

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-4700  
-----

The Gabelli Equity Trust Inc.  
-----

(Exact name of registrant as specified in charter)

One Corporate Center,  
Rye, New York 10580-1422  
-----

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

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

Date of fiscal year end: December 31, 2003  
-----

Date of reporting period: June 30, 2003  
-----

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

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

[LOGO OMITTED]  
THE GABELLI  
EQUITY TRUST INC.

# Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

THE GABELLI EQUITY TRUST INC.

Semi-Annual Report  
June 30, 2003

TO OUR SHAREHOLDERS,

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

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

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

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

Sincerely yours,

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

August 8, 2003

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

OWNERSHIP AT  
JUNE 30,  
2003

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

NET PURCHASES

PREFERRED STOCKS

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

NET SALES

COMMON STOCKS

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

See accompanying notes to financial statements.

2

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

OWNERSHIP AT  
JUNE 30,  
2003

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

See accompanying notes to financial statements.

3

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

PREFERRED STOCKS

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

OWNERSHIP AT  
JUNE 30,  
2003

SHARES

CORPORATE BONDS

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

WARRANTS

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

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

See accompanying notes to financial statements.

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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



Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

## Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

See accompanying notes to financial statements.

5

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

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

ENERGY AND UTILITIES -- 6.3%

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

See accompanying notes to financial statements.

6

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

See accompanying notes to financial statements.

7

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

See accompanying notes to financial statements.

8

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

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



Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

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

AEROSPACE -- 1.9%

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

See accompanying notes to financial statements.

9

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

		11,760,761	20,823,953
-----			
	ELECTRONICS -- 1.4%		
145,000	Agere Systems Inc., Cl. B+ .....	477,524	333,500
410,000	Cypress Semiconductor Corp.+ .....	2,530,947	4,920,000
3,000	Hitachi Ltd., ADR .	218,796	126,900
20,000	Molex Inc., Cl. A .	519,697	463,580
7,500	NEC Corp., ADR ....	43,625	37,800
7,500	Rohm Co. Ltd. ....	1,162,607	817,614
38,800	Royal Philips Electronics NV, ADR .....	53,456	741,468
45,000	Sony Corp., ADR ...	1,340,589	1,260,000
220,000	Texas Instruments Inc. ....	5,428,505	3,872,000
250,000	Thomas & Betts Corp.+	4,581,748	3,612,500
10,400	Tokyo Electron Ltd.	507,989	492,825
		16,865,483	16,678,187
-----			
	AVIATION: PARTS AND SERVICES -- 1.2%		
102,320	Curtiss-Wright Corp., Cl. B .....	5,637,891	6,374,536
90,000	Fairchild Corp., Cl. A+ .....	1,111,343	362,700
50,000	Precision Castparts Corp. ....	923,218	1,555,000
84,500	Sequa Corp., Cl. A+	3,371,578	2,898,350
74,600	Sequa Corp., Cl. B+	3,852,673	3,085,456
		14,896,703	14,276,042
-----			
	AGRICULTURE -- 1.1%		
1,050,000	Archer-Daniels- Midland Co. ....	13,728,377	13,513,500
5,000	Delta & Pine Land Co.	84,396	109,900
		13,812,773	13,623,400
-----			
	SPECIALTY CHEMICALS -- 0.9%		
5,400	Ciba Specialty Chemicals, ADR .....	14,912	164,970
8,000	du Pont de Nemours (E.I.) and Co. ....	262,000	333,120
330,000	Ferro Corp. ....	6,975,503	7,434,900
40,000	Fuller (H.B.) Co. .	968,437	880,800
SHARES		COST	MARKET VALUE
-----		----	-----
120,000	Hercules Inc.+ ....\$	1,543,119	\$ 1,188,000
15,000	IVAX Corp.+ .....	170,440	267,750
210,000	Omnova Solutions Inc.+ .....	1,767,940	848,400
10,000	Syngenta AG, ADR ..	18,940	101,400
		11,721,291	11,219,340
-----			
	COMMUNICATIONS EQUIPMENT -- 0.9%		
225,000	Allen Telecom Inc.+	1,431,267	3,717,000

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

See accompanying notes to financial statements.

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

See accompanying notes to financial statements.

11

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

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

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

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

-----  
 For Federal tax purposes:  
 Aggregate cost .....\$1,097,604,729  
 =====  
 Gross unrealized appreciation ....\$ 245,591,461  
 Gross unrealized depreciation .... (116,205,307)  
 -----  
 Net unrealized appreciation .....\$ 129,386,154  
 =====

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

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

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



# Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

See accompanying notes to financial statements.

12

## THE GABELLI EQUITY TRUST INC.

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

=====

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

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

See accompanying notes to financial statements.

# Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO COMMON SHAREHOLDERS

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

See accompanying notes to financial statements.

## Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

1. ORGANIZATION. The Gabelli Equity Trust Inc. (the "Equity Trust") is a closed-end, non-diversified management investment company organized as a Maryland corporation on May 20, 1986 and registered under the Investment Company Act of 1940, as amended (the "1940 Act"), whose primary objective is long-term growth of capital. The Equity Trust had no operations until August 11, 1986, when it sold 10,696 shares of common stock to Gabelli Funds, LLC (the "Adviser") for \$100,008. Investment operations commenced on August 21, 1986.

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

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

SECURITY VALUATION. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors so determines, by such other method as the Board of Directors shall determine in good faith, to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the "Adviser"). Portfolio securities primarily traded in foreign markets are generally valued at the preceding closing values of such securities on their respective exchanges or markets. Securities and assets for which market quotations are not readily available are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Board of Directors. Short term debt securities with remaining maturities of 60 days or less are valued at amortized cost, unless the Board of Directors determines such does not reflect the securities fair value, in which case these securities will be valued at their fair value as determined by the Board of Directors. Debt instruments having a maturity greater than 60 days for which market quotations are readily available are valued at the latest average of the bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price on that day. Options are valued at the last sale price on the exchange on which they are listed. If no sales of such options have taken place that day, they will be valued at the mean between their closing bid and asked prices.

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

15

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

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

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

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

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

\* Based on Libor (London Interbank Offered Rate).

FUTURES CONTRACTS. The Equity Trust may engage in futures contracts for the purpose of hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase. Such investments will only be made if they are economically appropriate to the reduction of risks involved in the management of the Equity Trust's investments. Upon entering into a futures

## Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

contract, the Equity Trust is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Equity Trust each day, depending on the daily fluctuation of the value of the contract. The daily changes in the contract are included in unrealized appreciation/depreciation on investments and futures contracts. The Equity Trust recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging device. The change in value of futures contracts primarily corresponds with the value of their underlying instruments, which may not correlate with the change in value of the hedged investments. In addition, there is the risk the Equity Trust may not be able to enter into a closing transaction because of an illiquid secondary market.

16

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

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

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

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

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

## Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

Dividend income is recorded on the ex-dividend date.

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

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

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

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

17

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

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

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

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

Transactions in common stock were as follows:

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

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

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

The Equity Trust is required to meet certain asset coverage tests as required by the 1940 Act and by the Shares' Articles Supplementary with respect to the Cumulative Preferred Stock. If the Equity Trust fails to meet these requirements and does not correct such failure, the Equity Trust may be required to redeem, in part or in full, the 7.20% Series B and Series C Auction Rate Cumulative Preferred Stock at a redemption price of \$25 and \$25,000, respectively, per share plus an amount equal to the accumulated and unpaid dividends whether or not declared on such shares in order to meet these requirements. Additionally, failure to meet the foregoing asset requirements could restrict the Equity Trust's ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Equity Trust's assets may vary in a manner unrelated to the fixed and variable rates, which could have either a beneficial or detrimental impact on net investment income and gains available to common shareholders.



## Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

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

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

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

19

### THE GABELLI EQUITY TRUST INC. FINANCIAL HIGHLIGHTS

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

## Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

### OPERATING PERFORMANCE:

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

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

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

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

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

See accompanying notes to financial statements.

20

THE GABELLI EQUITY TRUST INC.  
FINANCIAL HIGHLIGHTS (CONTINUED)

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

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

See accompanying notes to financial statements.

AUTOMATIC DIVIDEND REINVESTMENT  
AND VOLUNTARY CASH PURCHASE PLAN

ENROLLMENT IN THE PLAN

It is the policy of The Gabelli Equity Trust Inc. ("Equity Trust") to automatically reinvest dividends. As a "registered" shareholder you automatically become a participant in the Equity Trust's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Equity Trust to issue shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net

## Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Equity Trust. Plan participants may send their stock certificates to EquiServe Trust Company ("EquiServe") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Equity Trust Inc.  
c/o EquiServe  
P.O. Box 43011  
Providence, RI 02940-3011

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan may contact EquiServe at 1 (800) 336-6983.

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

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

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

The automatic reinvestment of dividends and capital gains distributions will not relieve participants of any income tax which may be payable on such distributions. A participant in the Plan will be treated for Federal income tax purposes as having received, on a dividend payment date, a dividend or distribution in an amount equal to the cash the participant could have received instead of shares.

## Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

### VOLUNTARY CASH PURCHASE PLAN

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

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to EquiServe for investments in the Equity Trust's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. EquiServe will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. EquiServe will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any voluntary cash payments be sent to EquiServe, P.O. Box 43011, Providence, RI02940-3011 such that EquiServe receives such payments approximately 10 days before the investment date. Funds not received at least five days before the investment date shall be held for investment in the following month. A payment may be withdrawn without charge if notice is received by EquiServe at least 48 hours before such payment is to be invested.

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

22

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,

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Karl Otto Pohl  
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

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

Salvatore J. Zizza  
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

OFFICERS

Bruce N. Alpert  
PRESIDENT

Gus Coutsouros  
VICE PRESIDENT & TREASURER

Carter W. Austin  
VICE PRESIDENT

James E. McKee  
SECRETARY

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

CUSTODIAN  
Boston Safe Deposit and Trust Company

COUNSEL  
Willkie Farr & Gallagher

TRANSFER AGENT AND REGISTRAR  
EquiServe Trust Company

STOCK EXCHANGE LISTING

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

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

The Net Asset Value may be obtained each day by calling (914) 921-5071.

-----

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

-----

## Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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.

---

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

SEMI-ANNUAL REPORT  
JUNE 30, 2003

GBFCM SA/03

ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. [RESERVED]

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

Not applicable.

ITEM 8. [RESERVED]

ITEM 9. CONTROLS AND PROCEDURES.



Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Exchange Act (17 CFR 240.13a-15(b) or 240.15d-15(b)).
  
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 10. EXHIBITS.

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

SIGNATURES

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

(registrant) The Gabelli Equity Trust Inc.

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

-----  
Bruce N. Alpert, Principal Executive Officer

Date 09/03/03

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

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

-----  
Bruce N. Alpert, Principal Executive Officer

Date 09/03/03

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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

-----  
Gus A. Coutsouros, Principal Financial Officer

Date 09/03/03  
-----

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