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GABELLI EQUITY TRUST INC
Form N-CSRS
September 08, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-04700

The Gabelli Equity Trust Inc.

(Exact name of registrant as specified in charter)

One Corporate Center
Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422

(Name and address of agent for service)

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

Date of fiscal year end: December 31, 2004

Date of reporting period: June 30, 2004

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.

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ITEM 1. REPORTS TO STOCKHOLDERS.

The Report to Shareholders is attached herewith.

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

SEMI-ANNUAL REPORT
JUNE 30, 2004

GAB PQ2/04

[LOGO]
THE GABELLI
EQUITY TRUST INC.

THE GABELLI EQUITY TRUST INC.

Semi-Annual Report
June 30, 2004

TO OUR SHAREHOLDERS,

During the second quarter of 2004, the Gabelli Equity Trust's (the "Equity Trust") total return was 1.9% on a net asset value ("NAV") basis while the Standard & Poor's ("S&P") 500 Index and the Dow Jones Industrial Average rose 1.7% and 1.3%, respectively. For the six-month period ended June 30, 2004, the Equity Trust's NAV total return was 5.3% versus gains of 3.4% and 0.9% for the S&P 500 Index and the Dow Jones Industrial Average, respectively. The Equity Trust's market price on June 30, 2004 was \$8.17, which equates to a 1.2% premium to its NAV of \$8.07. The Equity Trust's market price fell 3.6% during the second quarter but has risen 5.7% for the six-month period ended June 30, 2004.

Enclosed are the financial statements and the investment portfolio as of June 30, 2004.

COMPARATIVE RESULTS

AVERAGE ANNUAL RETURNS THROUGH JUNE 30, 2004 (a)

	QUARTER	YEAR TO DATE	1 YEAR	3 YEAR	5 YEAR
Gabelli Equity Trust NAV Return (c)	1.90%	5.29%	28.69%	4.51%	4.55%
Gabelli Equity Trust Investment Return (d) ..	(3.58)	5.72	17.32	(1.21)	4.40

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S&P 500 Index	1.72	3.44	19.10	(0.69)	(2.20)
Dow Jones Industrial Average	1.26	0.87	18.68	1.92	0.92
Nasdaq Composite Index	2.69	2.22	26.19	(1.78)	(5.28)

- (a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. The Dow Jones Industrial Average is an unmanaged index of 30 large industrial stocks. The S&P 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested (except for the Nasdaq Composite Index). Current performance may be lower or higher than the data presented. Visit www.gabelli.com for more recent performance information. Investors should consider the investment objectives, risks and charges and expenses of the Fund before investing. Performance for periods less than one year is not annualized.
- (b) From commencement of investment operations on August 21, 1986.
- (c) Total returns and average annual returns reflect changes in net asset value ("NAV"), reinvestment of distributions at NAV on the ex-dividend date, adjustments for rights offerings, spin-offs and taxes paid on undistributed long-term capital gains, and are net of expenses. Since Inception return based on initial net asset value of \$9.34.
- (d) Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange, reinvestment of distributions, adjustments for rights offerings, spin-offs and taxes paid on undistributed long-term capital gains. Since Inception return based on an initial offering price of \$10.00.

SHAREHOLDER MEETING -- MAY 10, 2004 -- FINAL RESULTS

The Annual Meeting of Shareholders was held on May 10, 2004 at the Greenwich Public Library in Greenwich, Connecticut. At that meeting, common shareholders and preferred shareholders voting as a single class elected Mario J. Gabelli, Thomas E. Bratter and Arthur V. Ferrara as Directors of the Equity Trust. A total of 136,717,747 votes, 136,548,475 votes and 136,373,588 were cast in favor of each Director and 2,217,139 votes, 2,386,411 votes and 2,561,298 votes were withheld for each Director, respectively.

Anthony J. Colavita, James P. Conn, Frank J. Fahrenkopf, Jr., Karl Otto Pohl, Anthony R. Pustorino and Salvatore J. Zizza continue to serve in their capacities as Directors of the Equity Trust.

In addition, shareholders ratified an amendment to authorize the Board of Directors from time to time to increase or decrease the number of authorized shares of stock of any class or series without further action by the shareholders. 76,183,246 were cast in favor of the approval of this proposal, 5,239,139 votes were cast against this proposal and 1,901,204 votes abstained. We thank you for your participation and appreciate your continued support.

WWW.GABELLI.COM

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about Gabelli Asset Management Inc., the Gabelli Mutual Funds, IRAs,

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401(k)s, current and historical quarterly reports, closing prices and other current news. We welcome your comments and questions via e-mail at closedend@gabelli.com.

You may sign up for our e-mail alerts at www.gabelli.com and receive early notice of quarterly report availability, news events, media sightings, mutual fund prices and performance, and access to the Gabelli & Company, Inc. research library.

 We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to new corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com/funds.

 A description of the Trust's proxy voting policies and procedures and how the Trust voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, 2004 are available (i) without charge, upon request, by calling 800-GABELLI (800-422-3554); (ii) by writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; and (iii) on the Securities and Exchange Commission's website at www.sec.gov.

THE GABELLI EQUITY TRUST INC. PORTFOLIO CHANGES QUARTER ENDED JUNE 30, 2004 (UNAUDITED)

	SHARES	OWNERSHIP AT JUNE 30, 2004
	-----	-----
NET PURCHASES		
COMMON STOCKS		
Agrium Inc.	5,000	5,000
Ajinomoto Co. Inc.	53,000	53,000
Allianz AG	3,000	7,000
AT&T Corp.	25,000	300,000
AT&T Wireless Services Inc.	520,000	1,800,000
Aviva PLC	15,000	95,000
BorgWarner Inc. (a)	30,000	60,000
Burlington Resources Inc. (b)	140,000	280,000
Caesars Entertainment Inc.	20,000	450,000
Champion Enterprises Inc.	50,000	50,000
Charter One Financial Inc.	250,000	250,000
Cincinnati Bell Inc.	16,000	1,000,000
Coca-Cola Co.	5,000	40,000
Compania de Telecomunicaciones de Chile SA, ADR	10,000	110,000
Corning Inc.	50,000	550,000
Dana Corp.	60,000	400,000
Fedders Corp.	5,000	75,000
Fleetwood Enterprises	50,000	50,000
Franklin Electric Co., Inc. (c)	13,000	26,000

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GATX Corp.	5,000	110,000
Gemstar-TV Guide International Inc.	35,000	400,000
Groupe Danone (d)	40,000	40,000
Hershey Foods Corp. (e)	20,000	40,000
Hilton Group plc	15,000	2,525,000
Hilton Hotels Corp.	20,000	670,000
Hospira Inc. (f)	1,500	1,500
IDEX Corp. (g)	87,500	262,500
IMC Global Inc.	10,000	10,000
Invik & Co. AB, Cl. B (h)	155,000	155,000
Janus Capital Group Inc.	135,000	140,000
KDDI Corp.	25	233
Liberty Media International Inc., Cl. A (i)	110,817	110,817
Lloyds TSB Group PLC	10,000	95,000
Mandalay Resort Group	20,000	20,000
Manulife Financial Corp. (j)	50,000	50,000
Midas Inc.	1,000	116,000
Nippon Television Network Corp.	5,200	5,200
Nobel Biocare Holding AG.	2,000	2,000
Nobility Homes Inc.	10,000	10,000
Northrop Grumman Corp. (k)	129,000	265,000
Pearson plc	20,000	80,000
Procter & Gamble Co. (l)	100,000	200,000
Secom Co. Ltd.	25,000	25,000
Sekisui House Ltd.	40,000	80,000
Sensient Technologies Corp.	50,000	300,000
Skyline Corp.	3,000	3,000
Southern Energy Homes Inc.	1,000	1,000
Sprint Corp. (m)	150,000	500,000
Straumann Holding AG.	3,000	3,000
Swedish Match AB	905,000	905,000
Synthes Inc. (n)	10,000	10,000
Takeda Chemical Industries Ltd.	5,000	23,000
Telecom Argentina Stet France Telecom SA, ADR	8000	50,000
Terra Industries Inc.	5,000	5,000
Texas Instruments Inc.	20,000	260,000
Titan Corp.	10,000	110,000
Tokyo Electron Ltd.	4,000	14,400
TRW Automotive Holdings Corp.	38,700	250,000
United States Cellular Corp.	3,700	23,700
Young Broadcasting Inc., Cl. A	20,000	140,000
NET SALES		
COMMON STOCKS		
Abbott Laboratories	(5,000)	15,000
Acuity Brands Inc.	(9,300)	180,000
Albertson's Inc.	(25,000)	170,000
Amadeus Global Travel Distribution SA, Cl. A	(115,000)	--
America Movil SA de CV, Cl. L, ADR	(2,000)	88,000
AMETEK Inc.	(1,000)	235,000
Andrew Corp.	(35,000)	75,000
Boots Group plc.	(75,000)	--
Cable & Wireless plc, ADR	(45,000)	--
Cendant Corp.	(10,000)	150,000
Citizens Communications Co.	(20,000)	100,000
Corn Products International Inc.	(10,000)	90,000
Delphi Corp.	(10,000)	30,000
DTE Energy Co.	(1,000)	16,000
Duke Energy Corp.	(10,000)	375,000

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Flowers Foods Inc.	(2,400)	60,000
France Growth Fund, Inc. (o)	(20,000)	--
Gaylord Entertainment Co.	(45,000)	200,000
Greif Inc., Cl. A	(5,000)	245,000
Irish Life & Permanent plc, Dublin	(10,000)	90,000
John Hancock Financial Services Inc. (j)	(55,000)	--
Kellogg Co.	(5,000)	270,000
Lockheed Martin Corp.	(5,000)	80,000
Maytag Corp.	(15,000)	60,000
MeadWestvaco Corp.	(25,000)	--
Motorola Inc.	(26,000)	114,000
Nakanishi Inc.	(12,000)	--
Nextel Communications Inc., Cl. A	(5,000)	85,000

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO CHANGES (CONTINUED)
QUARTER ENDED JUNE 30, 2004 (UNAUDITED)

	SHARES	OWNERSHIP AT JUNE 30, 2004
	-----	-----
NET SALES (CONTINUED)		
COMMON STOCKS (CONTINUED)		
Nippon Broadcasting Systems Inc.	(4,000)	--
NIWS Co. Ltd.	(160)	--
Pactiv Corp.	(10,000)	140,000
PepsiAmericas Inc.	(10,000)	570,000
Rollins Inc.	(1,000)	679,000
Royce Value Trust Inc.	(790)	36,000
Sequa Corp., Cl. A	(500)	84,000
Shin-Etsu Chemical Co. Ltd.	(10,000)	--
SKY Perfect Communications Inc.	(420)	--
St. Joe. Co.	(2,000)	243,000
Superior Industries International Inc.	(4,000)	20,000
Telephone & Data Systems Inc.	(8,000)	406,000
Tootsie Roll Industries Inc.	(1,178)	109,000
Verizon Communications Inc.	(7,000)	305,000
Zimmer Holdings Inc.	(27,000)	35
PREFERRED STOCKS		
Hercules Trust I, 9.420% Pfd. (p)	(27,000)	--
(a) 2 for 1 stock split		
(b) 2 for 1 stock split		
(c) 2 for 1 stock split		
(d) 2 for 1 stock split		
(e) 2 for 1 stock split		
(f) Spinoff -- 1 share of Hospira Inc. for every 10 shares of Abbott Laboratories		

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- (g) 3 for 2 stock split
- (h) 10 for 1 stock split
- (i) Spinoff -- 0.05 shares of Liberty Media International Inc., Cl. A for every 1 share of Liberty Media Corp., Ser. A
- (j) Merger -- 1.1853 shares of Manulife Financial Corp. for every 1 share of John Hancock Financial Services Inc.
- (k) 2 for 1 stock split
- (l) 2 for 1 stock split
- (m) 0.50 for 1 stock split, name change from Sprint Corp (PCS Group) to Sprint Corp.
- (n) 10 for 1 stock split, name change from Synthes-Stratec Inc. to Synthes Inc.
- (o) Fund liquidation at \$8.42 per share
- (p) Full call at \$25.00 per share

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS
 JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	COMMON STOCKS -- 92.5%	
	FINANCIAL SERVICES -- 8.8%	
7,000	Allianz AG	\$ 866,497
55,000	Allstate Corp.	2,299,704
550,000	American Express Co.	21,247,943
34,000	Argonaut Group Inc.+	893,076
95,000	Aviva plc	935,100
90,000	Banco Santander Central Hispano SA, ADR	322,130
110,000	Bank of Ireland	635,101
77,000	Bank of New York Co. Inc.	2,834,050
275,000	Bankgesellschaft Berlin AG+	5,495,399
260	Berkshire Hathaway Inc., Cl. A+	824,299
250,000	Charter One Financial Inc.	10,999,556
185,000	Commerzbank AG, ADR+	3,747,342
157,000	Deutsche Bank AG, ADR	8,708,108
20,000	Dun and Bradstreet Corp.+	333,130
5,000	H&R Block Inc.	97,625

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25,000	Hibernia Corp., Cl. A	198,750
155,000	Invik & Co. AB, Cl. B	728,053
90,000	Irish Life & Permanent plc	702,922
140,000	Janus Capital Group Inc.	2,177,430
45,000	JP Morgan Chase & Co.	1,251,002
60,000	Leucadia National Corp.	1,889,682
95,000	Lloyds TSB Group plc	775,666
50,000	Manulife Financial Corp.	1,424,537
100,000	Mellon Financial Corp.	3,140,094
190,000	Midland Co.	1,070,105
65,000	Mitsubishi Securities Co. Ltd.	458,816
30,000	Moody's Corp.	1,024,050
257,500	Nikko Cordial Corp.	1,725,292
150,000	Phoenix Companies Inc.	2,179,395
2,500	Prudential Financial Inc.	68,750
46,002	RAS SpA	576,832
60,000	Riggs National Corp.	552,538
45,000	Schwab (Charles) Corp.	657,562
80,000	State Street Corp.	4,001,480
20,000	SunTrust Banks Inc.	419,333
80,000	T. Rowe Price Group Inc.	2,689,800
20,000	UBS AG	845,648
60,000	Unitrin Inc.	2,098,724
60,000	Waddell & Reed Financial Inc., Cl. A	1,247,250

		92,142,771

	FOOD AND BEVERAGE -- 8.1%	
53,000	Ajinomoto Co. Inc.	644,030
30,000	Cadbury Schweppes plc, ADR	746,559
90,000	Campbell Soup Co.	2,383,197
40,000	Coca-Cola Co.	1,871,842
5,000	Coca-Cola Enterprises Inc.	77,195
40,000	Coca-Cola Hellenic Bottling Co. SA	519,295
90,000	Corn Products International Inc.	2,584,915
73,592	Del Monte Foods Co.+	623,741
10,108	Denny's Corp.+	14,358
100,000	Diageo plc	1,037,393
224,000	Diageo plc, ADR	8,642,745
120,000	Dreyer's Grand Ice Cream Holdings Inc., Cl. A	9,303,375
60,000	Flowers Foods Inc.	1,011,842
30,000	Fomento Economico Mexicano SA de CV, ADR	1,094,322
90,000	General Mills Inc.	4,162,848
40,000	Groupe Danone	3,491,214
500,000	Grupo Bimbo SA de CV, Cl. A	1,052,379
20,000	Hain Celestial Group Inc.+	267,663
130,000	Heinz (H.J.) Co.	4,668,773
40,000	Hershey Foods Corp.	1,333,128
270,000	Kellogg Co.	8,513,258
75,000	Kerry Group plc, Cl. A	860,877
12,100	LVMH Moet Hennessy Louis Vuitton SA	419,053
42,000	Mondavi (Robert) Corp., Cl. A+	1,193,206

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2,500	Nestle SA	513,610
570,000	PepsiAmericas Inc.	7,949,569
415,000	PepsiCo.Inc	18,472,238
6,750	Pernod-Ricard SA	470,174
60,000	Ralcorp Holdings Inc.+	940,903
70,000	Sara Lee Corp.	1,266,240
2,000	Smucker (J.M.) Co.	52,993
109,000	Tootsie Roll Industries Inc.	1,566,039
180,000	Wrigley (Wm.) Jr. Co.	9,781,062

		97,530,036

	TELECOMMUNICATIONS -- 6.5%	
7,000	Aliant Inc.	62,390
25,000	ALLTEL Corp.	534,554
300,000	AT&T Corp.	9,593,820
90,540	ATX Communications Inc.+	151,570
290,000	BCE Inc.	7,665,817
33,400	Brasil Telecom	
	Participacoes SA, ADR	1,940,826
1,760,000	BT Group plc	7,277,785

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	COMMON STOCKS (CONTINUED)	
	TELECOMMUNICATIONS (CONTINUED)	
4,440,836	Cable & Wireless	
	Jamaica Ltd.	\$ 101,639
117,000	CenturyTel Inc.	2,733,061
1,000,000	Cincinnati Bell Inc.+	8,212,133
100,000	Citizens Communications	
	Co.+	1,133,930
254,800	Commonwealth Telephone	
	Enterprises Inc.+	9,416,914
110,000	Compania de	
	Telecomunicaciones de	
	Chile SA, ADR	1,634,847
170,000	Deutsche Telekom	
	AG, ADR+	2,827,195
15,000	Embratel Participacoes	
	SA, ADR	266,400
5,000	France Telecom SA, ADR	146,305
233	KDDI Corp.	830,434
100,000	KPN NV	232,728
5,000	Manitoba Telecom	
	Services Inc.	189,106

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1,000,000	Qwest Communications International Inc.+	3,357,501
110,345	Rogers Communications Inc., Cl. B, New York	1,537,198
9,655	Rogers Communications Inc., Cl. B, Toronto	137,424
220,000	SBC Communications Inc.	7,272,156
500,000	Sprint Corp.	11,848,577
186,554	Tele Norte Leste Participacoes SA, ADR	2,554,387
50,000	Telecom Argentina Stet France Telecom SA, ADR+	423,451
1,320,480	Telecom Italia SpA	3,059,314
495,130	Telecom Italia SpA, RNC	572,370
274,000	Telefonica SA, ADR	13,264,644
17,595	Telefonica SA, BDR	202,143
36,000	Telefonos de Mexico SA de CV, Cl. L, ADR	389,422
12,750	TELUS Corp.	222,542
52,500	TELUS Corp., ADR	950,397
4,250	TELUS Corp., Non-Voting	74,181
20,750	TELUS Corp., Non-Voting, ADR	438,501
305,000	Verizon Communications Inc.	13,501,419

		114,757,081

	ENERGY AND UTILITIES -- 6.0%	
75,000	AES Corp.+	424,572
50,000	AGL Resources Inc.	891,012
120,000	Allegheny Energy Inc.+	1,090,388
70,000	Apache Corp.	2,728,670
247,000	BP plc, ADR	10,018,320
280,000	Burlington Resources Inc.	5,902,202
115,000	CH Energy Group Inc.	4,749,282
20,000	Cinergy Corp.	607,416
100,000	CMS Energy Corp.+	640,176
103,217	ConocoPhillips	5,288,737
10,000	Constellation Energy Group Inc.	237,177
26,000	DPL Inc.	524,093
16,000	DTE Energy Co.	707,120
375,000	Duke Energy Corp.	6,881,250
110,000	Duquesne Light Holdings Inc.	1,848,062
200,000	El Paso Corp.	2,520,332
400,000	El Paso Electric Co.+	3,236,625
50,000	Energy East Corp.	1,065,733
50,000	Eni SpA	732,789
80,000	Exxon Mobil Corp.	2,750,108
10,000	FPL Group Inc.	556,256
70,000	Halliburton Co.	1,726,011
35,000	Kerr-McGee Corp.	2,046,290
150,000	Mirant Corp.+	201,190
100,000	NiSource Inc. (SAILS)+	200,000
300,000	Northeast Utilities	5,660,050
100,000	Progress Energy Inc., CVO+	52,000
30,000	SJW Corp.	883,106
20,000	Southwest Gas Corp.	415,025
7,907	Total SA	1,114,624

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95,000	TXU Corp.	1,557,877
255,000	Westar Energy Inc.	4,319,800

		71,576,293

	ENTERTAINMENT -- 5.9%	
160,000	Canal Plus, ADR	34,011
110,000	EMI Group plc	292,543
80,000	EMI Group plc, ADR	947,487
120,000	Fox Entertainment Group Inc., Cl. A+	2,783,871
50,000	GC Companies Inc.+	54,500
400,000	Gemstar-TV Guide International Inc.+	2,863,380
2,216,352	Liberty Media Corp., Cl. A+	11,057,964
82,788	Metro-Goldwyn- Mayer Inc.+	186,273
160,000	Publishing & Broadcasting Ltd.	893,720

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	COMMON STOCKS (CONTINUED)	
	ENTERTAINMENT (CONTINUED)	
15,000	Regal Entertainment Group, Cl. A	\$ 285,000
210,000	Six Flags Inc.+	1,752,972
260,000	The Walt Disney Co.	5,453,387
750,000	Time Warner Inc.+	16,797,691
840,000	Viacom Inc., Cl. A	35,321,393
43,900	Vivendi Universal SA+	2,247,329
330,000	Vivendi Universal SA, ADR+	8,718,814

		89,690,335

	WIRELESS COMMUNICATIONS -- 5.7%	
88,000	America Movil SA de CV, Cl. L, ADR	2,291,502
1,800,000	AT&T Wireless Services Inc.+	24,174,789
27,900	Leap Wireless International Inc.+	8,252
1,760,000	mm02 plc+	1,963,847
100,000	mm02 plc, ADR+	1,149,772
85,000	Nextel Communications Inc., Cl. A+	2,165,953

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1,500	NTT DoCoMo Inc.	3,553,937
177,000	Rogers Wireless Communications Inc., Cl. B+	1,998,679
16,700	Tele Celular Sul Participacoes SA, ADR	266,992
55,666	Tele Centro Oeste Celular Participacoes SA, ADR	166,868
3,340	Tele Leste Celular Participacoes SA, ADR+	89,340
8,350	Tele Nordeste Celular Participacoes SA, ADR	123,227
3,340	Tele Norte Celular Participacoes SA, ADR	51,601
1,400,000	Telecom Italia Mobile SpA	7,521,308
90,000	Telefonica Moviles SA	660,946
8,350	Telemig Celular Participacoes SA, ADR	241,320
406,000	Telephone & Data Systems Inc.	34,363,203
66,800	Telesp Celular Participacoes SA, ADR+	2,135,935
23,700	United States Cellular Corp.+	750,774
553,888	Vodafone Group plc	975,799
100,000	Vodafone Group plc, ADR	2,378,590

		87,032,634

	PUBLISHING -- 5.0%	
20,000	Dow Jones & Co. Inc.	1,030,036
248,266	Independent News & Media plc	358,456
20,000	Knight-Ridder Inc.	1,345,264
5,000	McClatchy Co., Cl. A	240,250
100,000	McGraw-Hill Companies Inc.	6,052,805
339,000	Media General Inc., Cl. A	20,169,846
125,000	Meredith Corp.	2,091,313
115,000	New York Times Co., Cl. A	5,259,249
120,000	News Corp. Ltd.	696,029
10,000	News Corp. Ltd., ADR	186,274
80,000	Pearson plc	911,889
324,500	Penton Media Inc.+	2,731,742
400,000	PRIMEDIA Inc.+	1,948,569
90,000	Pulitzer Inc.	4,340,327
175,000	Reader's Digest Association Inc.	3,181,221
261,319	SCMP Group Ltd.	191,790
70,000	Scripps (E.W.) Co., Cl. A	4,559,387
66,585	Seat Pagine Gialle SpA	177,139
80,000	Thomas Nelson Inc.	951,267
280,000	Tribune Co.	12,804,576

		69,227,429

	DIVERSIFIED INDUSTRIAL -- 4.7%	
180,000	Acuity Brands Inc.	3,041,387
195,000	Ampco-Pittsburgh Corp.	2,627,873
125,000	Cooper Industries Ltd., Cl. A	6,152,755
250,000	Crane Co.	4,841,093

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110,000	GATX Corp.	1,824,909
245,000	Greif Inc., Cl. A	4,598,189
3,400	Greif Inc., Cl. B	69,824
420,000	Honeywell International Inc.	14,054,610
118,000	ITT Industries Inc.	3,585,603
400,600	Lamson & Sessions Co.+	2,458,185
110,000	Park-Ohio Holdings Corp.+	1,072,210
10,000	Smiths Group plc	171,257
4,000	Sulzer AG	850,053
7,500	Technip SA	721,269
100,000	Thomas Industries Inc.	1,388,525
50,000	Trinity Industries Inc.	945,000

		48,402,742

	CONSUMER PRODUCTS -- 4.2%	
60,000	Altadis SA	885,677
43,000	Christian Dior SA	1,514,055
10,000	Church & Dwight Co. Inc.	99,535

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	COMMON STOCKS (CONTINUED)	
	CONSUMER PRODUCTS (CONTINUED)	
90,000	Compagnie Financiere Richemont AG, Cl. A	\$ 1,264,406
50,000	Department 56 Inc.+	524,317
35,000	Energizer Holdings Inc.+	821,306
35,000	Fortune Brands Inc.	2,451,519
30,000	Gallaher Group plc	274,164
235,000	Gallaher Group plc, ADR	9,106,250
190,000	Gillette Co.	6,027,025
2,000	Givaudan SA	550,742
50,000	Harley-Davidson Inc.	2,322,820
15,000	Matsushita Electric Industrial Co. Ltd., ADR	178,325
100,000	Mattel Inc.	1,549,565
60,000	Maytag Corp.	1,389,460
50,000	National Presto Industries Inc.	1,766,002
10,700	Nintendo Co. Ltd.	919,164
200,000	Procter & Gamble Co.	8,770,000
10,000	Swatch Group AG, Cl. B	584,263
905,000	Swedish Match AB	9,409,522

		50,408,117

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	AUTOMOTIVE: PARTS AND ACCESSORIES -- 3.6%	
60,000	BorgWarner Inc.	1,326,210
100,000	CLARCOR Inc.	1,266,455
400,000	Dana Corp.	6,377,042
30,000	Delphi Corp.	522,082
260,000	GenCorp.Inc	2,470,673
250,000	Genuine Parts Co.	6,819,120
190,000	Johnson Controls Inc.	7,685,500
116,000	Midas Inc.+	1,508,953
331,500	Modine Manufacturing Co.	8,839,590
75,000	Scheib (Earl) Inc.+	619,805
163,000	Standard Motor Products Inc.	1,748,388
20,000	Superior Industries International Inc.	510,238
105,000	TransPro Inc.+	936,807

		40,630,863

	CABLE AND SATELLITE -- 3.5%	
1,510,000	Cablevision Systems Corp., Cl. A+	22,399,669
30,000	Charter Communications Inc., Cl. A+	138,876
370,000	Comcast Corp., Cl. A+	12,428,605
85,000	Comcast Corp., Cl. A, Special+	756,584
148,444	DIRECTV Group Inc.+	2,127,257
110,817	Liberty Media International Inc., Cl. A+	2,264,884
50,000	Loral Space & Communications Ltd.+	11,250
20,000	Shaw Communications Inc., Cl. B	52,983
80,000	Shaw Communications Inc., Cl. B, Non-Voting	329,198
461,472	UnitedGlobalCom Inc., Cl. A+	2,911,835

		43,421,141

	HOTELS AND GAMING -- 3.3%	
110,000	Aztar Corp.+	772,707
100,000	Boca Resorts Inc., Cl. A+	921,500
450,000	Caesars Entertainment Inc.+	2,686,763
200,000	Gaylord Entertainment Co.+	4,949,319
55,000	Greek Organization of Football Prognostics	630,177
8,000	GTECH Holdings Corp.	69,219
2,525,000	Hilton Group plc	8,483,893
670,000	Hilton Hotels Corp.	6,924,016
20,000	Mandalay Resort Group	1,354,880
70,000	MGM Mirage+	2,156,508
45,000	Starwood Hotels & Resorts Worldwide Inc.	963,234

		29,912,216

	HEALTH CARE -- 3.1%	
15,000	Abbott Laboratories	573,453
55,000	Amgen Inc.+	3,215,239

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5,000	AstraZeneca plc, London	198,161
35,146	AstraZeneca plc, Stockholm	1,255,532
15,000	Aventis SA	1,056,288
29,900	Biogen Idec Inc.+	181,025
150,000	Bristol-Myers Squibb Co.	3,911,965
75,036	GlaxoSmithKline plc	1,817,378
4,000	GlaxoSmithKline plc, ADR	216,096
18,000	Henry Schein Inc.+	775,800
1,500	Hospira Inc.+	36,603
16,000	INAMED Corp.+	698,771
47,000	Invitrogen Corp.+	2,339,924
80,000	Merck & Co. Inc.	4,009,501
2,000	Nobel Biocare Holding AG	286,712
41,000	Novartis AG	1,292,180
108,000	Novartis AG, Registered	3,905,280
120,000	Pfizer Inc.	3,556,135
18,100	Roche Holding AG	1,644,615
20,000	Sanofi-Synthelabo SA	967,750

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
COMMON STOCKS (CONTINUED)		
HEALTH CARE (CONTINUED)		
100,000	Schering-Plough Corp.	\$ 1,917,839
3,000	Straumann Holding AG	619,226
60,000	Sybron Dental Specialties Inc.+	1,140,669
10,000	Synthes Inc.	677,094
23,000	Takeda Chemical Industries Ltd.	1,140,219
100,000	Wyeth	4,105,470

		41,538,925

EQUIPMENT AND SUPPLIES -- 2.6%		
235,000	AMETEK Inc.	5,503,474
2,000	Amphenol Corp., Cl. A+	14,775
95,000	CIRCOR International Inc.	981,440
220,000	Donaldson Co. Inc.	970,341
75,000	Fedders Corp.	466,126
115,000	Flowserve Corp.+	1,995,044
26,000	Franklin Electric Co. Inc.	210,022
100,000	Gerber Scientific Inc.+	1,060,701
70,000	GrafTech International Ltd.+	850,486
262,500	IDEX Corp.	5,657,750

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20,000	Ingersoll-Rand Co., Cl. A	836,200
60,000	Lufkin Industries Inc.	1,105,223
1,000	Manitowoc Co. Inc.	25,450
1,000	Sealed Air Corp.+	17,404
235,000	Watts Water Technologies Inc., Cl. A	3,107,523
100,000	Weir Group plc	420,789

		23,222,748

	AUTOMOTIVE -- 2.0%	
15,000	Ford Motor Co.	334,700
150,000	General Motors Corp.	4,903,032
405,000	Navistar International Corp.+	13,980,822
45,000	PACCAR Inc.	450,000
250,000	TRW Automotive Holdings Corp.+	6,695,120

		26,363,674

	CONSUMER SERVICES -- 1.9%	
475,000	InterActiveCorp.+	11,476,194
40,000	Loewen Group Inc.+	48,700
679,000	Rollins Inc.	14,170,774

		25,695,668

	RETAIL -- 1.9%	
170,000	Albertson's Inc.	4,524,789
300,000	AutoNation Inc.+	3,354,597
22,500	Coldwater Creek Inc.+	181,518
22,000	Ito-Yokado Co. Ltd.	749,555
30,000	Matsumotokiyoshi Co. Ltd.	835,350
323,500	Neiman Marcus Group Inc., Cl. B	7,874,064

		17,519,873

	BROADCASTING -- 1.8%	
16,666	Corus Entertainment Inc., Cl. B	62,036
120,000	Gray Television Inc.	1,204,736
27,500	Gray Television Inc., Cl. A	370,755
185,100	Grupo Televisa SA, ADR	6,385,024
200,000	Liberty Corp.	8,528,905
15,000	Lin TV Corp., Cl. A+	344,736
165,000	Mediaset SpA	1,326,670
5,200	Nippon Television Network Corp.	859,664
40,375	NRJ Group	384,806
140,000	Paxson Communications Corp.+	1,323,628
17,700	RTL Group	775,136
100,000	Television Broadcasts Ltd.	396,239
140,000	Young Broadcasting Inc., Cl. A+	3,217,910

		25,180,245

	AVIATION: PARTS AND SERVICES -- 1.7%	

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204,640	Curtiss-Wright Corp., Cl. B	5,637,891
120,400	Fairchild Corp., Cl. A+	1,027,407
90,000	Precision Castparts Corp.	2,330,982
84,000	Sequa Corp., Cl. A+	3,347,991
74,600	Sequa Corp., Cl. B+	3,852,672

		16,196,943

	AEROSPACE -- 1.7%	
110,000	Boeing Co.	3,680,633
80,000	Lockheed Martin Corp.	4,434,820
265,000	Northrop Grumman Corp.	12,594,609
110,000	Titan Corp.+	2,301,580

		23,011,642

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	COMMON STOCKS (CONTINUED)	
	MACHINERY -- 1.5%	
20,000	AGCO Corp.+	\$ 350,026
10,000	Caterpillar Inc.	136,559
320,000	Deere & Co.	15,328,000

		15,814,585

	COMMUNICATIONS EQUIPMENT -- 1.4%	
125,000	Agere Systems Inc., Cl. B+	362,157
75,000	Andrew Corp.+	819,577
550,000	Corning Inc.+	5,012,562
130,000	Lucent Technologies Inc.+	800,828
114,000	Motorola Inc.	1,613,938
100,000	Nortel Networks Corp.+	686,285
44,000	Scientific-Atlanta Inc.	355,750
300,000	Thomas & Betts Corp.	5,741,098

		15,392,195

	SPECIALTY CHEMICALS -- 1.4%	
5,400	Ciba Specialty Chemicals, ADR	8,652
20,000	du Pont de Nemours (E.I.) and Co.	802,600
330,000	Ferro Corp.	6,975,503

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40,000	Fuller (H.B.) Co.	968,437
120,000	Hercules Inc.+	1,543,119
10,000	IMC Global Inc.	139,584
15,000	IVAX Corp.+	170,441
232,300	Omnova Solutions Inc.+	1,879,165
300,000	Sensient Technologies Corp.	5,529,921
10,000	Syngenta AG, ADR	18,940

		18,036,362

	REAL ESTATE -- 1.1%	
80,000	Catellus Development Corp.	1,535,534
70,000	Cheung Kong (Holdings) Ltd.	815,521
100,000	Florida East Coast Industries Inc.	1,458,643
55,000	Griffin Land & Nurseries Inc.+	513,143
243,000	St. Joe Co.	1,804,074

		6,126,915

	AGRICULTURE -- 1.1%	
5,000	Agrium Inc.	68,444
1,000,000	Archer-Daniels- Midland Co.	13,091,460
5,000	Delta & Pine Land Co.	84,396
5,000	Terra Industries Inc.+	29,304

		13,273,604

	ENVIRONMENTAL SERVICES -- 0.9%	
65,000	Republic Services Inc.	875,761
400,000	Waste Management Inc.	9,495,206

		10,370,967

	ELECTRONICS -- 0.8%	
3,000	Hitachi Ltd., ADR	218,796
20,000	Molex Inc., Cl. A	519,697
7,500	NEC Corp., ADR	43,625
9,500	Rohm Co. Ltd.	1,408,684
38,800	Royal Philips Electronics NV, ADR	53,456
45,000	Sony Corp., ADR	1,340,589
260,000	Texas Instruments Inc.	6,343,035
14,400	Tokyo Electron Ltd.	783,746

		10,711,628

	BUSINESS SERVICES -- 0.7%	
60,000	ANC Rental Corp.+	578,273
150,000	Cendant Corp.	2,981,441
1,000	CheckFree Corp.+	9,040
98,000	Landauer Inc.	2,494,473
70,000	Nashua Corp.+	634,028
25,000	Secom Co. Ltd.	1,095,891
212,500	Securicor plc	0

		7,793,146

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METALS AND MINING -- 0.5%		
72,500	Harmony Gold Mining	
	Co. Ltd.	347,738
35,000	Harmony Gold Mining	
	Co. Ltd., ADR	282,733
130,000	Newmont Mining Corp.	2,977,871
50,000	Placer Dome Inc.	487,169

		4,095,511
PAPER AND FOREST PRODUCTS -- 0.3%		
140,000	Pactiv Corp.+	1,465,973
16,656	Rayonier Inc.	531,510

		1,997,483

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
COMMON STOCKS (CONTINUED)		
MANUFACTURED HOUSING AND RECREATIONAL VEHICLES -- 0.2%		
50,000	Champion Enterprises Inc.+	\$ 466,465
50,000	Fleetwood Enterprises Inc.+	642,160
32,222	Huttig Building	
	Products Inc.+	81,163
15,000	Martin Marietta	
	Materials Inc.	322,688
10,000	Nobility Homes Inc.	195,123
80,000	Sekisui House Ltd.	846,007
3,000	Skyline Corp.	118,554
1,000	Southern Energy	
	Homes Inc.+	3,900

		2,676,060
BUILDING AND CONSTRUCTION -- 0.2%		
25,000	Bouygues SA	724,706
100,500	CRH plc	1,259,457

		1,984,163
CLOSED-END FUNDS -- 0.2%		
77,333	Central Europe and	
	Russia Fund Inc.	1,125,498
70,000	New Germany Fund Inc.	754,518

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36,000	Royce Value Trust Inc.	439,826

		2,319,842

	TRANSPORTATION -- 0.1%	
100,000	AMR Corp.+	1,924,248
15,000	Grupo TMM SA de CV, Cl. A, ADR+	80,460

		2,004,708

	COMPUTER SOFTWARE AND SERVICES -- 0.1%	
5,000	Electronic Data Systems Corp.	69,661
100,000	EMC Corp.+	1,395,320
25,256	Telecom Italia Media SpA+	26,868

		1,491,849

	TOTAL COMMON STOCKS	1,147,550,394

	PREFERRED STOCKS -- 2.0%	
	PUBLISHING -- 1.7%	
771,603	News Corp. Ltd., Pfd., ADR	20,984,228

	TELECOMMUNICATIONS -- 0.1%	
26,000	Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B	820,367
20,400	Citizens Communications Co., 5.000% Cv. Pfd.	992,655

		1,813,022

	AEROSPACE -- 0.1%	
14,021	Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B	1,633,727

	BROADCASTING -- 0.1%	
90	Gray Television Inc., 8.000% Cv. Pfd., Ser. C (a)	900,000

	AVIATION: PARTS AND SERVICES -- 0.0%	
3,000	Sequa Corp., \$5.00 Cv. Pfd.	239,700

	WIRELESS COMMUNICATIONS -- 0.0%	
10,760,547	Telesp Celular Participacoes SA, Pfd.+	82,623

	TOTAL PREFERRED STOCKS	25,653,300

	PRINCIPAL AMOUNT	

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	CORPORATE BONDS -- 0.2%	
	AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.1%	
\$1,000,000	Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09	946,771

	CABLE AND SATELLITE -- 0.1%	
1,000,000	Charter Communications Inc., Cv., 4.750%, 06/01/06	727,303

	AVIATION: PARTS AND SERVICES -- 0.0%	
803,000	Kaman Corp., Sub. Deb. Cv., 6.000%, 03/15/12	764,944

	ENERGY AND UTILITIES -- 0.0%	
900,000	Mirant Corp., Sub. Deb. Cv., 2.500%, 06/15/21+ (c)	685,613

	TOTAL CORPORATE BONDS	3,124,631

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
JUNE 30, 2004 (UNAUDITED)

SHARES		COST
-----		-----
	WARRANTS -- 0.0%	
	FOOD AND BEVERAGE -- 0.0%	
62,463	Denny's Corp., expires 01/07/05+	\$ 105,604

	PRINCIPAL AMOUNT	

	REPURCHASE AGREEMENTS -- 5.2%	
\$80,562,000	Agreement with State Street Bank and Trust Co., 1.180%, dated 06/30/04, due 07/01/04, proceeds at maturity, \$80,564,641 (b)	80,562,000

	SHORT TERM OBLIGATIONS -- 0.1%	
	U.S. GOVERNMENT OBLIGATIONS -- 0.1%	
1,500,000	U.S. Treasury Bill, 0.994%+, 07/08/04	1,499,714

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TOTAL INVESTMENTS -- 100.0%	\$1,258,495,643 =====
LIABILITIES IN EXCESS OF OTHER ASSETS	
PREFERRED STOCK	
(9,556,900 preferred shares outstanding)	
NET ASSETS -- COMMON STOCK	
(138,506,691 common shares outstanding)	
NET ASSET VALUE PER COMMON SHARE	
(\$1,117,273,367 / 138,506,691 shares outstanding)	

For Federal tax purposes:	
Aggregate Cost	
Gross unrealized appreciation	
Gross unrealized depreciation	
Net unrealized appreciation	

-
- (a) Security fair valued under procedures established by the Board of Directors. At June 30, 2004, the market value of fair valued securities amounted to \$909,000 or 0.1% of total investments.
 - (b) Collateralized by U.S. Treasury Note, 1.75%, due 12/31/04, market value \$82,177,178.
 - (c) Bond in default.
- + 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.
 - SAILS - Stock Appreciation Income Linked Securities.
 - USD - U.S. Dollars.
 - W/I - When Issued.

	% OF MARKET VALUE	MARKET VALUE
	-----	-----
GEOGRAPHIC DIVERSIFICATION		

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United States	81.2%	\$1,249,518,373
Europe	12.9	198,206,143
Asia/Pacific	1.9	29,264,785
Latin America	1.5	23,880,821
Canada	1.3	19,381,997
Japan	1.1	17,789,129
South Africa	0.1	1,132,149
	-----	-----
Total Investments	100.0%	\$1,539,173,398
	=====	=====

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.

STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 2004 (UNAUDITED)

ASSETS:

Investments, at value (cost \$1,258,495,643)	\$ 1,539,173,398
Cash and foreign currency, at value (cost \$383,243)	380,701
Dividends and interest receivable	2,192,925
Receivable for investments sold	5,878,412
Other assets	147,210

TOTAL ASSETS	1,547,772,646

LIABILITIES:

Payable for investments purchased	6,313,086
Dividends payable	152,698
Unrealized depreciation on swap contracts	3,464,828
Unrealized depreciation on forward foreign exchange contracts	2,643
Payable for investment advisory fees	1,140,325
Interest payable on swap contract	354,380
Payable for shareholder communication fees	143,791
Payable to custodian	27,128
Payable for offering expenses	79,786
Other accrued expenses and liabilities	78,114

TOTAL LIABILITIES	11,756,779

PREFERRED STOCK:

Series B Cumulative Preferred Stock (7.20%, \$25 liquidation value, \$0.001 par value, 6,600,000 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, 5,200 shares authorized with 5,200 shares issued and outstanding)	130,000,000
Series D Cumulative Preferred Stock (5.875%, \$25 liquidation value, \$0.001 par value, 3,000,000 shares authorized with 2,949,700 shares issued and outstanding)	73,742,500
Series E Cumulative Preferred Stock (Auction Rate, \$25,000 liquidation value, \$0.001 par value, 2,000 shares authorized with 2,000 shares issued	

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and outstanding)	50,000,000	
TOTAL PREFERRED STOCK	418,742,500	-----
NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS	\$ 1,117,273,367	=====
NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS CONSIST OF:		
Capital stock, at par value	\$ 138,507	
Additional paid-in capital	889,699,337	
Accumulated distributions in excess of net investment income	(40,710,186)	
Accumulated net realized gain (loss) on investments, futures contracts and foreign currency transactions ...	(9,081,369)	
Net unrealized appreciation on investments, swap contracts and foreign currency transactions	277,227,078	-----
TOTAL NET ASSETS	\$ 1,117,273,367	=====
NET ASSET VALUE PER COMMON SHARE (\$1,117,273,367 / 138,506,691 shares outstanding; 183,998,000 shares authorized of \$0.001 par value)	\$8.07	=====

STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2004 (UNAUDITED)

INVESTMENT INCOME:		
Dividends (net of foreign taxes of \$430,459)		\$ 12,212,766
Interest		1,050,194
TOTAL INVESTMENT INCOME		13,262,960
EXPENSES:		
Investment advisory fees		5,730,080
Shareholder communications expenses		289,410
Payroll		110,194
Custodian fees		94,033
Shareholder services fees		82,308
Directors' fees		68,343
Legal and audit fees		50,889
Miscellaneous expenses		344,593
TOTAL EXPENSES		6,769,850
LESS: CUSTODIAN FEE CREDIT		(1,221)
NET EXPENSES		6,768,629
NET INVESTMENT INCOME		6,494,331
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS, FUTURES CONTRACTS, SWAP CONTRACTS AND FOREIGN CURRENCY TRANSACTIONS:		
Net realized gain on investments		5,946,757
Net realized gain on foreign currency transactions		84,995
Net realized loss on swap contracts		(2,228,432)
Net realized gain on futures contracts		166,217
Net realized gain on investments, futures contracts, swap contracts and foreign currency transactions		3,969,537

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Net change in unrealized appreciation/depreciation on investments, swap contracts and foreign currency transactions	54,715,932

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS, FUTURES CONTRACTS, SWAP CONTRACTS AND FOREIGN CURRENCY TRANSACTIONS	58,685,469

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	65,179,800

Total Distributions to Preferred Stock Shareholders	(9,049,834)

NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS	\$ 56,129,966
	=====

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS

OPERATIONS:

Net investment income	\$
Net realized gain on investments, futures contracts and foreign currency transactions ..	
Net change in unrealized appreciation/depreciation on investments, swap contracts and foreign currency transactions	

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	

DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:

Net investment income	
Net realized short-term gain on investments, futures contracts and foreign currency transactions	
Net realized long-term gains on investments, futures contracts and foreign currency transactions	

TOTAL DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS	

NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS
RESULTING FROM OPERATIONS

DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:

Net investment income	
Net realized short-term gain on investments, futures contracts and foreign currency transactions	
Net realized long-term gains on investments, futures contracts and foreign currency transactions	
Return of capital	

TOTAL DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS	

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TRUST SHARE TRANSACTIONS:

Net increase in net assets from common shares issued upon reinvestment of
 dividends and distributions
 Net increase in net assets from repurchase of preferred shares
 Offering costs for preferred shares charged to paid-in capital

NET INCREASE IN NET ASSETS FROM TRUST SHARE TRANSACTIONS

NET INCREASE IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS

NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS:

Beginning of period

End of period

* As a result of recent changes in generally accepted accounting principles, the Fund has reclassified periodic payments made under interest rate swap agreements, previously included within interest income, as a component of realized gain (loss) in the statement of operations. The effect of this reclassification was to increase net investment income and decrease realized gain by \$4,302,270.

** Based on current earnings and subject to change and recharacterization at fiscal year end.

See accompanying notes to financial statements.

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

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 U.S. 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 Fund in the preparation of its financial statements.

SECURITY VALUATION. Portfolio securities listed or traded on a nationally

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

Portfolio securities primarily traded on foreign markets are generally valued at the preceding closing values of such securities on their respective exchanges or if after the close, market conditions change significantly, certain foreign securities may be fair valued pursuant to procedures established by the Board. Debt instruments that are not credit impaired with remaining maturities of 60 days or less are valued at amortized cost, unless the Board 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. 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. Futures contracts are valued at the official closing settlement price of the exchange or board of trade on which the applicable contract is traded.

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. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons to the valuation and changes in valuation of similar securities, including a comparison of foreign securities to the equivalent U.S. dollar value ADR securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

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 will always receive and maintain securities

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

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 upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction

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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, 2004 are as follows:

NOTIONAL AMOUNT	FIXED RATE	FLOATING RATE* (RATE RESET MONTHLY)	TERMINATION DATE	UNR DEPR
-----	-----	-----	-----	-----
\$130,000,000	4.494%	1.11%	July 2, 2007	\$ (3

* Based on Libor (London Interbank Offered Rate).

As a result of recent FASB Emerging Issues Task Force consensus (and subsequent related SEC staff guidance), the Equity Trust has reclassified periodic payments made under interest rate swap agreement, previously included within interest income, as a component of realized gain (loss) in the statement of operations. For consistency, similar reclassifications have been made to amounts appearing in the previous year's statement of changes in net assets and the per share amounts in prior years financial highlights. Prior years net investment income ratios in the financial highlights have also been modified accordingly.

This reclassification increased net investment income and decreased net realized gains by \$4,302,270 and \$1,813,999 for the years ended December 31, 2003 and December 31, 2002, respectively, but had no effect on the Equity

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Trust's net asset value, either in total or per share, or its total increase (decrease) in net assets from operations during any period.

For the years ended December 31, 2003 and December 31, 2002, financial highlights reclassifications were as follows: net investment income per share increased by \$0.03 and \$0.01, respectively, ratios of net investment income to average net assets attributable to common shares increased by 0.47% and 0.18%, respectively, ratios of operating expenses to average net assets attributable to common shares decreased by 0.47% and 0.18%, respectively, and ratios of operating expenses to average total net assets including liquidation value of preferred shares decreased by 0.33% and 0.13%, respectively.

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

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

economically appropriate to the reduction of risks involved in the management of the Equity Trust's investments. Upon entering into a futures 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 were no open futures contracts at June 30, 2004.

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.

FOREIGN CURRENCY TRANSACTIONS. 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

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determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded as earned. 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 7.20% Tax Advantaged Series B Cumulative Preferred Stock, Series C Auction Rate Cumulative Preferred Stock, 5.875% Series D Cumulative Preferred Stock, and Series E Auction Rate Cumulative Preferred Stock ("Cumulative Preferred Stock") are accrued on a daily basis and are determined as described in Note 5.

Income dividends 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.

For the year ended December 31, 2003, reclassifications were made to increase accumulated distributions in excess of net investment income for \$35,924 and decrease accumulated distributions in excess of net realized gain on investments, options, future contracts and foreign currency transactions for \$35,924 with an offsetting adjustment to additional paid-in capital.

The tax character of distributions paid during the fiscal year ended December 31, 2003 was as follows:

	YEAR ENDED DECEMBER 31, 2003	
	COMMON	PREFERRED
	-----	-----
DISTRIBUTIONS PAID FROM:		
Ordinary income		
(Inclusive of short term capital gain) ...	\$ 7,596,973	\$ 1,568,448
Net long term capital gain	85,161,394	17,605,267
Non-taxable return of capital	558,040	--
	-----	-----
Total distributions paid	\$93,316,407	\$19,173,715
	=====	=====

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

The tax character of amounts distributed in 2004 which exceed the ordinary income of the Fund will be treated as a non-taxable return of capital. Such determination can only be made upon completion of the taxable year.

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 (the "Code"). It is the Trust's policy to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company

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taxable income and net capital gains. Therefore, no provision for Federal income taxes is required.

As of December 31, 2003, the components of accumulated earnings/(losses) on a tax basis were as follows:

Net unrealized appreciation on investments	\$ 222,707,582
Net unrealized depreciation on foreign currency transactions and interest rate swaps	(7,102,989)
Other	(291,785)

Total accumulated gain	\$ 215,312,808
	=====

Other is primarily due to dividends payable on preferred stock at December 31, 2003.

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 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.

The Equity Trust's total return on the net asset value of the common shares is monitored on a monthly basis to assess whether the total return on the net asset value of the common shares exceeds the stated dividend rate of the Cumulative Preferred Stock for the period. For the six months ended June 30, 2004, the Equity Trust's total return on the net asset value of the common shares exceeded the stated dividend rate of the Series E Auction Rate Cumulative Preferred Stock. Thus, management fees were accrued on these assets, but not on the assets of the Series B, Series C Auction Rate, and Series D Cumulative Preferred Stock. Management fees were reduced by the amount of \$1,838,314.

During the six months ended June 30, 2004, Gabelli & Company, Inc. received \$171,054 in brokerage commissions as a result of executing agency transactions in portfolio securities on behalf of the Equity Trust.

The cost of calculating the Equity Trust's net asset value per share is an Equity Trust expense pursuant to the Investment Advisory Agreement between the Equity Trust and the Adviser. During the six months ended June 30, 2004, the Equity Trust reimbursed the Adviser \$17,400 in connection with the cost of computing the Equity 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, 2004 aggregated \$121,094,964 and \$56,678,127, respectively.

5. CAPITAL. The charter permits the Equity Trust to issue 182,000,000 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)

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

from the net asset value of the shares. During the six months ended June 30, 2004, 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, 2004 (UNAUDITED)		DECEMBER 31, 2003 (UNAUDITED)
	SHARES	AMOUNT	SHARES
Shares issued upon reinvestment of dividends and distributions ...	1,316,807	\$10,553,133	3,129,900
Net increase	1,316,807	\$10,553,133	3,129,900

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 Equity 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 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, Series C Auction Rate, 5.875% Series D, and Series E Auction Rate Cumulative Preferred Stock at a redemption price of \$25, \$25,000, \$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.

Under Emerging Issues Task Force (EITF) promulgating Topic D-98, CLASSIFICATION AND MEASUREMENT OF REDEEMABLE SECURITIES, which was issued on

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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. In accordance with the guidance of the EITF, the Equity Trust's Cumulative Preferred Stock is classified 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% Series A 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.

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

On June 27, 2002, the Equity Trust received net proceeds of \$128,246,557 (after underwriting discounts of \$1,300,000 and offering expenses of \$453,443) 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. The Rates of Series C Auction Rate Cumulative Preferred Stock ranged from 1.02% to 1.53% for the six months ended June 30, 2004. 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 liquidation value price at any time. During the six months ended June 30, 2004, the Equity Trust did not repurchase any shares of Series C Auction Rate Cumulative Preferred Stock. At June 30, 2004, 5,200 shares of the Series C Auction Rate Cumulative Preferred Stock were outstanding with an annualized dividend rate of 1.48 percent and accrued dividends amounted to \$5,344.

On October 7, 2003, the Equity Trust received net proceeds of \$72,387,500 (after underwriting discounts of \$2,362,500 and estimated offering expenses of \$250,000) from the public offering of 3,000,000 shares of 5.875% Series D Cumulative Preferred Stock. Commencing October 7, 2008 and thereafter, the Equity Trust, at its option, may redeem the 5.875% Series D Cumulative Preferred Stock in whole or in part at the liquidation value price. During the six months ended June 30, 2004, the Equity Trust repurchased 50,300 shares of 5.875% Series D Cumulative Preferred Stock in the open market at a cost of \$1,185,193 and an average discount of approximately 5.83% from its liquidation value of \$25.00 per share. All repurchased shares of 5.875% Series D Cumulative Preferred Stock have been retired. At June 30, 2004, 2,949,700 shares of the 5.875% Series D Cumulative Preferred Stock were outstanding and accrued dividends amounted to \$36,103.

On October 7, 2003, the Equity Trust received net proceeds of \$49,260,000 (after underwriting discounts of \$500,000 and estimated offering expenses of \$240,000) from the public offering of 2,000 shares of Series E 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. The Rates of Series E Auction Rate Cumulative Preferred Stock

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ranged from 1.02% to 1.47% for the six months ended June 30, 2004. Existing shareholders may submit an order to hold, bid or sell such shares on each auction date. Series E Auction Rate Cumulative Preferred Stock shareholders may also trade shares in the secondary market. The Equity Trust, at its option, may redeem the Series E Auction Rate Cumulative Preferred Stock in whole or in part at the liquidation value price at any time. During the six months ended June 30, 2004, the Equity Trust did not repurchase any shares of Series E Auction Rate Cumulative Preferred Stock. At June 30, 2004, 2,000 shares of the Series E Auction Rate Cumulative Preferred Stock were outstanding with an annualized dividend rate of 1.47 percent and accrued dividends amounted to \$12,250.

6. OTHER MATTERS. On October 7, 2003, the Equity Trust's Adviser received a subpoena from the Attorney General of the State of New York requesting information on mutual fund shares trading practices. The Adviser has also received requests for information from the SEC regarding mutual fund trading practices and valuation of portfolio securities. The Adviser has responded to the requests. The Equity Trust does not believe that these matters will have a material adverse effect on the Equity Trust's financial position or the results of its operations.

7. INDEMNIFICATIONS. The Equity Trust enters into contracts that contain a variety of indemnifications. The Equity Trust's maximum exposure under these arrangements is unknown. However, the Equity Trust has not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

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THE GABELLI EQUITY TRUST INC.
FINANCIAL HIGHLIGHTS

SELECTED DATA FOR AN EQUITY TRUST COMMON SHARE OUTSTANDING THROUGHOUT EACH PERIOD:	SIX MONTHS ENDED JUNE 30, 2004(a) (UNAUDITED)	YEAR ENDED	
		2003 (a) (g)	2004 (b) (h)
OPERATING PERFORMANCE:			
Net asset value, beginning of period	\$ 7.98	\$ 6.28	\$ 5.88
Net investment income	0.09	0.04	(0.01)
Net realized and unrealized gain (loss) on investments ..	0.39	2.50	(0.01)
Total from investment operations	0.48	2.54	(0.02)
DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:			
Net investment income	(0.07)	(0.00) (c)	(0.01)
Net realized gain on investments	--	(0.14)	(0.01)
Total distributions to preferred stock shareholders	(0.07)	(0.14)	(0.02)
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS			
	0.40	2.40	(0.04)
DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:			
Net investment income	(0.02)	(0.01)	(0.01)
Net realized gain on investments	--	(0.68)	(0.01)
Return of capital	(0.30) *	(0.00) (c)	(0.01)

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Total distributions to common stock shareholders	(0.32)	(0.69)	
	-----	-----	
CAPITAL SHARE TRANSACTIONS:			
Increase in net asset value from common stock share transactions	0.00 (c)	0.01	
Decrease in net asset value from shares issued in rights offering	--	--	
Increase in net asset value from repurchase of preferred shares	0.00 (c)	--	
Offering costs for preferred shares charged to paid-in capital	--	(0.02)	
	-----	-----	
Total capital share transactions	0.00	(0.01)	
	-----	-----	
NET ASSET VALUE ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS, END OF PERIOD			
	\$ 8.07	\$ 7.98	
	=====	=====	
Net asset value total return +	5.29%	39.90%	
	=====	=====	
Market value, end of period	\$ 8.17	\$ 8.00	
	=====	=====	
Total investment return ++	6.24%	28.58%	
	=====	=====	

SELECTED DATA FOR AN EQUITY TRUST COMMON SHARE
OUTSTANDING THROUGHOUT EACH PERIOD:

YEAR ENDED DECEMBER 31,

	2000 (a)	1999 (a)	
	-----	-----	
OPERATING PERFORMANCE:			
Net asset value, beginning of period	\$12.75	\$11.47	
	-----	-----	
Net investment income	0.05	0.04	
Net realized and unrealized gain (loss) on investments ..	(0.51)	3.25	
	-----	-----	
Total from investment operations	(0.46)	3.29	
	-----	-----	
DISTRIBUTIONS TO PREFERRED STOCK SHAREHOLDERS:			
Net investment income	(0.00) (c)	(0.00) (c)	
Net realized gain on investments	(0.09)	(0.09)	
	-----	-----	
Total distributions to preferred stock shareholders	(0.09)	(0.09)	
	-----	-----	
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO COMMON STOCK SHAREHOLDERS RESULTING FROM OPERATIONS			
	(0.55)	3.20	
	-----	-----	
DISTRIBUTIONS TO COMMON STOCK SHAREHOLDERS:			
Net investment income	(0.04)	(0.03) (b)	
Net realized gain on investments	(1.27)	(1.21) (b)	
Return of capital	--	(0.68) (b)	
	-----	-----	
Total distributions to common stock shareholders	(1.31)	(1.92)	
	-----	-----	
CAPITAL SHARE TRANSACTIONS:			
Increase in net asset value from common stock share transactions	--	--	
Decrease in net asset value from shares issued in rights offering	--	--	
Increase in net asset value from repurchase of preferred shares	--	--	

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Offering costs for preferred shares charged to paid-in capital	--	--
	-----	-----
Total capital share transactions	--	--
	-----	-----
NET ASSET VALUE ATTRIBUTABLE TO COMMON STOCK		
SHAREHOLDERS, END OF PERIOD	\$10.89	\$12.75
	=====	=====
Net asset value total return +	(4.39)%	29.49%
	=====	=====
Market value, end of period	\$11.44	\$12.56
	=====	=====
Total investment return ++	1.91%	26.57%
	=====	=====

- + 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 ratios of operating expenses to average net assets attributable to common stock would be 1.19%, 1.11%, and 1.14%, respectively, and the ratios of operating expenses to average total net assets including liquidation value of preferred shares would be 0.88%, 1.00%, 0.94% and 1.03%, respectively.
- (f) Asset coverage is calculated by combining all series of preferred stock.
- (g) See Note 2 to Financial Statements (Swap Agreements).
- (h) Annualized.
- * Based on current earnings and subject to change and recharacterization at fiscal year end.

See accompanying notes to financial statements.

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THE GABELLI EQUITY TRUST INC.
FINANCIAL HIGHLIGHTS (CONTINUED)

	SIX MONTHS ENDED JUNE 30, 2004 (UNAUDITED)	YEAR 2003 (a)
RATIOS AND SUPPLEMENTAL DATA:		
Net assets including liquidation value of preferred shares, end of period (in 000's)	\$1,536,169	\$1,514,525
Net assets attributable to common shares, end of period (in 000's)	\$1,117,273	\$1,094,525
Ratio of net investment income to average net assets attributable to common shares	1.16% (h)	0.67%
Ratio of operating expenses to average net assets attributable to common shares (e) (g)	1.21% (h)	1.62%
Ratio of operating expenses to average total net assets including liquidation value of preferred shares (e) (g) ..	0.88% (h)	1.14%
Portfolio turnover rate	4%	19.2%
PREFERRED STOCK:		
7.25% CUMULATIVE PREFERRED STOCK		
Liquidation value, end of period (in 000's)	--	--
Total shares outstanding (in 000's)	--	--
Liquidation preference per share	--	--
Average market value (d)	--	--
Asset coverage per share	--	--
7.20% CUMULATIVE PREFERRED STOCK		
Liquidation value, end of period (in 000's)	\$ 165,000	\$ 165,000
Total shares outstanding (in 000's)	6,600	6,600
Liquidation preference per share	\$ 25.00	\$ 25.00
Average market value (d)	\$ 26.64	\$ 27.06
Asset coverage per share	\$ 91.70	\$ 90.15
AUCTION RATE SERIES C 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 per share	\$ 91,704	\$ 90,150
5.875% CUMULATIVE PREFERRED STOCK		
Liquidation value, end of period (in 000's)	\$ 75,000	\$ 75,000
Total shares outstanding (in 000's)	3,000	3,000
Liquidation preference per share	\$ 25.00	\$ 25.00
Average market value (d)	\$ 24.88	\$ 25.10
Asset coverage per share	\$ 91.70	\$ 90.15
AUCTION RATE SERIES E CUMULATIVE PREFERRED STOCK		
Liquidation value, end of period (in 000's)	\$ 50,000	\$ 50,000
Total shares outstanding (in 000's)	2	2
Liquidation preference per share	\$ 25,000	\$ 25,000
Average market value (d)	\$ 25,000	\$ 25,000
Asset coverage per share	\$ 91,704	\$ 90,150
ASSET COVERAGE (f)	367%	361%

YEAR ENDED DECEMBER 31,

2000 (a) 1999 (a)

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RATIOS AND SUPPLEMENTAL DATA:

Net assets including liquidation value of preferred shares, end of period (in 000's)	\$1,318,263	\$1,503,641
Net assets attributable to common shares, end of period (in 000's)	\$1,184,041	\$1,368,981
Ratio of net investment income to average net assets attributable to common shares	0.42%	0.34%
Ratio of operating expenses to average net assets attributable to common shares (e) (g)	1.14%	1.27%
Ratio of operating expenses to average total net assets including liquidation value of preferred shares (e) (g) ..	1.03%	1.15%
Portfolio turnover rate	32.1%	38.0%

PREFERRED STOCK:

7.25% CUMULATIVE PREFERRED STOCK

Liquidation value, end of period (in 000's)	\$ 134,223	\$ 134,660
Total shares outstanding (in 000's)	5,369	5,386
Liquidation preference per share	\$ 25.00	\$ 25.00
Average market value (d)	\$ 22.62	\$ 24.43
Asset coverage per share	\$ 245.54	\$ 279.16

7.20% CUMULATIVE PREFERRED STOCK

Liquidation value, end of period (in 000's)	--	--
Total shares outstanding (in 000's)	--	--
Liquidation preference per share	--	--
Average market value (d)	--	--
Asset coverage per share	--	--

AUCTION RATE SERIES C CUMULATIVE PREFERRED STOCK

Liquidation value, end of period (in 000's)	--	--
Total shares outstanding (in 000's)	--	--
Liquidation preference per share	--	--
Average market value (d)	--	--
Asset coverage per share	--	--

5.875% CUMULATIVE PREFERRED STOCK

Liquidation value, end of period (in 000's)	--	--
Total shares outstanding (in 000's)	--	--
Liquidation preference per share	--	--
Average market value (d)	--	--
Asset coverage per share	--	--

AUCTION RATE SERIES E CUMULATIVE PREFERRED STOCK

Liquidation value, end of period (in 000's)	--	--
Total shares outstanding (in 000's)	--	--
Liquidation preference per share	--	--
Average market value (d)	--	--
Asset coverage per share	--	--
ASSET COVERAGE (f)	982%	1,117%

+ 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

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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 ratios of operating expenses to average net assets attributable to common stock would be 1.19%, 1.11%, and 1.14%, respectively, and the ratios of operating expenses to average total net assets including liquidation value of preferred shares would be 0.88%, 1.00%, 0.94% and 1.03%, respectively.
 - (f) Asset coverage is calculated by combining all series of preferred stock.
 - (g) See Note 2 to Financial Statements (Swap Agreements).
 - (h) Annualized.
- * Based on current earnings and subject to change and recharacterization at fiscal year end.

See accompanying notes to financial statements.

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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,
GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Karl Otto Pohl
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

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

Salvatore J. Zizza
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

OFFICERS

Bruce N. Alpert
PRESIDENT AND TREASURER

Carter W. Austin
VICE PRESIDENT

Matthew A. Hultquist
VICE PRESIDENT

Dawn M. Donato
ASSISTANT VICE PRESIDENT

James E. McKee
SECRETARY

INVESTMENT ADVISER

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

CUSTODIAN

Mellon Trust of New England, N.A.

COUNSEL

Willkie Farr & Gallagher LLP

TRANSFER AGENT AND REGISTRAR

EquiServe Trust Company

STOCK EXCHANGE LISTING

	Common	7.20% Preferred	5.875% Preferred
	-----	-----	-----
NYSE-Symbol:	GAB	GAB PrB	GAB PrD
Shares Outstanding:	138,506,691	6,600,000	2,949,700

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.

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. SCHEDULE OF INVESTMENTS

Not applicable.

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

Not applicable.

ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

REGISTRANT PURCHASES OF EQUITY SECURITIES
=====

(C) TOTAL NUMBER OF SHARES (D) MAXIMUM APPROXIMATE

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PERIOD	(A) TOTAL NUMBER OF SHARES (OR UNITS) PURCHASED	(B) AVERAGE PRICE PAID PER SHARE (OR UNIT)	(OR UNITS) PURCHASED AS PART OF PUBLICLY ANNOUNCED PLANS OR PROGRAMS	(OR UNITS) PURCHASED
Month #1 01/01/04 through 01/31/04	Common - N/A Preferred Series B - N/A Preferred Series D - N/A	Common - N/A Preferred Series B - N/A Preferred Series D - N/A	Common - N/A Preferred Series B - N/A Preferred Series D - N/A	Common - 137 Preferred Series B - Preferred Series D -
Month #2 02/01/04 through 02/29/04	Common - N/A Preferred Series B - N/A Preferred Series D - N/A	Common - N/A Preferred Series B - N/A Preferred Series D - N/A	Common - N/A Preferred Series B - N/A Preferred Series D - N/A	Common - 137 Preferred Series B - Preferred Series D -
Month #3 03/01/04 through 03/31/04	Common - N/A Preferred Series B - N/A Preferred Series D - N/A	Common - N/A Preferred Series B - N/A Preferred Series D - N/A	Common - N/A Preferred Series B - N/A Preferred Series D - N/A	Common - 137 Preferred Series B - Preferred Series D -
Month #4 04/01/04 through 04/30/04	Common - N/A Preferred Series B - N/A Preferred Series D - 11,900	Common - N/A Preferred Series B - N/A Preferred Series D - \$24.2986	Common - N/A Preferred Series B - N/A Preferred Series D - 11,900	Common - 137 Preferred Series B - Preferred Series D - 11,900 = 2,9
Month #5 05/01/04 through 05/31/04	Common - N/A Preferred Series B - N/A Preferred Series D - 28,600	Common - N/A Preferred Series B - N/A Preferred Series D - \$23.1641	Common - N/A Preferred Series B - N/A Preferred Series D - 28,600	Common - 137 Preferred Series B - Preferred Series D - 28,600 = 2,9
Month #6 06/01/04 through 06/30/04	Common - N/A Preferred Series B - N/A Preferred Series D - 9,800	Common - N/A Preferred Series B - N/A Preferred Series D - \$23.8314	Common - N/A Preferred Series B - N/A Preferred Series D - 9,800	Common - 137 Preferred Series B - Preferred Series D - = 2,949,700
Total	Common - N/A Preferred Series B - N/A Preferred Series D - 50,300	Common - N/A Preferred Series B - N/A Preferred Series D - \$23.5625	Common - N/A Preferred Series B - N/A Preferred Series D - 50,300	N/A

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a. The date each plan or program was announced - The notice of the potential repurchase of common and preferred shares occurs quarterly in the Fund's quarterly report in accordance with Section 23 (c) of the Investment Company Act of 1940, as amended.

b. The dollar amount (or share or unit amount) approved - Any or all common shares outstanding may be repurchased when the Fund's common shares are trading at a discount of 10% or more from the net asset value of the shares.

Any or all preferred shares outstanding may be repurchased when the Fund's preferred shares are trading at a discount to the liquidation value of \$25.00.

c. The expiration date (if any) of each plan or program - The Fund's repurchase plans are ongoing.

d. Each plan or program that has expired during the period covered by the table - The Fund's repurchase plans are ongoing.

e. Each plan or program the registrant has determined to terminate prior to expiration, or under which the registrant does not intend to make further purchases. - The Fund's repurchase plans are ongoing.

ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which the shareholders may recommend nominees to the registrant's Board of Directors, where those changes were implemented after the registrant last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A (17 CFR 240.14a-101), or this Item.

ITEM 10. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal 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 11. EXHIBITS.

(a) (1) Not applicable.

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

