000 |
| Avaya Inc. | (3,333) | -- |
| Bank Of New York Co. Inc. | (3,000) | 77,000 |
| Bank One Corp. | (10,000) | 75,000 |

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO CHANGES (CONTINUED)
QUARTER ENDED JUNE 30, 2003 (UNAUDITED)

| | SHARES | OWNERSHIP AT JUNE 30, 2003 |
|---------------------------------|-----------|----------------------------------|
| | ----- | ----- |
| NET SALES (CONTINUED) | | |
| COMMON STOCKS (CONTINUED) | | |
| Bankgesellschaft Berlin AG | (5,000) | 275,000 |
| BCE Inc. | (20,000) | 300,000 |
| Boeing Co. | (1,000) | 114,000 |
| Broadwing Inc. | (900,000) | -- |
| BT Group plc | (15,000) | 1,760,000 |
| Burlington Resources Inc. | (10,000) | 140,000 |
| Cable & Wireless plc, ADR | (60,000) | 110,000 |

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| | | |
|---|-----------|-----------|
| Cablevision Systems Corp., Cl. A | (6,443) | 1,545,000 |
| Capcom Co. Ltd. | (20,000) | -- |
| Catellus Development Corp. | (59,700) | 390,000 |
| Cendant Corp. | (10,000) | 170,000 |
| Centerpulse AG | (18,000) | 5,000 |
| CenturyTel Inc. | (13,000) | 117,000 |
| Clear Channel Communications Inc. | (10,000) | -- |
| CMS Energy Corp. | (5,000) | 95,000 |
| Comcast Corp., Cl. A | (45,250) | 480,000 |
| Commerzbank AG, ADR | (5,000) | 185,000 |
| Commonwealth Telephone Enterprises Inc. | (22,466) | 233,000 |
| Computer Associates International Inc. | (10,000) | -- |
| Cypress Semiconductor Corp. ... | (90,000) | 410,000 |
| Dana Corp. | (2,061) | 318,000 |
| Delphi Corp. | (5,000) | 55,000 |
| Deutsche Bank AG, ADR | (2,000) | 158,000 |
| Deutsche Telekom AG, ADR | (32,000) | 198,000 |
| Dominion Resources Inc. | (2,500) | -- |
| Donaldson Co. Inc. | (1,000) | 215,000 |
| Dreyer's Grand Ice Cream Inc. . | (20,000) | -- |
| DTE Energy Co. | (10,000) | 17,000 |
| du Pont de Nemours (E.I.) and Co. | (2,000) | 8,000 |
| Duke Energy Corp. | (110,000) | 470,000 |
| Embratel Participacoes SA, ADR | (200,000) | -- |
| FleetBoston Financial Corp. ... | (5,000) | 45,000 |
| Florida East Coast Industries Inc., Cl. A | (1,000) | 43,000 |
| Flowserve Corp. | (5,000) | 130,000 |
| France Telecom SA, ADR | (11,500) | 11,500 |
| Gallaher Group plc, ADR | (10,000) | 240,000 |
| GATX Corp. | (5,000) | 105,000 |
| General Mills Inc. | (5,000) | 85,000 |
| General Motors Corp. | (2,942) | 165,000 |
| GenTek Inc. | (200,000) | -- |
| Gillette Co. | (25,000) | 275,000 |
| Grupo Televisa SA, ADR | (10,000) | 185,000 |
| Grupo TMM SA de CV, Cl. A, ADR | (2,000) | 18,000 |
| Gucci Group NV, ADR | (17,000) | 5,000 |
| Halliburton Co. | (62,000) | 80,000 |

OWNERSHIP AT
JUNE 30,
2003

| | SHARES | |
|---------------------------------------|----------|---------|
| | ----- | ----- |
| Harley-Davidson Inc. | (5,000) | 55,000 |
| Henry Schein Inc. | (2,000) | 18,000 |
| Hewlett-Packard Co. | (25,000) | -- |
| HomeFed Corp. | (4,753) | -- |
| Honeywell International Inc. .. | (2,000) | 418,000 |
| IDEX Corp. | (16,300) | 195,000 |
| ITT Industries Inc. | (2,000) | 118,000 |
| Kansas City Southern | (7,500) | -- |
| Kellogg Co. | (40,000) | 310,000 |
| Leap Wireless International Inc. | (52,100) | 27,900 |
| Leucadia National Corp. | (2,000) | 62,000 |
| Lockheed Martin Corp. | (5,000) | 95,000 |

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| | | |
|--|-----------|-----------|
| Loral Space & Communications Ltd. (f) | (171,000) | 19,000 |
| McGraw-Hill Companies Inc. | (5,000) | 100,000 |
| Media General Inc., Cl. A | (11,000) | 389,000 |
| Merck & Co. Inc. | (5,000) | 45,000 |
| Metro-Goldwyn-Mayer Inc. | (25,000) | 375,000 |
| Mirant Corp. | (20,000) | 70,000 |
| mm02 plc | (15,000) | 1,760,000 |
| mm02 plc, ADR | (15,000) | 109,000 |
| Murata Manufacturing Co. Ltd. . | (10,500) | -- |
| National Service Industries Inc. (g) | (34,500) | -- |
| Neiman Marcus Group Inc., Cl. A | (40,000) | 50,000 |
| News Corp. Ltd., ADR | (1,016) | 10,000 |
| Nextel Communications Inc., Cl. A | (5,000) | 235,000 |
| Northrop Grumman Corp. | (9,000) | 170,000 |
| O'Reilly Automotive Inc. | (20,000) | -- |
| Pactiv Corp. | (20,000) | 150,000 |
| Panamerican Beverages Inc., Cl. A (h) | (30,000) | -- |
| Paxson Communications Corp. ... | (3,000) | 128,000 |
| PepsiCo Inc. | (15,000) | 485,000 |
| Pernod-Ricard SA | (2,000) | 6,750 |
| Phoenix Companies Inc. | (10,000) | 175,000 |
| Precision Castparts Corp. | (2,000) | 50,000 |
| RCN Corp. | (10,000) | 60,000 |
| Rogers Wireless Communications Inc., Cl. B | (20,000) | 230,000 |
| Rohm and Haas Co. | (5,000) | -- |
| Royal Dutch Petroleum Co. | (7,500) | -- |
| Royce Value Trust Inc. | (4,000) | 36,000 |
| SBC Communications Inc. | (5,000) | 220,000 |
| Schwab (Charles) Corp. | (5,000) | 45,000 |
| Sequa Corp., Cl. B | (3,400) | 74,600 |
| Six Flags Inc. | (5,000) | 220,000 |
| SJW Corp. | (400) | 10,000 |
| Sony Corp., ADR | (2,000) | 45,000 |
| Sulzer AG | (1,500) | 4,000 |
| Synavant Inc. | (3,500) | -- |
| Syngenta AG, ADR | (1,697) | 10,000 |

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO CHANGES (CONTINUED)
 QUARTER ENDED JUNE 30, 2003 (UNAUDITED)

| | SHARES | OWNERSHIP AT JUNE 30, 2003 |
|---------------------------------|----------|----------------------------------|
| | ----- | ----- |
| NET SALES (CONTINUED) | | |
| COMMON STOCKS (CONTINUED) | | |
| T. Rowe Price Group Inc. | (7,000) | 93,000 |
| Telecom Italia SpA, ADR | (8,000) | 115,000 |
| Telephone & Data Systems Inc. . | (2,000) | 448,000 |
| TELUS Corp., Non-Voting, ADR .. | (4,000) | 20,750 |
| Terumo Corp. | (20,000) | -- |

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| | | |
|------------------------------------|-----------|---------|
| Travelers Property Casualty Corp., | | |
| Cl. A | (7,000) | -- |
| Tyco International Ltd. | (30,000) | 25,000 |
| USA Interactive Inc. | (485,000) | -- |
| Verizon Communications Inc. ... | (7,000) | 333,000 |
| Wachovia Corp. | (25,000) | 100,000 |
| Winn-Dixie Stores Inc. | (20,000) | -- |
| Wrigley (Wm.) Jr. Co. | (2,000) | 177,100 |
| Xcel Energy Inc. | (20,000) | 40,000 |
| Xerox Corp. | (10,000) | -- |

PREFERRED STOCKS

| | | |
|--------------------------------------|----------|---------|
| Allen Telecom Inc., 7.750% Cv. Pfd., | | |
| Ser. D | (6,500) | -- |
| Broadwing Inc., 6.750% Cv. Pfd., | | |
| Ser. B | (31,000) | -- |
| Hercules Trust I, 9.420% Pfd. . | (19,100) | 261,400 |
| Lucent Technologies Capital Trust I, | | |
| 7.750% Cv. Pfd. | (500) | -- |
| Prosieben Sat.1 Media AG, Pfd. | (25,000) | 75,000 |

OWNERSHIP AT
JUNE 30,
2003

SHARES

CORPORATE BONDS

| | | |
|-------------------------------------|-------------|-----------|
| Agere Systems Inc., Sub. Dev. Cv., | | |
| 6.500%, 12/15/09 | (2,800,000) | 500,000 |
| Charter Communications Inc., Cv., | | |
| 4.750%, 06/01/06 | (100,000) | 1,100,000 |
| Hilton Hotels Corp., Sub. Deb. Cv., | | |
| 5.000%, 05/15/06 | (400,000) | -- |
| Mirant Corp., Sub. Deb. Cv., | | |
| 2.500%, 06/15/21 | (100,000) | 900,000 |
| Standard Motor Products Inc., | | |
| Sub. Deb. Cv., 6.750%, | | |
| 07/15/09 | (50,000) | 1,200,000 |

WARRANTS

| | | |
|------------------------------------|---------|----|
| Harmony Gold Mining Co. Ltd., ADR, | | |
| expires 06/29/03 | (5,000) | -- |

-
- (a) 1 for 17 bonus issue
 - (b) 1 for 5 reverse stock split
 - (c) 3 for 2 stock split
 - (d) 3 for 2 stock split
 - (e) Tender Offer at \$17.50 per share
 - (f) 1 for 10 reverse stock split
 - (g) Tender Offer at \$10.00 per share
 - (h) Tender Offer at \$22.00 per share

See accompanying notes to financial statements.

THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS
JUNE 30, 2003 (UNAUDITED)

| | | |
|--------|------|-----------------|
| SHARES | COST | MARKET VALUE |
|--------|------|-----------------|

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| ----- | ----- | ----- |
|-----------|---|----------------------|
| | COMMON STOCKS -- 96.6% | |
| | TELECOMMUNICATIONS -- 9.1% | |
| 7,000 | Aliant Inc.\$ | 62,390 \$ 150,072 |
| 25,000 | ALLTEL Corp. | 534,554 1,205,500 |
| 315,000 | AT&T Corp. | 10,042,730 6,063,750 |
| 80,540 | ATX Communications Inc.+ | 252,120 28,994 |
| 300,000 | BCE Inc. | 7,951,642 6,933,000 |
| 33,400 | Brasil Telecom Participacoes SA, ADR | 1,940,826 1,250,830 |
| 1,760,000 | BT Group plc | 7,277,785 5,917,492 |
| 24,000 | BT Group plc, ADR . | 907,300 807,840 |
| 4,440,821 | Cable & Wireless Jamaica Ltd. | 101,639 60,522 |
| 110,000 | Cable & Wireless plc, ADR | 2,314,741 601,700 |
| 117,000 | CenturyTel Inc. ... | 2,733,061 4,077,450 |
| 880,000 | Cincinnati Bell Inc.+ | 7,720,293 5,896,000 |
| 100,000 | Citizens Communications Co.+ | 1,226,788 1,289,000 |
| 233,000 | Commonwealth Telephone Enterprises Inc.+ | 8,614,270 10,245,010 |
| 20,000 | Commonwealth Telephone Enterprises Inc., Cl. B+ | 128,902 920,000 |
| 60,000 | Compania de Telecomunicaciones de Chile SA, ADR+ .. | 897,937 708,000 |
| 198,000 | Deutsche Telekom AG, ADR+ | 3,284,671 3,009,600 |
| 38,000 | Embratel Participacoes SA, ADR+ | 2,709,959 381,140 |
| 11,500 | France Telecom SA, ADR | 399,220 283,475 |
| 255 | Japan Telecom Holdings Co. Ltd. | 867,437 775,141 |
| 208 | KDDI Corp. | 685,401 805,497 |
| 100,000 | KPN NV+ | 232,728 708,528 |
| 700,000 | Qwest Communications International Inc.+ | 2,010,505 3,346,000 |
| 60,000 | RCN Corp.+ | 425,991 118,800 |
| 9,655 | Rogers Communications Inc., Cl. B | 137,424 153,840 |
| 110,345 | Rogers Communications Inc., Cl. B, ADR | 1,537,198 1,771,037 |
| 220,000 | SBC Communications Inc. | 7,272,156 5,621,000 |
| 350,000 | Sprint Corp. - FON Group | 8,833,016 5,040,000 |
| 186,554 | Tele Norte Leste Participacoes SA, ADR | 2,554,387 2,178,951 |
| 42,000 | Telecom Argentina Stet France Telecom SA, ADR+ | 360,891 273,000 |
| 400,040 | Telecom Italia SpA | 3,059,315 3,619,939 |
| 115,000 | Telecom Italia SpA, ADR | 2,472,570 10,423,600 |
| 150,000 | Telecom Italia SpA, RNC | 572,370 821,639 |

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| SHARES | | COST | MARKET VALUE |
|---------|--|--------------|-----------------|
| ----- | | ---- | ----- |
| 275,849 | Telefonica SA, ADR+ | \$ 9,182,496 | \$ 9,536,100 |
| 17,595 | Telefonica SA, BDR+ | 206,518 | 204,221 |
| 36,000 | Telefonos de Mexico SA de CV, Cl. L, ADR | 389,422 | 1,131,120 |
| 12,750 | TELUS Corp. | 222,542 | 224,362 |
| 52,500 | TELUS Corp., ADR .. | 950,397 | 923,846 |
| 4,250 | TELUS Corp., Non-Voting | 74,181 | 69,908 |
| 20,750 | TELUS Corp., Non-Voting, ADR | 438,501 | 341,316 |
| 333,000 | Verizon Communications Inc. | 12,620,633 | 13,136,850 |
| | | ----- | ----- |
| | | 114,206,907 | 111,054,070 |
| | | ----- | ----- |
| | FINANCIAL SERVICES -- 8.7% | | |
| 65,000 | Allstate Corp. | 1,561,054 | 2,317,250 |
| 550,000 | American Express Co. | 19,230,623 | 22,995,500 |
| 34,000 | Argonaut Group Inc. | 893,076 | 419,220 |
| 90,000 | Banco Santander Central Hispano SA, ADR . | 322,130 | 793,800 |
| 110,000 | Bank of Ireland ... | 635,101 | 1,332,652 |
| 77,000 | Bank of New York Co. Inc. ... | 2,834,050 | 2,213,750 |
| 75,000 | Bank One Corp. | 2,217,452 | 2,788,500 |
| 275,000 | Bankgesellschaft Berlin AG+ | 5,495,399 | 789,486 |
| 260 | Berkshire Hathaway Inc., Cl. A+ | 824,299 | 18,850,000 |
| 5,000 | Block (H&R) Inc. .. | 97,625 | 216,250 |
| 185,000 | Commerzbank AG, ADR | 3,747,342 | 2,591,776 |
| 158,000 | Deutsche Bank AG, ADR | 6,778,705 | 10,178,360 |
| 20,000 | Dun and Bradstreet Corp.+ | 333,130 | 822,000 |
| 45,000 | FleetBoston Financial Corp. | 937,650 | 1,336,950 |
| 25,000 | Hibernia Corp., Cl. A | 198,750 | 454,000 |
| 20,000 | Invik & Co. AB, Cl. B | 936,800 | 960,658 |
| 100,000 | Irish Life & Permanent plc ... | 781,432 | 1,079,442 |
| 30,000 | Janus Capital Group Inc. | 470,955 | 492,000 |
| 77,000 | John Hancock Financial Services Inc. ... | 2,797,394 | 2,366,210 |
| 50,000 | JP Morgan Chase & Co. | 1,334,283 | 1,709,000 |
| 62,000 | Leucadia National Corp. | 1,961,985 | 2,301,440 |
| 100,000 | Mellon Financial Corp. | 3,140,094 | 2,775,000 |
| 199,400 | Midland Co. | 1,114,894 | 4,428,674 |
| 30,000 | Moody's Corp. | 666,995 | 1,581,300 |
| 257,500 | Nikko Cordial Corp. | 1,725,292 | 1,033,646 |
| 175,000 | Phoenix Companies Inc. | 2,612,432 | 1,580,250 |
| 2,500 | Prudential Financial Inc. .. | 68,750 | 84,125 |
| 31,002 | RAS SpA | 350,111 | 470,288 |
| 60,000 | Riggs National Corp. | 552,538 | 913,200 |

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| | | | |
|--------|--------------------------------|-----------|-----------|
| 45,000 | Schwab (Charles) Corp. | 657,563 | 454,050 |
| 80,000 | State Street Corp. | 1,417,370 | 3,152,000 |

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2003 (UNAUDITED)

| SHARES | | COST | MARKET VALUE |
|-----------|--|------------|-----------------|
| ----- | | ---- | ----- |
| | COMMON STOCKS (CONTINUED) | | |
| | FINANCIAL SERVICES (CONTINUED) | | |
| 20,000 | SunTrust Banks Inc.\$ | 419,333 | \$ 1,186,800 |
| 93,000 | T. Rowe Price Group Inc. | 3,121,425 | 3,510,750 |
| 20,000 | UBS AG | 845,648 | 1,112,555 |
| 60,000 | Unitrin Inc. | 1,112,190 | 1,627,200 |
| 100,000 | Wachovia Corp. | 3,043,582 | 3,996,000 |
| 60,000 | Waddell & Reed Financial Inc., Cl. A | 1,247,250 | 1,540,200 |
| | | ----- | ----- |
| | | 76,484,702 | 106,454,282 |
| | | ----- | ----- |
| | ENTERTAINMENT -- 7.7% | | |
| 620,000 | AOL Time Warner Inc.+ | 14,622,091 | 9,975,800 |
| 24,000 | Ascent Media Group Inc., Cl. A+ | 93,109 | 29,760 |
| 160,000 | Canal Plus, ADR ... | 34,010 | 165,360 |
| 110,000 | EMI Group plc | 292,543 | 221,452 |
| 100,000 | EMI Group plc, ADR | 1,189,467 | 402,630 |
| 120,000 | Fox Entertainment Group Inc., Cl. A+ | 2,783,871 | 3,453,600 |
| 50,000 | GC Companies Inc.+ | 54,500 | 7,500 |
| 365,000 | Gemstar-TV Guide International Inc.+ | 2,710,973 | 1,857,850 |
| 1,913,600 | Liberty Media Corp., Cl. A+ | 9,721,198 | 22,121,216 |
| 375,000 | Metro-Goldwyn-Mayer Inc.+ | 5,562,500 | 4,657,500 |
| 160,000 | Publishing & Broadcasting Ltd. | 893,720 | 1,060,178 |
| 15,000 | Regal Entertainment Group, Cl. A | 285,000 | 353,700 |
| 220,000 | Six Flags Inc.+ ... | 1,921,068 | 1,491,600 |
| 260,000 | The Walt Disney Co. | 5,453,387 | 5,135,000 |
| 840,000 | Viacom Inc., Cl. A+ | 35,321,393 | 36,708,000 |
| 40,900 | Vivendi Universal SA+ | 2,169,026 | 744,430 |
| 320,000 | Vivendi Universal SA, ADR+ | 9,816,202 | 5,900,800 |
| | | ----- | ----- |
| | | 92,924,058 | 94,286,376 |
| | | ----- | ----- |
| | FOOD AND BEVERAGE -- 7.6% | | |
| 30,000 | Cadbury Schweppes plc, ADR | 746,559 | 725,400 |
| 100,000 | Campbell Soup Co. . | 2,694,094 | 2,450,000 |

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| | | | |
|---------|-----------------------------|-----------|-----------|
| 16,000 | Carlsberg AS, Cl. B | 764,371 | 572,480 |
| 35,000 | Coca-Cola Co. | 1,625,312 | 1,624,350 |
| 45,000 | Coca-Cola | | |
| | Enterprises Inc. | 696,034 | 816,750 |
| 40,000 | Coca-Cola Hellenic Bottling | | |
| | Co. SA | 614,996 | 667,876 |
| 100,000 | Corn Products | | |
| | International Inc. | 2,916,387 | 3,003,000 |

| SHARES | | COST | MARKET VALUE |
|---------|-------------------------|------------|-----------------|
| ----- | | ---- | ----- |
| 53,592 | Del Monte Foods Co.\$ | 447,217 \$ | 473,753 |
| 10,108 | Denny's Corp.+ | 14,358 | 7,025 |
| 100,000 | Diageo plc | 1,037,393 | 1,067,657 |
| 224,000 | Diageo plc, ADR ... | 8,642,745 | 9,802,240 |
| 62,400 | Flowers Foods Inc. | 1,055,628 | 1,233,024 |
| 8,000 | Fomento Economico | | |
| | Mexicano SA de CV, | | |
| | ADR | 288,077 | 329,600 |
| 85,000 | General Mills Inc. | 3,124,275 | 4,029,850 |
| 450,000 | Grupo Bimbo SA de CV, | | |
| | Ser. A | 966,223 | 755,467 |
| 20,000 | Hain Celestial | | |
| | Group Inc.+ | 267,663 | 319,800 |
| 120,000 | Heinz (H.J.) Co. .. | 4,315,473 | 3,957,600 |
| 20,000 | Hershey Foods Corp. | 1,333,128 | 1,393,200 |
| 310,000 | Kellogg Co. | 8,638,995 | 10,654,700 |
| 75,000 | Kerry Group plc, | | |
| | Cl. A | 860,877 | 1,154,084 |
| 12,100 | LVMH Moet Hennessy | | |
| | Louis Vuitton SA+ | 419,053 | 600,123 |
| 50,000 | Mondavi (Robert) Corp., | | |
| | Cl. A+ | 1,442,406 | 1,265,500 |
| 2,500 | Nestle SA | 513,610 | 515,858 |
| 600,595 | PepsiAmericas Inc. | 8,073,962 | 7,543,473 |
| 485,000 | PepsiCo Inc. | 13,734,141 | 21,582,500 |
| 6,750 | Pernod-Ricard SA .. | 470,174 | 602,277 |
| 60,000 | Ralcorp Holdings | | |
| | Inc.+ | 940,903 | 1,497,600 |
| 100,000 | Sara Lee Corp. | 1,837,634 | 1,881,000 |
| 2,000 | Smucker (J.M.) Co. | 52,993 | 79,780 |
| 106,969 | Tootsie Roll | | |
| | Industries Inc. . | 1,580,949 | 3,261,485 |
| 177,100 | Wrigley (Wm.) Jr. Co. | 9,608,864 | 9,958,333 |
| | | ----- | ----- |
| | | 79,724,494 | 93,825,785 |
| | | ----- | ----- |

| | | | |
|---------|------------------------------|------------|------------|
| | ENERGY AND UTILITIES -- 6.3% | | |
| 60,000 | AES Corp.+ | 294,617 | 381,000 |
| 65,000 | AGL Resources Inc. | 1,165,615 | 1,653,600 |
| 36,000 | Apache Corp. | 776,702 | 2,342,160 |
| 120,000 | BP plc | 725,215 | 832,178 |
| 248,800 | BP plc, ADR | 10,091,328 | 10,454,576 |
| 140,000 | Burlington | | |
| | Resources Inc. .. | 5,902,202 | 7,569,800 |
| 115,000 | CH Energy Group Inc. | 4,749,282 | 5,175,000 |
| 23,000 | Cinergy Corp. | 700,115 | 846,170 |
| 95,000 | CMS Energy Corp. .. | 606,926 | 769,500 |
| 103,217 | ConocoPhillips | 5,288,737 | 5,656,291 |
| 10,000 | Constellation Energy | | |
| | Group Inc. | 237,177 | 343,000 |

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| | | | |
|---------|-----------------------|-----------|-----------|
| 26,000 | DPL Inc. | 524,093 | 414,440 |
| 115,000 | DQE Inc. | 1,955,641 | 1,733,050 |
| 17,000 | DTE Energy Co. | 750,951 | 656,880 |
| 470,000 | Duke Energy Corp. . | 8,624,500 | 9,376,500 |
| 200,000 | El Paso Corp. | 2,700,689 | 1,616,000 |
| 400,000 | El Paso Electric Co.+ | 3,236,625 | 4,932,000 |

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 JUNE 30, 2003 (UNAUDITED)

| SHARES ----- | | COST ----- | MARKET VALUE ----- |
|----------------------------------|---------------------------------------|---------------|--------------------------|
| COMMON STOCKS (CONTINUED) | | | |
| ENERGY AND UTILITIES (CONTINUED) | | | |
| 40,000 | Energy East Corp. .\$. | 826,233 \$ | 830,400 |
| 35,000 | Eni SpA | 509,461 | 529,329 |
| 60,000 | Exxon Mobil Corp. . | 1,991,246 | 2,154,600 |
| 8,300 | FPL Group Inc. | 448,272 | 554,855 |
| 80,000 | Halliburton Co. ... | 799,065 | 1,840,000 |
| 38,632 | Kerr-McGee Corp. .. | 2,281,548 | 1,730,714 |
| 70,000 | Mirant Corp.+ | 632,748 | 203,000 |
| 100,000 | NiSource Inc.+ | 200,000 | 222,000 |
| 300,000 | Northeast Utilities | 5,660,050 | 5,022,000 |
| 100,000 | Progress Energy Inc., CVO+ | 52,000 | 10,500 |
| 10,000 | SJW Corp. | 883,106 | 852,500 |
| 20,000 | Southwest Gas Corp. | 415,025 | 423,600 |
| 7,907 | Total SA | 1,114,624 | 1,194,921 |
| 100,000 | TXU Corp. | 1,673,875 | 2,245,000 |
| 260,000 | Westar Energy Inc. | 4,407,757 | 4,219,800 |
| 40,000 | Xcel Energy Inc. .. | 408,700 | 601,600 |
| | | ----- | ----- |
| | | 70,634,125 | 77,386,964 |
| | | ----- | ----- |
| EQUIPMENT AND SUPPLIES -- 5.8% | | | |
| 120,000 | AMETEK Inc. | 1,873,494 | 4,398,000 |
| 1,500 | Amphenol Corp., Cl. A+ | 22,162 | 70,230 |
| 10,000 | Caterpillar Inc. | 136,559 | 556,600 |
| 95,000 | CIRCOR International Inc. | 981,440 | 1,693,850 |
| 320,000 | Deere & Co. | 15,328,000 | 14,624,000 |
| 215,000 | Donaldson Co. Inc. | 1,443,612 | 9,556,750 |
| 130,000 | Flowserve Corp.+ .. | 2,341,263 | 2,557,100 |
| 13,000 | Franklin Electric Co. Inc. | 210,022 | 723,450 |
| 100,000 | Gerber Scientific Inc.+ | 1,060,701 | 666,000 |
| 80,000 | GrafTech International Ltd.+ | 1,000,049 | 436,000 |
| 195,000 | IDEX Corp. | 6,304,350 | 7,066,800 |
| 20,000 | Ingersoll-Rand Co., Cl. A | 836,200 | 946,400 |
| 60,000 | Lufkin Industries Inc. | 1,105,223 | 1,461,000 |
| 1,000 | Manitowoc Co. Inc. | 25,450 | 22,300 |

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| | | | |
|---------|---------------------------------------|------------|------------|
| 425,000 | Navistar International Corp.+ | 6,419,192 | 13,867,750 |
| 30,000 | PACCAR Inc. | 450,000 | 2,026,800 |
| 5,000 | Sealed Air Corp.+ . | 87,018 | 238,300 |
| 170,000 | SPS Technologies Inc.+ | 2,963,443 | 4,596,800 |
| 60,000 | Sybron Dental Specialties Inc.+ | 1,140,669 | 1,416,000 |
| 250,000 | Watts Industries Inc., Cl. A | 3,331,739 | 4,462,500 |
| 100,000 | Weir Group plc | 420,789 | 385,313 |
| | | ----- | ----- |
| | | 47,481,375 | 71,771,943 |
| | | ----- | ----- |

| SHARES | | COST | MARKET VALUE |
|---------|-------------------------------------|--------------|--------------|
| ----- | | ---- | ----- |
| | PUBLISHING -- 5.6% | | |
| 20,000 | Dow Jones & Co. Inc. | \$ 1,030,036 | \$ 860,600 |
| 248,266 | Independent News & Media plc | 358,456 | 450,449 |
| 19,000 | Knight-Ridder Inc. | 1,271,049 | 1,309,670 |
| 5,000 | McClatchy Co., Cl. A | 240,250 | 288,100 |
| 100,000 | McGraw-Hill Companies Inc. .. | 6,052,805 | 6,200,000 |
| 389,000 | Media General Inc., Cl. A | 23,023,400 | 22,250,800 |
| 125,000 | Meredith Corp. | 2,091,314 | 5,500,000 |
| 115,000 | New York Times Co., Cl. A | 790,115 | 5,232,500 |
| 120,000 | News Corp. Ltd. ... | 696,029 | 901,366 |
| 10,000 | News Corp. Ltd., ADR | 186,274 | 302,700 |
| 500,000 | Penton Media Inc.+ | 4,789,842 | 295,000 |
| 400,000 | PRIMEDIA Inc.+ | 1,948,569 | 1,220,000 |
| 40,000 | Pulitzer Inc. | 1,826,481 | 1,976,800 |
| 178,000 | Reader's Digest Association Inc. | 3,247,836 | 2,399,440 |
| 261,319 | SCMP Group Ltd. ... | 191,790 | 103,045 |
| 70,000 | Scripps (E.W.) Co., Cl. A | 4,559,387 | 6,210,400 |
| 91,842 | Seat-Pagine Gialle SpA+ | 204,007 | 63,807 |
| 80,000 | Thomas Nelson Inc.+ | 951,267 | 1,000,000 |
| 250,000 | Tribune Co. | 11,310,100 | 12,075,000 |
| | | ----- | ----- |
| | | 64,769,007 | 68,639,677 |
| | | ----- | ----- |
| | DIVERSIFIED INDUSTRIAL -- 4.6% | | |
| 210,000 | Acuity Brands Inc. | 3,603,717 | 3,815,700 |
| 195,000 | Ampco-Pittsburgh Corp. | 2,627,873 | 2,613,000 |
| 125,000 | Cooper Industries Ltd., Cl. A | 6,152,755 | 5,162,500 |
| 270,000 | Crane Co. | 5,062,737 | 6,110,100 |
| 105,000 | GATX Corp. | 1,708,946 | 1,716,750 |
| 260,000 | Greif Inc., Cl. A . | 4,845,131 | 5,980,000 |
| 3,400 | Greif Inc., Cl. B . | 69,825 | 85,850 |
| 418,000 | Honeywell International Inc. | 14,210,303 | 11,223,300 |
| 118,000 | ITT Industries Inc. | 3,585,603 | 7,724,280 |

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| | | | |
|---------|-------------------------------------|------------|------------|
| 400,600 | Lamson & Sessions Co.+ | 2,458,185 | 1,930,892 |
| 115,000 | Park-Ohio Holdings Corp.+ | 1,147,165 | 568,100 |
| 213,800 | Sensient Technologies Corp. | 3,865,929 | 4,915,262 |
| 10,000 | Smiths Group plc .. | 171,257 | 116,007 |
| 4,000 | Sulzer AG | 850,053 | 558,861 |
| 100,000 | Thomas Industries Inc. . | 1,388,525 | 2,705,000 |
| 50,000 | Trinity Industries Inc. | 945,000 | 925,500 |
| 25,000 | Tyco International Ltd. | 325,732 | 474,500 |
| | | ----- | ----- |
| | | 53,018,736 | 56,625,602 |
| | | ----- | ----- |

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2003 (UNAUDITED)

| SHARES | | COST | MARKET VALUE |
|-----------|---|--------------|-----------------|
| ----- | | ---- | ----- |
| | COMMON STOCKS (CONTINUED) | | |
| | WIRELESS COMMUNICATIONS -- 4.6% | | |
| 95,000 | America Movil SA de CV, Cl. L, ADR | \$ 1,235,397 | \$ 1,781,250 |
| 605,000 | AT&T Wireless Services Inc.+ .. | 7,589,893 | 4,967,050 |
| 27,900 | Leap Wireless International Inc.+ | 8,252 | 1,395 |
| 1,760,000 | mm02 plc+ | 1,963,847 | 1,648,185 |
| 109,000 | mm02 plc, ADR+ | 1,259,992 | 1,006,070 |
| 235,000 | Nextel Communications Inc., Cl. A+ | 3,746,523 | 4,248,800 |
| 1,500 | NTT DoCoMo Inc. ... | 3,553,937 | 3,247,970 |
| 230,000 | Rogers Wireless Communications Inc., Cl. B+ | 2,999,275 | 3,887,000 |
| 230,000 | Sprint Corp. - PCS Group+ | 533,587 | 1,322,500 |
| 16,700 | Tele Celular Sul Participacoes SA, ADR | 266,992 | 139,111 |
| 55,666 | Tele Centro Oeste Celular Participacoes SA, ADR | 166,868 | 321,749 |
| 3,340 | Tele Leste Celular Participacoes SA, ADR+ | 89,340 | 25,785 |
| 8,350 | Tele Nordeste Celular Participacoes SA, ADR | 123,227 | 134,852 |
| 3,340 | Tele Norte Celular Participacoes SA, ADR+ | 51,601 | 22,378 |

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| | | | |
|-----------|----------------------------|------------|--------------|
| 1,400,000 | Telecom Italia | | |
| | Mobile SpA | 2,694,316 | 6,896,948 |
| 75,000 | Telefonica Moviles | | |
| | SA+ | 535,739 | 602,019 |
| 8,350 | Telemig Celular | | |
| | Participacoes | | |
| | SA, ADR | 241,320 | 175,517 |
| 448,000 | Telephone & Data | | |
| | Systems Inc. | 36,971,784 | 22,265,600 |
| 66,800 | Telesp Celular | | |
| | Participacoes | | |
| | SA, ADR+ | 2,135,936 | 260,520 |
| 553,888 | Vodafone Group plc | 975,799 | 1,083,098 |
| 100,000 | Vodafone Group | | |
| | plc, ADR | 927,768 | 1,965,000 |
| | | ----- | ----- |
| | | 68,071,393 | 56,002,797 |
| | | ----- | ----- |
| | CABLE -- 4.3% | | |
| 1,545,000 | Cablevision Systems Corp., | | |
| | Cl. A+ | 23,103,311 | 32,074,200 |
| 30,000 | Charter Communications | | |
| | Inc., Cl. A+ | 138,876 | 119,100 |
| 480,000 | Comcast Corp., Cl. A+ | 15,580,814 | 14,486,400 |
| 85,000 | Comcast Corp., Cl. A, | | |
| | Special+ | 756,584 | 2,450,550 |
| 20,000 | Shaw Communications Inc., | | |
| | Cl. B | 52,983 | 267,599 |
| | | | |
| | | | MARKET |
| SHARES | | COST | VALUE |
| ----- | | ---- | ----- |
| 80,000 | Shaw Communications Inc., | | |
| | Cl. B, | | |
| | Non-Voting | \$ 329,197 | \$ 1,076,000 |
| 370,000 | UnitedGlobalCom Inc., | | |
| | Cl. A+ | 2,499,253 | 1,912,900 |
| | | ----- | ----- |
| | | 42,461,018 | 52,386,749 |
| | | ----- | ----- |
| | CONSUMER PRODUCTS -- 4.0% | | |
| 60,000 | Altadis SA | 885,677 | 1,537,861 |
| 43,000 | Christian Dior SA . | 1,514,055 | 1,719,368 |
| 10,000 | Church & Dwight | | |
| | Co. Inc. | 99,536 | 327,300 |
| 100,000 | Compagnie Financiere | | |
| | Richemont AG, Cl. A | 1,411,829 | 1,616,785 |
| 50,000 | Department 56 Inc.+ | 524,317 | 766,500 |
| 40,000 | Energizer | | |
| | Holdings Inc.+ .. | 938,568 | 1,256,000 |
| 90,000 | Fortune Brands Inc. | 2,401,343 | 4,698,000 |
| 30,000 | Gallaher Group plc | 274,164 | 294,554 |
| 240,000 | Gallaher Group | | |
| | plc, ADR | 9,300,000 | 9,504,000 |
| 275,000 | Gillette Co. | 8,780,020 | 8,761,500 |
| 2,000 | Givaudan SA | 550,742 | 841,614 |
| 55,000 | Harley-Davidson Inc. | 138,531 | 2,192,300 |
| 15,000 | Matsushita Electric | | |
| | Industrial Co. | | |
| | Ltd., ADR | 178,325 | 150,750 |
| 100,000 | Mattel Inc. | 1,549,565 | 1,892,000 |
| 75,000 | Maytag Corp. | 1,879,366 | 1,831,500 |

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| | | | |
|---------|---|------------|------------|
| 51,300 | National Presto Industries Inc. . | 1,808,866 | 1,621,080 |
| 8,200 | Nintendo Co. Ltd. . | 700,058 | 596,177 |
| 100,000 | Procter & Gamble Co. | 8,770,000 | 8,918,000 |
| 10,000 | Swatch Group AG, Cl. B | 584,263 | 906,212 |
| | | ----- | ----- |
| | | 42,289,225 | 49,431,501 |
| | | ----- | ----- |
| | AUTOMOTIVE: PARTS AND ACCESSORIES -- 3.4% | | |
| 18,000 | ArvinMeritor Inc. . | 337,568 | 363,240 |
| 37,802 | BorgWarner Inc. ... | 1,727,093 | 2,434,449 |
| 100,000 | CLARCOR Inc. | 1,266,455 | 3,855,000 |
| 318,000 | Dana Corp. | 5,199,986 | 3,676,080 |
| 55,000 | Delphi Corp. | 697,278 | 474,650 |
| 260,000 | GenCorp Inc. | 2,470,673 | 2,311,400 |
| 250,000 | Genuine Parts Co. . | 6,819,120 | 8,002,500 |
| 114,000 | Johnson Controls Inc. | 9,222,600 | 9,758,400 |
| 120,000 | Midas Inc.+ | 1,596,034 | 1,454,400 |
| 335,000 | Modine Manufacturing Co. | 4,388,179 | 6,488,950 |
| 75,000 | Scheib (Earl) Inc.+ | 619,805 | 205,875 |
| 163,000 | Standard Motor Products Inc. ... | 1,748,388 | 1,809,300 |
| 24,000 | Superior Industries International Inc. | 603,378 | 1,000,800 |
| 105,000 | TransPro Inc.+ | 936,808 | 470,400 |
| | | ----- | ----- |
| | | 37,633,365 | 42,305,444 |
| | | ----- | ----- |

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2003 (UNAUDITED)

| SHARES | | COST | MARKET VALUE |
|---------|-------------------------------------|------------|-----------------|
| ----- | | ---- | ----- |
| | COMMON STOCKS (CONTINUED) | | |
| | HEALTH CARE -- 3.0% | | |
| 14,000 | Abbott Laboratories\$ | 520,100 \$ | 612,640 |
| 60,000 | Amgen Inc.+ | 256,894 | 3,986,400 |
| 10,000 | AstraZeneca plc, London | 385,298 | 400,990 |
| 35,146 | AstraZeneca plc, Stockholm | 1,255,532 | 1,424,732 |
| 15,000 | Aventis SA | 1,056,288 | 825,257 |
| 26,000 | Biogen Inc.+ | 181,025 | 988,000 |
| 130,000 | Bristol-Myers Squibb Co. | 3,420,465 | 3,529,500 |
| 5,000 | Centerpulse AG+ ... | 325,651 | 1,345,475 |
| 75,036 | GlaxoSmithKline plc | 1,817,377 | 1,514,340 |
| 4,000 | GlaxoSmithKline plc, ADR | 216,096 | 162,160 |
| 18,000 | Henry Schein Inc.+ | 775,800 | 942,120 |
| 56,011 | Invitrogen Corp.+ . | 2,678,981 | 2,149,142 |
| 45,000 | Merck & Co. Inc. .. | 2,542,323 | 2,724,750 |

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| | | | |
|-----------|--|------------|------------|
| 41,000 | Novartis AG | 1,292,180 | 1,622,396 |
| 108,000 | Novartis AG, Registered | 3,905,280 | 4,299,480 |
| 90,000 | Pfizer Inc. | 1,903,100 | 3,073,500 |
| 17,900 | Roche Holding AG .. | 1,644,702 | 1,404,074 |
| 20,000 | Sanofi-Synthelabo SA | 967,750 | 1,171,310 |
| 70,000 | Schering-Plough Corp. | 1,446,838 | 1,302,000 |
| 700 | Synthes-Stratec Inc. | 469,462 | 502,827 |
| 14,000 | Takeda Chemical Industries Ltd. . | 782,347 | 516,511 |
| 60,000 | Wyeth | 2,563,371 | 2,733,000 |
| | | ----- | ----- |
| | | 30,406,860 | 37,230,604 |
| | | ----- | ----- |
| | CONSUMER SERVICES -- 2.6% | | |
| 480,000 | InterActive Corp.+ | 11,596,996 | 18,993,600 |
| 40,000 | Loewen Group Inc.+ | 48,700 | 0 |
| 697,800 | Rollins Inc. | 5,357,729 | 13,153,530 |
| | | ----- | ----- |
| | | 17,003,425 | 32,147,130 |
| | | ----- | ----- |
| | HOTELS AND GAMING -- 2.6% | | |
| 110,000 | Aztar Corp.+ | 772,707 | 1,772,100 |
| 90,000 | Boca Resorts Inc., Cl. A+ | 787,000 | 1,170,000 |
| 248,300 | Gaylord Entertainment Co.+ | 6,357,944 | 4,859,231 |
| 30,000 | Greek Organization of Football Prognostics | 288,231 | 305,919 |
| 8,000 | GTECH Holdings Corp.+ | 69,219 | 301,200 |
| 2,510,000 | Hilton Group plc .. | 8,418,704 | 7,621,122 |
| 650,000 | Hilton Hotels Corp. | 6,542,136 | 8,313,500 |
| 60,000 | MGM Mirage+ | 1,588,260 | 2,050,800 |
| 430,000 | Park Place Entertainment Corp.+ | 2,424,893 | 3,908,700 |
| 50,000 | Starwood Hotels & Resorts Worldwide Inc. .. | 1,075,717 | 1,429,500 |
| | | ----- | ----- |
| | | 28,324,811 | 31,732,072 |
| | | ----- | ----- |

| SHARES | | COST | MARKET VALUE |
|---------|---|------------|-----------------|
| ----- | | ---- | ----- |
| | RETAIL -- 2.0% | | |
| 200,000 | Albertson's Inc. ..\$ | 5,617,829 | \$ 3,840,000 |
| 300,000 | AutoNation Inc.+ .. | 3,354,597 | 4,716,000 |
| 75,000 | Boots Group plc ... | 739,158 | 802,599 |
| 15,000 | Coldwater Creek Inc.+ | 181,517 | 184,950 |
| 5,000 | Gucci Group NV, ADR | 455,824 | 490,000 |
| 16,000 | Ito-Yokado Co. Ltd. | 563,986 | 383,094 |
| 100,000 | Lillian Vernon Corp.+ | 1,362,258 | 723,000 |
| 50,000 | Neiman Marcus Group Inc., Cl. A+ | 1,485,058 | 1,830,000 |
| 320,000 | Neiman Marcus Group Inc., Cl. B+ | 7,741,769 | 11,040,000 |
| 7,750 | Tod's SpA | 387,822 | 241,003 |
| | | ----- | ----- |
| | | 21,889,818 | 24,250,646 |
| | | ----- | ----- |

AEROSPACE -- 1.9%

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| | | | |
|---------|---|------------|------------|
| 150,000 | BAE Systems plc ... | 564,815 | 352,723 |
| 114,000 | Boeing Co. | 3,814,474 | 3,912,480 |
| 95,000 | Lockheed Martin Corp. | 5,393,245 | 4,519,150 |
| 170,000 | Northrop Grumman Corp.+ | 16,166,154 | 14,669,300 |
| | | ----- | ----- |
| | | 25,938,688 | 23,453,653 |
| | | ----- | ----- |
| | BROADCASTING -- 1.9% | | |
| 16,666 | Corus Entertainment Inc., Cl. B+ | 62,036 | 279,044 |
| 100,000 | Gray Television Inc. | 974,530 | 1,240,000 |
| 28,000 | Gray Television Inc., Cl. A | 376,900 | 344,400 |
| 185,000 | Grupo Televisa SA, ADR | 4,870,420 | 6,382,500 |
| 200,000 | Liberty Corp. | 8,528,905 | 8,500,000 |
| 5,000 | LIN TV Corp., Cl. A+ | 110,000 | 117,750 |
| 120,000 | Mediaset SpA | 915,894 | 1,015,595 |
| 4,000 | Nippon Broadcasting System Inc. | 161,709 | 101,270 |
| 40,375 | NRJ Group | 384,806 | 598,100 |
| 128,000 | Paxson Communications Corp.+ | 1,263,348 | 766,720 |
| 17,700 | RTL Group | 775,136 | 845,548 |
| 100,000 | Television Broadcasts Ltd. | 396,239 | 358,419 |
| 110,000 | Young Broadcasting Inc., Cl. A+ | 2,713,685 | 2,324,300 |
| | | ----- | ----- |
| | | 21,533,608 | 22,873,646 |
| | | ----- | ----- |
| | REAL ESTATE -- 1.7% | | |
| 390,000 | Catellus Development Corp.+ | 6,469,316 | 8,580,000 |
| 70,000 | Cheung Kong (Holdings) Ltd. | 815,521 | 420,998 |
| 43,000 | Florida East Coast Industries Inc., Cl. A | 511,096 | 1,098,650 |

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2003 (UNAUDITED)

| SHARES | | COST | MARKET VALUE |
|---------|---|------------|--------------|
| ----- | | ---- | ----- |
| | COMMON STOCKS (CONTINUED) | | |
| | REAL ESTATE (CONTINUED) | | |
| 58,451 | Florida East Coast Industries Inc., Cl. B | \$ 964,977 | \$ 1,455,430 |
| 55,000 | Griffin Land & Nurseries Inc.+ | 513,143 | 759,275 |
| 50,000 | RFS Hotel Investors Inc. | 613,500 | 616,000 |
| 253,000 | St. Joe Co. | 1,873,208 | 7,893,600 |

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| | | | |
|---------|--|------------|------------|
| 525,000 | Corning Inc.+ | 5,185,332 | 3,879,750 |
| 130,000 | Lucent Technologies Inc.+ | 852,756 | 263,900 |
| 140,000 | Motorola Inc. | 1,803,785 | 1,320,200 |
| 110,000 | Nortel Networks Corp.+ | 755,785 | 297,000 |
| 44,000 | Scientific-Atlanta Inc. | 355,750 | 1,048,960 |
| | | ----- | ----- |
| | | 10,384,675 | 10,526,810 |
| | | ----- | ----- |
| | ENVIRONMENTAL SERVICES -- 0.7% | | |
| 65,000 | Republic Services Inc.+ | 875,761 | 1,473,550 |
| 300,000 | Waste Management Inc. | 6,690,206 | 7,227,000 |
| | | ----- | ----- |
| | | 7,565,967 | 8,700,550 |
| | | ----- | ----- |
| | BUSINESS SERVICES -- 0.7% | | |
| 60,000 | ANC Rental Corp.+ . | 578,273 | 300 |
| 170,000 | Cendant Corp.+ | 2,363,518 | 3,114,400 |
| 1,000 | CheckFree Corp.+ . . | 9,040 | 27,840 |
| 98,000 | Landauer Inc. | 634,307 | 4,099,340 |
| 70,000 | Nashua Corp.+ | 634,028 | 623,000 |
| 250,000 | Securicor plc | 0 | 307,343 |
| | | ----- | ----- |
| | | 4,219,166 | 8,172,223 |
| | | ----- | ----- |
| | METALS AND MINING -- 0.5% | | |
| 72,500 | Harmony Gold Mining Co. Ltd. | 347,738 | 950,898 |
| 35,000 | Harmony Gold Mining Co. Ltd., ADR | 282,733 | 471,450 |
| 130,000 | Newmont Mining Corp. | 2,977,871 | 4,219,800 |
| 50,000 | Placer Dome Inc. . . | 487,169 | 613,500 |
| | | ----- | ----- |
| | | 4,095,511 | 6,255,648 |
| | | ----- | ----- |
| | AUTOMOTIVE -- 0.5% | | |
| 20,000 | Ford Motor Co. | 490,840 | 219,800 |
| 165,000 | General Motors Corp. | 5,239,847 | 5,940,000 |
| | | ----- | ----- |
| | | 5,730,687 | 6,159,800 |
| | | ----- | ----- |
| | PAPER AND FOREST PRODUCTS -- 0.5% | | |
| 100,000 | MeadWestvaco Corp. | 2,760,271 | 2,470,000 |
| 150,000 | Pactiv Corp.+ | 1,569,911 | 2,956,500 |
| 15,000 | Rayonier Inc. | 465,432 | 495,000 |
| | | ----- | ----- |
| | | 4,795,614 | 5,921,500 |
| | | ----- | ----- |

See accompanying notes to financial statements.

THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2003 (UNAUDITED)

| SHARES | | COST | MARKET VALUE |
|--------|--|------|-----------------|
|--------|--|------|-----------------|

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| | | | |
|---------|--|---------------|---------------|
| ----- | | | |
| | COMMON STOCKS (CONTINUED) | | |
| | SATELLITE -- 0.2% | | |
| 180,323 | General Motors Corp., Cl. H+ | \$ 2,584,089 | \$ 2,309,938 |
| 45,100 | Liberty Satellite & Technology Inc., Cl. A+ | 930,397 | 117,260 |
| 19,000 | Loral Space & Communications Ltd.+ | 614,954 | 57,950 |
| | | ----- | ----- |
| | | 4,129,440 | 2,485,148 |
| | | ----- | ----- |
| | CLOSED END FUNDS -- 0.2% | | |
| 59,000 | Central European Equity Fund Inc.+ | 740,735 | 976,450 |
| 18,000 | France Growth Fund Inc.+ | 178,953 | 113,040 |
| 70,000 | New Germany Fund Inc.+ | 754,518 | 345,100 |
| 70,000 | Pimco RCM Europe Fund Inc.+ | 512,662 | 469,700 |
| 36,000 | Royce Value Trust Inc. | 435,552 | 537,840 |
| | | ----- | ----- |
| | | 2,622,420 | 2,442,130 |
| | | ----- | ----- |
| | BUILDING AND CONSTRUCTION -- 0.2% | | |
| 100,500 | CRH plc | 1,259,458 | 1,575,325 |
| 32,222 | Huttig Building Products Inc.+ .. | 81,163 | 87,322 |
| 15,000 | Martin Marietta Materials Inc. .. | 322,687 | 504,150 |
| | | ----- | ----- |
| | | 1,663,308 | 2,166,797 |
| | | ----- | ----- |
| | COMPUTER SOFTWARE AND SERVICES -- 0.1% | | |
| 5,000 | Electronic Data Systems Corp. | 69,661 | 107,250 |
| 160,000 | EMC Corp.+ | 2,649,432 | 1,675,200 |
| | | ----- | ----- |
| | | 2,719,093 | 1,782,450 |
| | | ----- | ----- |
| | TRANSPORTATION -- 0.1% | | |
| 70,000 | Amadeus Global Travel Distribution SA, Cl. A | 413,436 | 401,116 |
| 100,000 | AMR Corp.+ | 1,924,248 | 1,100,000 |
| 18,000 | Grupo TMM SA de CV, Cl. A, ADR+ | 112,860 | 39,600 |
| | | ----- | ----- |
| | | 2,450,544 | 1,540,716 |
| | | ----- | ----- |
| | TOTAL COMMON STOCKS | 1,054,229,051 | 1,184,633,635 |
| | | ----- | ----- |
| | PREFERRED STOCKS -- 2.5% | | |
| | PUBLISHING -- 1.6% | | |
| 765,000 | News Corp. Ltd., Pfd., ADR | 20,772,157 | 19,163,250 |

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| SHARES | | COST | MARKET VALUE |
|-------------|--|------------|-----------------|
| | SPECIALTY CHEMICALS -- 0.5% | | |
| 261,400 | Hercules Trust I, 9.420% Pfd.\$ | 5,915,725 | \$ 6,239,618 |
| | TELECOMMUNICATIONS -- 0.2% | | |
| 26,000 | Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B | 820,366 | 1,062,100 |
| 21,000 | Citizens Communications Co., 5.000% Cv. Pfd. . | 1,020,698 | 1,113,000 |
| | | 1,841,064 | 2,175,100 |
| | AEROSPACE -- 0.1% | | |
| 14,021 | Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B | 1,633,727 | 1,724,583 |
| | BROADCASTING -- 0.1% | | |
| 90 | Gray Television Inc., 8.000% Cv. Pfd., Ser. C (a)(b) ... | 900,000 | 927,000 |
| 75,000 | ProSieben Sat.1 Media AG, Pfd. | 689,863 | 499,529 |
| | | 1,589,863 | 1,426,529 |
| | AVIATION: PARTS AND SERVICES -- 0.0% | | |
| 3,000 | Sequa Corp., \$5.00 Cv. Pfd. .. | 239,700 | 226,500 |
| | WIRELESS COMMUNICATIONS -- 0.0% | | |
| 10,760,547 | Telesp Celular Participacoes SA, Pfd.+ | 82,623 | 16,728 |
| | TOTAL PREFERRED STOCKS | 32,074,859 | 30,972,308 |
| | PRINCIPAL AMOUNT | | |
| | CORPORATE BONDS -- 0.4% | | |
| \$1,200,000 | AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.1% Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09 | 1,139,784 | 1,038,000 |
| | AVIATION: PARTS AND SERVICES -- 0.1% | | |
| 868,000 | Kaman Corp., Sub. Deb. Cv., 6.000%, 03/15/12 | 823,352 | 836,535 |
| | CABLE -- 0.1% | | |
| 1,100,000 | Charter Communications Inc., Cv., 4.750%, 06/01/06 | 717,652 | 731,500 |

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See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 JUNE 30, 2003 (UNAUDITED)

| PRINCIPAL AMOUNT ----- | | COST ----- | MARKET VALUE ----- |
|---|---|-----------------|--------------------------|
| | ENERGY AND UTILITIES -- 0.1% | | |
| \$ 900,000 | Mirant Corp., Sub. Deb. Cv., 2.500%, 06/15/21+ | \$ 685,959 | \$ 675,000 |
| | ----- | | |
| | ELECTRONICS -- 0.0% | | |
| 500,000 | Agere Systems Inc., Sub. Deb. Cv., 6.500%, 12/15/09 | 500,000 | 575,000 |
| | ----- | | |
| | WIRELESS COMMUNICATIONS -- 0.0% | | |
| 500,000 | Nextel Communications Inc., 9.500%, 02/01/11 | 356,644 | 556,250 |
| | ----- | | |
| | TOTAL CORPORATE BONDS | 4,223,391 | 4,412,285 |
| | ----- | | |
| | SHARES ----- | | |
| | WARRANTS -- 0.0% | | |
| 62,463 | FOOD AND BEVERAGE -- 0.0% Denny's Corp., expires 01/07/05+ | 105,603 | 640 |
| | ----- | | |
| | PRINCIPAL AMOUNT ----- | | |
| | U.S. GOVERNMENT OBLIGATIONS -- 0.5% | | |
| \$6,407,000 | U.S. Treasury Bills, 0.771% to 0.915%+, 08/21/03 to 09/25/03 | 6,397,825 | 6,398,015 |
| | ----- | | |
| | REPURCHASE AGREEMENT -- 0.0% | | |
| 574,000 | Agreement with State Street Bank and Trust Co., 1.080%, dated 06/30/03, due 07/01/03, proceeds at maturity, \$574,017 (c) | 574,000 | 574,000 |
| | ----- | | |
| TOTAL INVESTMENTS -- 100.0% | | \$1,097,604,729 | \$1,226,990,883 |
| | ===== | | |
| OTHER LIABILITIES IN EXCESS OF ASSETS | | | (10,416,383) |

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PREFERRED STOCK
 (6,605,200 preferred shares outstanding) (295,000,000)

NET ASSETS -- COMMON STOCK
 (136,014,878 common shares outstanding) 921,574,500
 =====

NET ASSET VALUE PER COMMON SHARE
 (\$921,574,500 (DIVIDE)
 136,014,878 shares outstanding) \$6.78
 =====

| NUMBER OF CONTRACTS | EXPIRATION DATE | UNREALIZED APPRECIATION |
|------------------------------------|--------------------------------|----------------------------|
| ----- | ----- | ----- |
| FUTURE CONTRACTS -- SHORT POSITION | | |
| 390 | S&P 500 Index Futures | 9/19/03 \$ 2,686,125 |
| | | ===== |

 For Federal tax purposes:
 Aggregate cost\$1,097,604,729
 =====
 Gross unrealized appreciation\$ 245,591,461
 Gross unrealized depreciation (116,205,307)

 Net unrealized appreciation\$ 129,386,154
 =====

-
- (a) Security fair valued under procedures established by the Board of Directors.
 - (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2003, the market value of Rule 144A securities amounted to \$927,000 or 0.1% of total net assets.
 - (c) Collateralized by U.S. Treasury Notes, 3.375%, due 04/30/04, market value \$589,537.

+ Non-income producing security.
 ++ Represents annualized yield at date of purchase.
 ADR - American Depository Receipt.
 BDR - Brazilian Depository Receipt.
 CVO - Contingent Value Obligation.
 RNC - Non-Convertible Savings Shares.
 USD - U.S. Dollars.

| | % OF MARKET VALUE | MARKET VALUE |
|----------------------------|-------------------------|-----------------|
| | ----- | ----- |
| GEOGRAPHIC DIVERSIFICATION | | |
| United States | 81.77% | \$1,003,286,967 |
| Europe | 12.57 | 154,247,674 |
| Asia/Pacific | 2.71 | 33,256,850 |
| Latin America | 1.45 | 17,789,520 |
| Canada | 1.38 | 16,987,524 |
| South Africa | 0.12 | 1,422,348 |
| | ----- | ----- |
| Total Investments | 100.0% | \$1,226,990,883 |
| | ===== | ===== |

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See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.

STATEMENT OF ASSETS AND LIABILITIES JUNE 30, 2003 (UNAUDITED)

| | |
|--|------------------|
| ASSETS: | |
| Investments, at value (cost \$1,097,604,729) | \$ 1,226,990,883 |
| Foreign currency, at value (cost \$146,250) | 145,500 |
| Dividends and interest receivable | 1,818,765 |
| Receivable for investments sold | 3,444,227 |
| Other assets | 2,340 |
| | ----- |
| TOTAL ASSETS | 1,232,401,715 |
| | ----- |
| LIABILITIES: | |
| Dividends payable | 190,567 |
| Unrealized depreciation on swap contract | 11,304,988 |
| Payable for investment advisory fees | 811,351 |
| Interest payable on swap contract | 320,926 |
| Payable to custodian | 2,530,649 |
| Other accrued expenses and liabilities | 668,734 |
| | ----- |
| TOTAL LIABILITIES | 15,827,215 |
| | ----- |
| PREFERRED STOCK: | |
| Series B Cumulative Preferred Stock (7.20%, \$25 liquidation value, \$0.001 par value, 8,000,000 shares authorized with 6,600,000 shares issued and outstanding) | 165,000,000 |
| Series C Cumulative Preferred Stock (Auction Rate, \$25,000 liquidation value, \$0.001 par value, 6,000 shares authorized with 5,200 shares issued and outstanding) | 130,000,000 |
| | ----- |
| TOTAL PREFERRED STOCK | 295,000,000 |
| | ----- |
| NET ASSETS ATTRIBUTABLE TO COMMON | |
| STOCK SHAREHOLDERS | \$ 921,574,500 |
| | ===== |
| NET ASSETS ATTRIBUTABLE TO COMMON STOCK | |
| SHAREHOLDERS CONSIST OF: | |
| Capital stock, at par value | \$ 136,015 |
| Additional paid-in capital | 873,744,705 |
| Accumulated distributions in excess of net investment income | (63,705,454) |
| Accumulated net realized loss on investments, futures contracts and foreign currency transactions | (9,398,368) |
| Net unrealized appreciation on investments, future contracts, swap contracts and foreign currency transactions | 120,797,602 |
| | ----- |
| TOTAL NET ASSETS | \$ 921,574,500 |
| | ===== |
| NET ASSET VALUE PER COMMON SHARE | |
| (\$921,574,500 / 136,014,878 shares outstanding; 191,994,000 shares authorized of \$0.001 par value) .. | \$6.78 |

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=====

STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED)

| | |
|--|----------------|
| INVESTMENT INCOME: | |
| Dividends (net of foreign taxes of \$297,683) | \$ 9,783,743 |
| Interest | 1,147,233 |
| | ----- |
| TOTAL INVESTMENT INCOME | 10,930,976 |
| | ----- |
| EXPENSES: | |
| Investment advisory fees | 4,728,350 |
| Interest expense on interest rate swap contract ... | 2,064,270 |
| Shareholder communications expenses | 222,907 |
| Payroll | 142,335 |
| Shareholder services fees | 136,956 |
| Custodian fees | 82,321 |
| Directors' fees | 70,318 |
| Legal and audit fees | 91,394 |
| Miscellaneous expenses | 305,293 |
| | ----- |
| TOTAL EXPENSES | 7,844,144 |
| | ----- |
| NET INVESTMENT INCOME | 3,086,832 |
| | ----- |
| NET REALIZED AND UNREALIZED GAIN/LOSS ON INVESTMENTS, FUTURES CONTRACTS, SWAP CONTRACTS AND FOREIGN CURRENCY TRANSACTIONS: | |
| Net realized gain on investments | 2,014,260 |
| Net realized gain on foreign currency transactions .. | 15,595 |
| Net realized loss on futures contracts | (5,303,710) |
| | ----- |
| Net realized loss on investments, futures contracts and foreign currency transactions | (3,273,855) |
| | ----- |
| Net change in unrealized appreciation/depreciation on investments, futures contracts, swap contracts and foreign currency transactions | 132,330,988 |
| | ----- |
| NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS, FUTURES CONTRACTS, SWAP CONTRACTS AND FOREIGN CURRENCY TRANSACTIONS | 129,057,133 |
| | ----- |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | 132,143,965 |
| | ----- |
| Total Distributions to Preferred Stock Shareholders | (11,599,110) |
| | ----- |
| NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS | \$ 120,544,855 |
| | ===== |

See accompanying notes to financial statements.

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS

| | SIX MON JUNE (UNA ----- |
|--|----------------------------------|
| OPERATIONS: | |
| Net investment income | \$ |
| Net realized gain (loss) on investments, options, futures contracts and foreign currency transactions | (|
| Net change in unrealized appreciation/depreciation on investments, future contracts, swap contracts and foreign currency transactions | 13 |
| | ----- |
| NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS | 13 |
| | ----- |
| DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS: | |
| Net investment income | (1 |
| Net realized short-term gain on investments, options, futures contracts and foreign currency transactions | |
| Net realized long-term gains on investments, options, futures contracts and foreign currency transactions | |
| | ----- |
| TOTAL DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS | (1 |
| | ----- |
| NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS | 12 |
| | ----- |
| DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS: | |
| Net investment income | (5 |
| Net realized short-term gain on investments, options, futures contracts and foreign currency transactions | |
| Net realized long-term gains on investments, options, futures contracts and foreign currency transactions | |
| Return of capital | |
| | ----- |
| TOTAL DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS | (5 |
| | ----- |
| TRUST SHARE TRANSACTIONS: | |
| Net increase in net assets from common shares issued upon reinvestment of dividends and distributions | 1 |
| Offering costs for preferred shares charged to paid-in capital | |
| | ----- |
| NET INCREASE IN NET ASSETS FROM TRUST SHARE TRANSACTIONS | 1 |
| | ----- |
| NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS | 7 |
| NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS: | |
| Beginning of period | 84 |
| | ----- |
| End of period | \$ 92 |
| | ===== |

See accompanying notes to financial statements.

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1. ORGANIZATION. The Gabelli Equity Trust Inc. (the "Equity Trust") is a closed-end, non-diversified 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. The Equity Trust had no operations until August 11, 1986, when it sold 10,696 shares of common stock to Gabelli Funds, LLC (the "Adviser") for \$100,008. Investment operations commenced on August 21, 1986.

Effective August 1, 2002, the Equity Trust modified its non-fundamental investment policy to increase, from 65% to 80%, the portion of its assets that it will invest, under normal market conditions in equity securities (the "80% Policy"). The 80% Policy may be changed without shareholder approval. However, the Equity Trust has adopted a policy to provide shareholders with at least 60 days' notice of the implementation of any change in the 80% Policy.

2. SIGNIFICANT ACCOUNTING POLICIES. The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Equity Trust in the preparation of its financial statements.

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 so determines, by such other method as the Board of Directors shall determine in good faith, to reflect its fair market value. Portfolio securities traded on more than one national 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 in foreign markets are generally valued at the preceding closing values of such securities on their respective exchanges or markets. Securities and assets for which market quotations are not readily available are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Board of Directors. Short term debt securities with remaining maturities of 60 days or less are valued at amortized cost, unless the Board of Directors determines such does not reflect the securities fair value, in which case these securities will be valued at their fair value as determined by the Board of Directors. Debt instruments having a maturity greater than 60 days for which market quotations are readily available are valued at the latest average of the bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price on that day. Options are valued at the last sale price on the exchange on which they are listed. If no sales of such options have taken place that day, they will be valued at the mean between their closing bid and asked prices.

REPURCHASE AGREEMENTS. The Equity Trust may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Bank of New York, with member banks of the Federal Reserve System or with other brokers or dealers that meet credit guidelines established by the Adviser and reviewed by the Board of Directors. Under the terms of a typical repurchase agreement, the Equity Trust takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Equity Trust to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Equity Trust's holding period. The Equity Trust

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will always receive and maintain securities as collateral whose market value, including accrued interest, will be at least equal to 102% of the dollar amount invested by the Equity Trust in each agreement. The Equity Trust will make payment for such securities only upon physical delivery or

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THE GABELLI EQUITY TRUST INC. NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the adequacy of the collateral. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Equity Trust may be delayed or limited.

SWAP AGREEMENTS. The Equity Trust may enter into interest rate swap or cap transactions. The use of interest rate swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an interest rate swap, the Equity Trust would agree to pay to the other party to the interest rate swap (which is known as the "counterparty") periodically a fixed rate payment in exchange for the counterparty agreeing to pay to the Equity Trust periodically a variable rate payment that is intended to approximate the Equity Trust's variable rate payment obligation on the Series C Preferred Stock. In an interest rate cap, the Equity Trust would pay a premium to the interest rate cap to the counterparty and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from the counterparty payments of the difference based on the notional amount of such cap. Interest rate swap and cap transactions introduce additional risk because the Equity Trust would remain obligated to pay preferred stock dividends when due in accordance with the Articles Supplementary even if the counterparty defaulted. Depending on the general state of short-term interest rates and the returns on the Equity Trust's portfolio securities at that point in time, such a default could negatively affect the Equity Trust's ability to make dividend payments for the Series C Preferred Stock. In addition, at the time an interest rate swap or cap transaction reaches its scheduled termination date, there is a risk that the Equity Trust will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the Equity Trust's ability to make dividend payments on the Series C Preferred Stock.

The Trust has entered into one interest rate swap agreement with Citibank N.A. Under the agreement the Trust receives a floating rate of interest and pays a respective fixed rate of interest on the nominal value of the swap. Details of the swap at June 30, 2003 are as follows:

| NOTIONAL AMOUNT | FIXED RATE | FLOATING RATE* (RATE RESET MONTHLY) | TERMINATION DATE | UNREALIZED DEPRECIATION |
|--------------------|------------|--|---------------------|----------------------------|
| ----- | ----- | ----- | ----- | ----- |
| \$130,000,000 | 4.494% | 1.32% | July 1, 2007 | \$(11,304,988) |

* Based on Libor (London Interbank Offered Rate).

FUTURES CONTRACTS. The Equity Trust 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. Such investments will only be made if they are economically appropriate to the reduction of risks involved in the management of the Equity Trust's investments. Upon entering into a futures

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contract, the Equity Trust 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 Equity Trust each day, depending on the daily fluctuation of the value of the contract. The daily changes in the contract are included in unrealized appreciation/depreciation on investments and futures contracts. The Equity Trust recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging device. 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 the Equity Trust may not be able to enter into a closing transaction because of an illiquid secondary market.

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THE GABELLI EQUITY TRUST INC. NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

FORWARD FOREIGN EXCHANGE CONTRACTS. The Equity Trust may engage in forward foreign exchange contracts for hedging a specific transaction with respect to either the currency in which the transaction is denominated or another currency as deemed appropriate by the Adviser. Forward foreign exchange contracts are valued at the forward rate and are marked-to-market daily. The change in market value is included in unrealized appreciation/depreciation on investments and foreign currency transactions. When the contract is closed, the Equity Trust records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign exchange contracts does not eliminate fluctuations in the underlying prices of the Equity Trust's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign exchange contracts limit the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain/(loss) that might result should the value of the currency increase. In addition, the Equity Trust could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts.

FOREIGN CURRENCY TRANSLATION. The books and records of the Equity Trust are maintained in United States (U.S.) dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period, and 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, which 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 transactions. 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 Equity Trust and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME. Securities transactions are accounted for as of the trade date with realized gain or loss on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded as earned.

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Dividend income is recorded on the ex-dividend date.

DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS. Distributions to shareholders are recorded on the ex-dividend date. Distributions to shareholders of the Equity Trust's 7.25% Tax Advantaged Series A Cumulative Preferred Stock, 7.20% Tax Advantaged Series B Cumulative Preferred Stock and Series C Auction Rate Cumulative Preferred Stock ("Cumulative Preferred Stock") are accrued on a daily basis and are determined as described in Note 5.

Income distributions and capital gain distributions are determined in accordance with Federal income tax regulations which may differ from accounting principles generally accepted in the United States. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Equity Trust, timing differences and differing characterization of distributions made by the Equity Trust.

PROVISION FOR INCOME TAXES. The Equity Trust intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. As a result, a Federal income tax provision is not required.

3. AGREEMENTS AND TRANSACTIONS WITH AFFILIATES. The Equity Trust has entered into an investment advisory agreement (the "Advisory Agreement") with the Adviser which provides that the Equity Trust will pay the Adviser a fee, computed weekly and paid monthly, equal on an annual basis to 1.00% of the value of the Equity Trust's average weekly net assets plus liquidation value of preferred stock. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program

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THE GABELLI EQUITY TRUST INC. NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

for the Equity Trust's portfolio and oversees the administration of all aspects of the Equity Trust's business and affairs. The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Cumulative Preferred Stock if the total return of the net asset value of the common shares of the Equity Trust, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate or corresponding swap rate of the Cumulative Preferred Stock. On June 11, 2003, the Equity Trust redeemed all of its outstanding 7.25% Cumulative Preferred Stock. For the period from January 1, 2003 through June 17, 2003, the Trust's total return on the net asset value of the common shares succeeded the stated dividend rate of the Cumulative Preferred Stock for this period. Thus, management fees were earned on these assets. For the period from January 1, 2003 through June 30, 2003, the Trust's total return on the net asset value of the common shares exceeded the stated dividend rates of all other outstanding preferred stock.

During the six months ended June 30, 2003, Gabelli & Company, Inc. received \$125,487 in brokerage commissions as a result of executing agency transactions in portfolio securities on behalf of the Equity Trust.

The cost of calculating the Trust's net asset value per share is a Trust expense pursuant to the Investment Advisory Agreement between the Trust and the Adviser. During the six months ended June 30, 2003, the Gabelli Equity Trust reimbursed the Adviser \$17,400 in connection with the cost of computing the Trust's net asset value.

4. PORTFOLIO SECURITIES. Cost of purchases and proceeds from sales of securities, other than short-term securities, for the six months ended June 30, 2003 aggregated \$25,264,816 and \$64,686,026, respectively.

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5. CAPITAL. The Articles of Incorporation, dated May 19, 1986, permit the Equity Trust to issue 183,994,000 shares of common stock (par value \$0.001). The Board of Directors of the Equity Trust has authorized the repurchase of its shares on the open market when the shares are trading at a discount of 10% or more (or such other percentage as the Board of Directors may determine from time to time) from the net asset value of the shares. During the six months ended June 30, 2003, the Equity Trust did not repurchase any shares of its common stock in the open market.

Transactions in common stock were as follows:

| | SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED) | | YEAR ENDED DECEMBER 31, 2002 | |
|---|--|--------------|---------------------------------|--------------|
| | SHARES | AMOUNT | SHARES | AMOUNT |
| Shares issued upon reinvestment of dividends and distributions | 1,954,911 | \$13,413,091 | 3,992,168 | \$30,727,869 |
| Net increase | 1,954,911 | \$13,413,091 | 3,992,168 | \$30,727,869 |

The holders of Cumulative Preferred Stock have voting rights equivalent to those of the holders of common stock (one vote per share) and will vote together with holders of shares of common stock as a single class. In addition, the 1940 Act requires that along with approval of a majority of the holders of common stock, approval of a majority of the holders of any outstanding shares of Cumulative Preferred Stock, voting separately as a class, would be required to (a) adopt any plan of reorganization that would adversely affect the Cumulative Preferred Stock, and (b) take any action requiring a vote of security holders, including, among other things, changes in the Trust's subclassification as a closed-end investment company or changes in its fundamental investment restrictions. The Equity Trust's Articles of Incorporation, as amended, authorize the issuance of up to 16,006,000 shares of \$0.001 par value Cumulative Preferred Stock. The Cumulative 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 Cumulative Preferred Stock are cumulative.

THE GABELLI EQUITY TRUST INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED) (UNAUDITED)

The Equity Trust is required to meet certain asset coverage tests as required by the 1940 Act and by the Shares' Articles Supplementary with respect to the Cumulative Preferred Stock. If the Equity Trust fails to meet these requirements and does not correct such failure, the Equity Trust may be required to redeem, in part or in full, the 7.20% Series B and Series C Auction Rate Cumulative Preferred Stock at a redemption price of \$25 and \$25,000, 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 requirements could restrict the Equity Trust's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Equity Trust'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.

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Under Emerging Issues Task Force (EITF) promulgating Topic D-98, CLASSIFICATION AND MEASUREMENT OF REDEEMABLE SECURITIES, which was issued on July 19, 2001, preferred securities that are redeemable for cash or other assets are to be classified outside of permanent equity to the extent that the redemption is at a fixed or determinable price and at the option of the holder or upon the occurrence of an event that is not solely within the control of the issuer. Subject to the guidance of the EITF, the Equity Trust's Cumulative Preferred Stock has been reclassified outside of permanent equity (net assets attributable to common stock shareholders) in the accompanying financial statements.

The Equity Trust as authorized by the Board of Directors, redeemed all (5,367,900 shares) of its outstanding 7.25% Cumulative Preferred Stock. The redemption date was June 17, 2003 and the redemption price was \$25.4078 per Preferred Share, which consisted of \$25.00 per Preferred Share (the "liquidation value") plus accrued dividends through the redemption date of \$0.4078 per Preferred Share. The Preferred Shares were callable at any time at the liquidation value of \$25.00 per share plus accrued dividends following the expiration of the five-year call protection on June 9, 2003.

On June 20, 2001, the Equity Trust received net proceeds of \$159,329,175 (after underwriting discounts of \$5,197,500 and estimated offering expenses of \$473,325) from the public offering of 6,600,000 shares of 7.20% Series B Cumulative Preferred Stock. Commencing June 20, 2006 and thereafter, the Equity Trust, at its option, may redeem the 7.20% Series B Cumulative Preferred Stock in whole or in part at the redemption price. The Board of Directors has authorized the repurchase in the open market at prices less than the \$25 liquidation value of the Cumulative Preferred Stock. During the six months ended June 30, 2003, the year ended December 31, 2002, and the year ended December 31, 2001, the Equity Trust did not repurchase any shares of 7.20% Series B Cumulative Preferred Stock. At June 30, 2003, 6,600,000 shares of the 7.20% Series B Cumulative Preferred Stock were outstanding at the fixed rate of 7.20% per share and accrued dividends amounted to \$165,000.

On June 27, 2002, the Equity Trust received net proceeds of \$128,200,000 (after underwriting discounts of \$1,300,000 and estimated offering expenses of \$500,000) from the public offering of 5,200 shares of Series C Auction Rate Cumulative Preferred Stock. The dividend rate, as set by the auction process, which is generally held every 7 days, is expected to vary with short-term interest rates. Existing shareholders may submit an order to hold, bid or sell such shares on each auction date. Series C Auction Rate Cumulative Preferred Stock shareholders may also trade shares in the secondary market. The Equity Trust, at its option, may redeem the Series C Auction Rate Cumulative Preferred Stock in whole or in part at the redemption price at any time. During the six months ended June 30, 2003 and the year ended December 31, 2002, the Equity Trust did not repurchase any shares of Series C Auction Rate Cumulative Preferred Stock. At June 30, 2003, 5,200 shares of the Series C Auction Rate Cumulative Preferred Stock were outstanding at the annual rate of 1.18% per share and accrued dividends amounted to \$25,567.

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THE GABELLI EQUITY TRUST INC. FINANCIAL HIGHLIGHTS

| SELECTED DATA FOR AN TRUST COMMON SHARE OUTSTANDING THROUGHOUT EACH PERIOD: | SIX MONTHS ENDED JUNE 30, 2003 (UNAUDITED) | ----- 2002 (A) | ----- 2001 (A) | ----- YEAR ENDED DE 2000 (A) |
|--|--|-------------------|-------------------|------------------------------------|
| | ----- | ----- | ----- | ----- |

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OPERATING PERFORMANCE:

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Net asset value, beginning of period | \$ 6.28 | \$ 8.97 | \$ 10.89 | \$ 12.7 |
| | | | | |
| Net investment income | 0.03 | 0.06 | 0.08 | 0.0 |
| Net realized and unrealized gain (loss) on investments | 0.95 | (1.64) | (0.16) | (0.5) |
| | | | | |
| Total from investment operations | 0.98 | (1.58) | (0.08) | (0.4) |
| | | | | |
| DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS: | | | | |
| Net investment income | (0.09) | (0.01) | (0.01) | (0.0) |
| Net realized gain on investments | -- | (0.16) | (0.11) | (0.0) |
| | | | | |
| Total distributions to preferred stock shareholders | (0.09) | (0.17) | (0.12) | (0.0) |
| | | | | |
| NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS | | | | |
| | 0.89 | (1.75) | (0.20) | (0.5) |
| | | | | |
| DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS: | | | | |
| Net investment income | (0.40) | (0.05) | (0.06) | (0.0) |
| Net realized gain on investments | -- | (0.90) | (1.02) | (1.2) |
| Paid-in capital | -- | (0.00) (c) | -- | - |
| | | | | |
| Total distributions to common stock shareholders | (0.40) | (0.95) | (1.08) | (1.3) |
| | | | | |
| CAPITAL SHARE TRANSACTIONS: | | | | |
| Increase (decrease) in net asset value from common stock share transactions | 0.01 | 0.02 | 0.03 | - |
| Decrease in net asset value from shares issued in rights offering | -- | -- | (0.62) | - |
| Offering costs for preferred shares charged to paid-in capital | -- | (0.01) | (0.05) | - |
| | | | | |
| Total capital share transactions | 0.01 | 0.01 | (0.64) | - |
| | | | | |
| NET ASSET VALUE ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS, END OF PERIOD | | | | |
| | \$ 6.75 | \$ 6.28 | \$ 8.97 | \$ 10.8 |
| | | | | |
| Net asset value total return + | 14.50% | (21.00)% | (3.68)% | (4.3) |
| | | | | |
| Market value, end of period | \$ 7.47 | \$ 6.85 | \$ 10.79 | \$ 11.4 |
| | | | | |
| Total investment return ++ | 15.65% | (28.36)% | 10.32% | 1.9 |
| | | | | |

+ Based on net asset value per share, adjusted for reinvestment of distributions, including the effect of shares issued pursuant to rights offering, assuming full subscription by shareholder. Total return for the period of less than one year is not annualized.

++ Based on market value per share, adjusted for reinvestment of distributions, including the effect of shares issued pursuant to rights offering, assuming full subscription by shareholder. Total return for the period of less than one year is not annualized.

(a) Per share amounts have been calculated using the monthly average shares outstanding method.

(b) A distribution equivalent to \$0.75 per share for The Gabelli Utility Trust spin-off from net investment income, realized short-term gains, realized long-term gains, and paid-in-capital were \$0.01029, \$0.07453, \$0.34218

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- and \$0.32300, respectively.
- (c) Amount represents less than \$0.005 per share.
 - (d) Based on weekly prices.
 - (e) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits for the years ended December 31, 2002, 2001 and 2000, the expense ratios of operating expenses to average net assets attributable to common stock would be 1.37%, 1.11% and 1.14%, respectively, and the expense ratios of operating expenses to average total net assets including liquidation value of preferred shares would be 1.00%, 0.94% and 1.03%, respectively.
 - (f) Asset coverage is calculated by combining all series of preferred stock.
 - (g) The Trust incurred interest expense during the six months ended June 30, 2003 and the year ended December 31, 2002. If interest expense had not been incurred, the expense ratio of operating expenses to average net assets attributable to common stock would be 1.37% and 1.19%, respectively, and the expense ratio of operating expenses to average total net assets including liquidation value of preferred shares would be 0.92% and 0.87%, respectively.
 - (h) Annualized.

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
FINANCIAL HIGHLIGHTS (CONTINUED)

| | SIX MONTHS ENDED | | YEAR ENDED DE | |
|---|------------------------------|-------------|---------------|-----------|
| | JUNE 30, 2003 (UNAUDITED) | 2002 (A) | 2001 (A) | 2000 (A) |
| RATIOS AND SUPPLEMENTAL DATA: | | | | |
| Net assets including liquidation value of preferred shares, end of period (in 000's) | \$1,216,575 | \$1,271,600 | \$1,465,369 | \$1,318,2 |
| Net assets attributable to common shares, end of period (in 000's) | \$ 921,575 | \$ 842,403 | \$1,166,171 | \$1,184,0 |
| Ratio of net investment income to average net assets attributable to common shares | 0.73% (h) | 0.81% | 0.81% | 0. |
| Ratio of operating expenses to average net assets attributable to common shares (e) (g) | 1.86% (h) | 1.37% | 1.12% | 1. |
| Ratio of operating expenses to average total net assets including liquidation value of preferred shares (e) (g) | 1.26% (h) | 1.00% | 0.95% | 1. |
| Portfolio turnover rate | 2.2% | 27.1% | 23.9% | 32 |
| PREFERRED STOCK: | | | | |
| 7.25% CUMULATIVE PREFERRED STOCK | | | | |
| Liquidation value, end of period (in 000's) | \$ -- | \$ 134,198 | \$ 134,198 | \$ 134,2 |
| Total shares outstanding (in 000's) | -- | 5,368 | 5,368 | 5,3 |
| Liquidation preference per share | \$ -- | \$ 25.00 | \$ 25.00 | \$ 25. |
| Average market value (d) | \$ -- | \$ 25.75 | \$ 25.39 | \$ 22. |
| 7.20% CUMULATIVE PREFERRED STOCK | | | | |
| Liquidation value, end of period (in 000's) | \$ 165,000 | \$ 165,000 | \$ 165,000 | |

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| | | | | |
|---|------------|------------|-----------|---------|
| Total shares outstanding (in 000's) | 6,600 | 6,600 | 6,600 | |
| Liquidation preference per share | \$ 25.00 | \$ 25.00 | \$ 25.00 | |
| Average market value (d) | \$ 27.12 | \$ 26.40 | \$ 25.60 | |
| AUCTION RATE CUMULATIVE PREFERRED STOCK | | | | |
| Liquidation value, end of period | | | | |
| (in 000's) | \$ 130,000 | \$ 130,000 | | -- |
| Total shares outstanding (in 000's) | 5 | 5 | | -- |
| Liquidation preference per share | \$ 25,000 | \$ 25,000 | | -- |
| Average market value (d) | \$ 25,000 | \$ 25,000 | | -- |
| ASSET COVERAGE (f) | 412% | 296% | 490% | 9 |
| ASSET COVERAGE PER SHARE (f) | \$ 184.18 | \$ 106.20 | \$ 122.44 | \$ 245. |

-
- + Based on net asset value per share, adjusted for reinvestment of distributions, including the effect of shares issued pursuant to rights offering, assuming full subscription by shareholder. Total return for the period of less than one year is not annualized.
 - ++ Based on market value per share, adjusted for reinvestment of distributions, including the effect of shares issued pursuant to rights offering, assuming full subscription by shareholder. Total return for the period of less than one year is not annualized.
 - (a) Per share amounts have been calculated using the monthly average shares outstanding method.
 - (b) A distribution equivalent to \$0.75 per share for The Gabelli Utility Trust spin-off from net investment income, realized short-term gains, realized long-term gains, and paid-in-capital were \$0.01029, \$0.07453, \$0.34218 and \$0.32300, respectively.
 - (c) Amount represents less than \$0.005 per share.
 - (d) Based on weekly prices.
 - (e) The ratios do not include a reduction of expenses for custodian fee credits on cash balances maintained with the custodian. Including such custodian fee credits for the years ended December 31, 2002, 2001 and 2000, the expense ratios of operating expenses to average net assets attributable to common stock would be 1.37%, 1.11% and 1.14%, respectively, and the expense ratios of operating expenses to average total net assets including liquidation value of preferred shares would be 1.00%, 0.94% and 1.03%, respectively.
 - (f) Asset coverage is calculated by combining all series of preferred stock.
 - (g) The Trust incurred interest expense during the six months ended June 30, 2003 and the year ended December 31, 2002. If interest expense had not been incurred, the expense ratio of operating expenses to average net assets attributable to common stock would be 1.37% and 1.19%, respectively, and the expense ratio of operating expenses to average total net assets including liquidation value of preferred shares would be 0.92% and 0.87%, respectively.
 - (h) Annualized.

See accompanying notes to financial statements.

AUTOMATIC DIVIDEND REINVESTMENT
AND VOLUNTARY CASH PURCHASE PLAN

ENROLLMENT IN THE PLAN

It is the policy of The Gabelli Equity Trust Inc. ("Equity Trust") to automatically reinvest dividends. As a "registered" shareholder you automatically become a participant in the Equity Trust's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Equity Trust to issue shares 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

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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 Equity Trust. Plan participants may send their stock certificates to EquiServe Trust Company ("EquiServe") 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 EquiServe
P.O. Box 43011
Providence, RI 02940-3011

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 may contact EquiServe at 1 (800) 336-6983.

SHAREHOLDERS WISHING TO LIQUIDATE REINVESTED SHARES held at EquiServe 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.

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 Equity Trust'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 Equity Trust's Common Stock. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange 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 Equity Trust valued at market price. If the Equity Trust should declare a dividend or capital gains distribution payable only in cash, EquiServe will buy Common Stock in the open market, or on the New York Stock Exchange or elsewhere, for the participants' accounts, except that EquiServe will endeavor to terminate purchases in the open market and cause the Equity Trust 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.

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The Equity Trust 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 EquiServe on at least 90 days' written notice to participants in the Plan.

VOLUNTARY CASH PURCHASE PLAN

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Equity Trust. 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 EquiServe for investments in the Equity Trust's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. EquiServe will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. EquiServe 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 EquiServe, P.O. Box 43011, Providence, RI02940-3011 such that EquiServe receives such payments approximately 10 days before the investment date. Funds not received at least five days before the investment date shall be held for investment in the following month. A payment may be withdrawn without charge if notice is received by EquiServe at least 48 hours before such payment is to be invested.

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 Equity Trust.

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DIRECTORS AND OFFICERS
THE GABELLI EQUITY TRUST INC.
ONE CORPORATE CENTER, RYE, NY 10580-1422

DIRECTORS

Mario J. Gabelli, CFA
CHAIRMAN & CHIEF INVESTMENT OFFICER,
GABELLI ASSET MANAGEMENT INC.

Dr. Thomas E. Bratter
PRESIDENT, JOHN DEWEY ACADEMY

Anthony J. Colavita
ATTORNEY-AT-LAW,
ANTHONY J. COLAVITA, P.C.

James P. Conn
FORMER MANAGING DIRECTOR & CHIEF INVESTMENT OFFICER,
FINANCIAL SECURITY ASSURANCE HOLDINGS LTD.

Frank J. Fahrenkopf, Jr.
PRESIDENT & CHIEF EXECUTIVE OFFICER,
AMERICAN GAMING ASSOCIATION

Arthur V. Ferrara
FORMER CHAIRMAN & CHIEF EXECUTIVE OFFICER,

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GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Karl Otto Pohl
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

Anthony R. Pustorino
CERTIFIED PUBLIC ACCOUNTANT
PROFESSOR EMERITUS, PACE UNIVERSITY

Salvatore J. Zizza
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

OFFICERS

Bruce N. Alpert
PRESIDENT

Gus Coutsouros
VICE PRESIDENT & TREASURER

Carter W. Austin
VICE PRESIDENT

James E. McKee
SECRETARY

INVESTMENT ADVISOR
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

CUSTODIAN
Boston Safe Deposit and Trust Company

COUNSEL
Willkie Farr & Gallagher

TRANSFER AGENT AND REGISTRAR
EquiServe Trust Company

STOCK EXCHANGE LISTING

| | COMMON | 7.20% PREFERRED |
|---------------------|-------------|--------------------|
| | ----- | ----- |
| NYSE-Symbol: | GAB | GAB PrB |
| Shares Outstanding: | 136,014,878 | 6,600,000 |

The Net Asset Value appears in the Publicly Traded Funds column, under the heading "General Equity Funds," in Sunday's The New York Times and 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 may be obtained each day by calling (914) 921-5071.

For general information about the Gabelli Funds, call 800-GABELLI (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: WWW.GABELLI.COM or e-mail us at: closedend@gabelli.com

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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 Equity Trust may, from time to time, purchase shares of its common stock in the open market when the Equity Trust shares are trading at a discount of 10% or more from the net asset value of the shares. The Equity Trust may also, from time to time, purchase shares of its Cumulative Preferred Stock in the open market when the shares are trading at a discount to the Liquidation Value of \$25.00.

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ONE CORPORATE CENTER
RYE, NY 10580-1422
(914) 921-5070
WWW.GABELLI.COM

SEMI-ANNUAL REPORT
JUNE 30, 2003

GBFCM SA/03

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. [RESERVED]

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. [RESERVED]

ITEM 9. CONTROLS AND PROCEDURES.

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- (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 Exchange Act (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 half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 10. EXHIBITS.

- (a) (1) Not applicable.
- (a) (2) Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (b) Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(registrant) The Gabelli Equity Trust Inc.

By (Signature and Title)* /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive Officer

Date 09/03/03

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive Officer

Date 09/03/03

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By (Signature and Title)* /s/ Gus A. Coutsouros

Gus A. Coutsouros, Principal Financial Officer

Date 09/03/03

* Print the name and title of each signing officer under his or her signature.