

GABELLI EQUITY TRUST INC  
Form N-CSRS  
August 30, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT**

**INVESTMENT COMPANIES**

Investment Company Act file number 811-04700

The Gabelli Equity Trust Inc.

(Exact name of registrant as specified in charter)

One Corporate Center

Rye, New York 10580-1422

(Address of principal executive offices) (Zip code)

Bruce N. Alpert

Gabelli Funds, LLC

One Corporate Center

Rye, New York 10580-1422

(Name and address of agent for service)

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

Date of fiscal year end: December 31

Date of reporting period: June 30, 2018

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

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

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comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

**Item 1. Reports to Stockholders.**

The Report to Shareholders is attached herewith.

**The Gabelli Equity Trust Inc.**

**Semiannual Report June 30, 2018**

**(Y)our Portfolio Management Team**

<b>Mario J. Gabelli, CFA</b>	<b>Christopher J. Marangi</b>	<b>Kevin V. Dreyer</b>	<b>Robert D. Leininger, CFA</b>	<b>Daniel M. Miller</b>	<b>Jennie Tsai</b>
	<i>Co-Chief</i>		<i>Portfolio Manager</i>		<i>Portfolio Manager</i>
<i>Chief Investment Officer</i>	<i>Investment Officer</i>	<i>Co-Chief Investment Officer</i>	<i>BA, Amherst College</i>	<i>Managing Director, GAMCO Investors</i>	<i>BS, University of Virginia</i>
	<i>MBA, Columbia Business School</i>	<i>BSE, University of Pennsylvania</i>	<i>MBA, Wharton School, University of Pennsylvania</i>	<i>BS, University of Miami</i>	<i>MBA, Columbia Business School</i>
		<i>MBA, Columbia Business School</i>			

**To Our Shareholders,**

For the six months ended June 30, 2018, the net asset value ( NAV ) total return of The Gabelli Equity Trust Inc. (the Fund ) was 1.3%, compared with total returns of 2.7% and (0.7)% for the Standard & Poor's ( S&P ) 500 Index and the Dow Jones Industrial Average, respectively. The total return for the Fund's publicly traded shares was 6.1%. The Fund's NAV per share was \$6.26, while the price of the publicly traded shares closed at \$6.26 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of June 30, 2018.

**Comparative Results**

**Average Annual Returns through June 30, 2018 (a) (Unaudited)**

	<u>Year to Date</u>	<u>1 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>15 Year</u>	<u>20 Year</u>	<u>25 Year</u>	<u>Since Inception (08/21/86)</u>
<b>Gabelli Equity Trust</b>								
<b>NAV Total Return (b)</b>	1.34%	13.76%	11.01%	10.03%	11.20%	8.79%	10.17%	10.92%
<b>Investment Total Return (c)</b>	6.06	12.45	9.91	9.06	10.44	8.86	10.09	10.64
S&P 500 Index	2.65	14.37	13.42	10.17	9.30	6.46	9.60	10.21(d)
Dow Jones Industrial Average	(0.73)	16.26	12.89	10.73	9.55	7.59	10.58	11.17(d)
Nasdaq Composite Index	9.38	23.71	18.61	13.96	12.01	8.13	10.81	10.82(e)

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

**Summary of Portfolio Holdings (Unaudited)**

The following table presents portfolio holdings as a percent of total investments as of June 30, 2018:

**The Gabelli Equity Trust Inc.**

Food and Beverage	11.2%
Financial Services	9.4%
Entertainment	6.4%
Equipment and Supplies	5.8%
Health Care	5.3%
Diversified Industrial	4.9%
Consumer Services	4.3%
Energy and Utilities	4.2%
Consumer Products	4.1%
U.S. Government Obligations	4.0%
Business Services	3.7%
Automotive: Parts and Accessories	3.5%
Cable and Satellite	3.4%
Telecommunications	2.9%
Retail	2.6%
Broadcasting	2.5%
Aerospace and Defense	2.5%
Machinery	2.4%
Electronics	2.3%
Specialty Chemicals	2.2%
Hotels and Gaming	2.0%
Aviation: Parts and Services	1.5%
Environmental Services	1.5%
Wireless Communications	0.9%
Computer Software and Services	0.9%
Closed-End Funds	0.7%
Building and Construction	0.7%
Automotive	0.7%
Metals and Mining	0.7%
Real Estate	0.6%
Communications Equipment	0.5%
Transportation	0.5%
Publishing	0.5%
Agriculture	0.5%
Manufactured Housing and Recreational Vehicles	0.2%
	100.0%

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

### **Proxy Voting**

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

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

**The Gabelli Equity Trust Inc.****Portfolio Changes Quarter Ended June 30, 2018 (Unaudited)**

	Shares	Ownership at June 30, 2018
<b>NET PURCHASES</b>		
<b>Common Stocks</b>		
ACADIA Pharmaceuticals Inc.	8,500	8,500
Acuity Brands Inc.	3,500	7,000
Akorn Inc.	4,000	6,000
Alexion Pharmaceuticals Inc.	500	3,600
Allergan plc	600	19,600
Alphabet Inc., Cl. C	500	3,750
AmerisourceBergen Corp.	4,500	14,100
Anika Therapeutics Inc.	6,000	6,000
Arena Pharmaceuticals Inc.	1,000	2,500
AT&T Inc.(a)	172,152	257,152
Avon Products Inc.	10,000	110,000
Axalta Coating Systems Ltd.	2,000	19,000
Bed Bath & Beyond Inc.	4,000	24,000
Belmond Ltd., Cl. A	4,000	49,000
BioMarin Pharmaceutical Inc.	500	1,500
Bristol-Myers Squibb Co.	10,000	146,300
Cardinal Health Inc.	1,500	1,500
Cardiovascular Systems Inc.	1,000	3,000
Casey's General Stores Inc.	2,000	10,000
CIRCOR International Inc.	15,000	109,000
Citigroup Inc.	9,000	97,000
Clovis Oncology Inc.	2,900	5,400
CNH Industrial NV	50,000	225,010
Conagra Brands Inc.	10,000	145,000
ConforMIS Inc.	17,740	49,056
Costco Wholesale Corp.	1,000	41,000
Cutera Inc.	6,900	6,900
Dell Technologies Inc., Cl. V	5,000	19,000
Dermira Inc.	6,000	6,000
Diebold Nixdorf Inc.	112,800	307,290
Discovery Inc., Cl. C	9,000	254,800
DISH Network Corp., Cl. A	50,000	152,400
DowDuPont Inc.	8,180	79,000
Electromed Inc.	19,367	25,267
Entercom Communications Corp., Cl. A	170,000	380,000
Evergy Inc.(b)	125,000	125,000



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Flowserve Corp.	5,000	222,000
GCI Liberty Inc., Cl. A	31,537	81,935
General Electric Co.	14,000	404,000
Glaukos Corp.	166	2,767
GNC Holdings Inc., Cl. A	5,000	5,000
Gogo Inc.	115,000	273,700
Granite Construction Inc.	12,150	12,150
GVC Holdings plc(c)	41,557	41,557
Henry Schein Inc.	3,000	60,500
Hertz Global Holdings Inc.	96,920	300,000
Hewlett Packard Enterprise Co.	35,000	281,500
I3 Verticals Inc., Cl. A	200	200
Incyte Corp.	300	9,400
Internap Corp.	20,000	68,375
		<b>Ownership at June 30, 2018</b>
	<b>Shares</b>	
Jefferies Financial Group Inc.(d)	88,000	88,000
Jounce Therapeutics Inc.	7,000	7,000
Lannett Co. Inc.	7,500	7,500
LeMaitre Vascular Inc.	100	100
Lennar Corp., Cl. A	25,000	32,500
Liberty Global plc, Cl. C	5,000	387,893
Liberty Media Corp.-Liberty Formula One, Cl. A	22,401	84,250
Lowe's Companies Inc.	29,000	29,000
Macquarie Infrastructure Corp.	7,700	90,000
Mallinckrodt plc	2,500	9,500
Melinta Therapeutics Inc.	6,500	6,500
Merck & Co. Inc.	10,000	105,200
Meridian Bioscience Inc.	4,000	4,000
MGM Resorts International	18,405	115,000
Molson Coors Brewing Co., Cl. B	26,000	26,000
MSG Networks Inc., Cl. A	2,000	289,600
Mueller Water Products Inc., Cl. A	84,713	222,000
Myriad Genetics Inc.	1,000	1,000
Natus Medical Inc.	2,303	2,303
Nektar Therapeutics	3,500	3,500
Nevro Corp.	1,000	1,000
NextEra Energy Partners LP	5,000	5,000
nVent Electric plc(e)	35,000	35,000
Orthofix International NV	2,000	2,000
Patterson Cos., Inc.	700	7,500
Patterson-UTI Energy Inc.	15,000	66,000
PetMed Express Inc.	2,300	2,300
Qurate Retail Inc.(f)	256,665	256,665
Ra Pharmaceuticals Inc.	12,037	12,037
Regeneron Pharmaceuticals Inc.	100	900
Rolls-Royce Holdings plc, Cl. C	85,839,000	85,839,000
Royce Value Trust Inc.(g)	30,000	30,000
RPC Inc.	20,000	55,805

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Sika AG(h)	12,000	12,000
Tenneco Inc.	5,000	62,013
Terex Corp.	4,000	4,000
TESARO Inc.	2,400	4,800
The J.M. Smucker Co.	16,500	19,500
The New Germany Fund Inc.	5,799	154,038
The St. Joe Co.	50,000	320,000
Trinity Industries Inc.	16,000	62,000
Twenty-First Century Fox Inc., Cl. B	10,000	400,000
United Therapeutics Corp.	1,000	3,700
Wyndham Hotels & Resorts Inc.(i)	4,000	4,000
Zimmer Biomet Holdings Inc.	400	18,000
Zosano Pharma Corp.	16,297	16,297
<b>Rights</b>		
Ladbrokes plc, CVR	579,400	579,400
Royce Value Trust Inc., expire 07/05/18(g)	30,000	30,000

See accompanying notes to financial statements.

**The Gabelli Equity Trust Inc.****Portfolio Changes (Continued) Quarter Ended June 30, 2018 (Unaudited)**

	Shares	Ownership at June 30, 2018
<b>NET SALES</b>		
<b>Common Stocks</b>		
AdvanSix Inc.	(1,320)	11,000
AMC Networks Inc., Cl. A	(8,000)	245,600
Aramark	(7,500)	
Armstrong Flooring Inc.	(6,000)	50,000
Baxter International Inc.	(4,000)	13,000
Blackhawk Network Holdings Inc.	(74,123)	
Brown-Forman Corp., Cl. B	(2,000)	49,300
CBS Corp., Cl. A, Voting	(1,000)	240,300
CIT Group Inc.	(1,800)	11,000
CommerceHub Inc.	(4,733)	
CommerceHub Inc.	(9,466)	
ConocoPhillips	(3,100)	177,000
CSRA Inc.	(28,000)	
Diageo plc.	(3,340)	133,000
Donnelley Financial Solutions, Inc.	(2,000)	50,000
DST Systems Inc.	(40,000)	
Edgewell Personal Care Co.	(15,000)	183,000
Energizer Holdings Inc.	(2,000)	139,000
General Mills Inc.	(15,000)	40,000
Gerber Scientific Inc., Escrow	(60,000)	
Grupo Televisa SAB	(40,000)	516,000
H&R Block Inc.	(5,000)	63,000
H.B. Fuller Co.	(3,000)	31,000
HD Supply Holdings Inc.	(19,100)	
International Flavors & Fragrances Inc.	(5,000)	65,000
Johnson Controls International plc.	(10,000)	328,342
Ladbroke's Coral Group plc(c)	(579,400)	
Lamb Weston Holdings Inc.	(30,000)	56,666
Layne Christensen Co.	(45,000)	
Leucadia National Corp.(d)	(88,000)	
Liberty Interactive Corp. QVC Group, Cl. A(f)	(261,665)	
Macy's Inc.		