

GABELLI EQUITY TRUST INC

Form N-30B-2

June 05, 2002

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LOGO OF MOUNTAIN AND THE GABELLI EQUITY TRUST INC. OMITTED

FIRST QUARTER REPORT
MARCH 31, 2002

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LOGO OF MOUNTAIN AND THE GABELLI EQUITY TRUST INC. OMITTED

Our cover icon represents the underpinnings of Gabelli. The Teton mountains in Wyoming represent what we believe in in America -- that creativity, ingenuity, hard work and a global uniqueness provide enduring values. They also stand out in an increasingly complex, interconnected and interdependent economic world.

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INVESTMENT OBJECTIVE:

The Gabelli Equity Trust Inc. is a closed-end, non-diversified management investment company whose primary objective is long-term growth of capital, with income as a secondary objective.

THIS REPORT IS PRINTED ON RECYCLED PAPER.

[PHOTO OMITTED]
PHOTO OF MARIO J. GABELLI OMITTED

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GRAPHIC OF THE GABELLI EQUITY TRUST OMITTED

TO OUR SHAREHOLDERS,

The overall economic and stock market unfolded along the lines we anticipated in our year-end report and in our interview with Barron's which we shared with you.

We articulated that a combination of dynamics would converge to cause economic activity, particularly in the first quarter, to be above the long-term Gross Domestic Product ("GDP") growth of 3% to 4% that we had anticipated for the balance of this decade.

In addition, we were and are in a camp of those that indicated that earnings would surge upwards in 2002 driven by the higher volume, lower energy, better inter-relationships between price/cost/productivity gains, the absence of "the Kitchen Sink," and Financial Accounting Standards Board ("FASB") 142.

On the other side, we argued that we needed the rising earnings to provide the underpinnings for a market that could readily be weighed down by concerns from "Enronitis", analyst conflicts, Mid-East issues, the continuing war effort and high equity valuations. The overall market would make little progress rising

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some 5% or declining some 10% on the year -- this was our scenario.

SO WHAT HAPPENED?

Solid evidence that the economy had emerged from recession spawned a stock market rally in late February/early March. However, the market stalled in late March as investors waited to see if the brightening economic outlook would translate into good first quarter earnings. At quarter-end, the leading market indices were virtually unchanged, with the Dow Jones Industrial Average and the Standard & Poor's ("S&P") 500 Index posting modest gains. Large cap stocks continued to be battered as momentum investors abandoned this style of speculation for investments in value-type stocks, particularly among lesser known (and owned) small cap companies. Buoyed by good performance from industrial goods, specialty chemicals and advertising-supported media shares, our Trust enjoyed a roughly 3% appreciation in value.

COMPARATIVE RESULTS

AVERAGE ANNUAL RETURNS THROUGH MARCH 31, 2002 (A)

| | QUARTER | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
|--|---------|--------|---------|--------|---------|
| Gabelli Equity Trust NAV Return (c) | 3.40% | 5.36% | 6.46% | 11.95% | 12.17% |
| Gabelli Equity Trust Investment Return (d) | 5.32% | 14.96% | 12.40% | 17.00% | 14.28% |
| Dow Jones Industrial Average | 4.29% | 7.23% | 3.78% | 11.47% | 14.87% |
| S&P 500 Index | 0.28% | 0.24% | (2.53)% | 10.18% | 13.25% |
| Nasdaq Composite Index | (5.39)% | 0.28% | (9.16)% | 8.60% | 11.82% |

PREMIUM / DISCOUNT DISCUSSION

As a refresher to our shareholders, the price of a closed-end mutual fund is determined in the open market by willing buyers and sellers. Shares of the Trust trade on the New York Stock Exchange and may trade at a premium to (higher than) net asset value ("NAV") (the market value of the Trust's underlying portfolio) or a discount to (lower than) net asset value. Of the 470 closed-end funds in the U.S., approximately 31% currently trade at premiums to NAV versus 21% five years ago and 61% ten years ago. For general equity funds such as the Trust, approximately 31% currently trade at premiums to NAV versus 13% five years and 19% ten years ago.

Ideally, the Trust's market price will generally track the NAV. The Trust's premium or discount to NAV fluctuates over time. Over our Trust's 15-year history, the range fluctuated from a 28% premium in February 2002 to a 27% discount in December 1987. The average variance from NAV for the Trust since inception is a 1% discount to NAV. Beginning in early 2001, the market price of the Trust exceeded the NAV and this premium has gradually increased since. The previous extended period in which a premium existed occurred during a 20-month period from August 1993 to March 1995.

"Mr. Market" often provides opportunities to invest at a discount. The Trust has undertaken various initiatives to narrow the discount when appropriate through distribution policies, rights offerings, share repurchase programs and use of leverage.

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The Trust's long-term investment goal is to generate a real rate of return of 10%. We believe that our stock selection process adds to the investment equation. We have a successful history of investment providing shareholders average annual returns of 13% since inception. However, it is important to remember that "Mr. Market" is a pendulum that swings both ways. As the market moves away from momentum investing and back to basics, we believe that an excessive premium for the Trust is not likely to be sustainable.

PREMIUM/DISCOUNT SINCE INCEPTION

MARCH 31, 2002

| | |
|-----------------|---------|
| Net Asset Value | \$ 9.00 |
| Market Price | \$11.08 |
| Premium | 23.11% |

[EDGAR REPRESENTATION OF GRAPH]
PLOT POINTS TO BE ADDED

| | |
|----------|---------|
| 9/30/86 | 0.0067 |
| 10/31/86 | 0.0046 |
| 11/30/86 | -0.039 |
| 12/31/86 | -0.0661 |
| 1/31/87 | -0.1363 |
| 2/28/87 | -0.1323 |
| 3/31/87 | -0.1555 |
| 4/30/87 | -0.1393 |
| 5/31/87 | -0.1788 |
| 6/30/87 | -0.2028 |
| 7/31/87 | -0.2 |
| 8/31/87 | -0.2052 |
| 9/30/87 | -0.2128 |
| 10/31/87 | -0.2074 |
| 11/30/87 | -0.2154 |
| 12/31/87 | -0.2061 |
| 1/31/88 | -0.2235 |
| 2/29/88 | -0.1145 |
| 3/31/88 | -0.1523 |
| 4/30/88 | -0.1477 |
| 5/31/88 | -0.1906 |
| 6/30/88 | -0.0819 |
| 7/31/88 | -0.0984 |
| 8/31/88 | -0.0942 |
| 9/30/88 | -0.1097 |
| 10/31/88 | -0.1256 |
| 11/30/88 | -0.1104 |
| 12/31/88 | -0.1113 |
| 1/31/89 | -0.1214 |
| 2/28/89 | -0.1108 |
| 3/31/89 | -0.1006 |
| 4/30/89 | -0.0925 |
| 5/31/89 | -0.0699 |
| 6/30/89 | -0.0468 |
| 7/31/89 | -0.0854 |
| 8/31/89 | -0.0243 |
| 9/30/89 | -0.0385 |
| 10/31/89 | -0.0257 |
| 11/30/89 | -0.0217 |
| 12/31/89 | 0.0076 |
| 1/31/90 | 0.0534 |
| 2/28/90 | -0.0156 |
| 3/31/90 | 0.0242 |

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| | |
|----------|---------|
| 4/30/90 | 0.0033 |
| 5/31/90 | -0.0056 |
| 6/30/90 | -0.0049 |
| 7/31/90 | -0.0176 |
| 8/31/90 | -0.018 |
| 9/30/90 | -0.0348 |
| 10/31/90 | -0.1187 |
| 11/30/90 | -0.0327 |
| 12/31/90 | 0.029 |
| 1/31/91 | -0.0091 |
| 2/28/91 | 0.0269 |
| 3/31/91 | 0.015 |
| 4/30/91 | -0.0257 |
| 5/31/91 | -0.01 |
| 6/30/91 | 0.0138 |
| 7/31/91 | -0.0032 |
| 8/31/91 | -0.0009 |
| 9/30/91 | -0.0298 |
| 10/31/91 | -0.0083 |
| 11/30/91 | -0.1014 |
| 12/31/91 | -0.0366 |
| 1/31/92 | -0.0077 |
| 2/29/92 | 0.0141 |
| 3/31/92 | 0.0045 |
| 4/30/92 | 0.0069 |
| 5/31/92 | 0.0092 |
| 6/30/92 | 0.0032 |
| 7/31/92 | 0.0165 |
| 8/31/92 | 0.0309 |
| 9/30/92 | 0.0427 |
| 10/31/92 | -0.0068 |
| 11/30/92 | -0.0461 |
| 12/31/92 | -0.0257 |
| 1/31/93 | -0.0312 |
| 2/28/93 | -0.0046 |
| 3/31/93 | 0.0265 |
| 4/30/93 | 0.0436 |
| 5/31/93 | 0.012 |
| 6/30/93 | -0.0207 |
| 7/31/93 | -0.0093 |
| 8/31/93 | -0.0358 |
| 9/30/93 | 0.0088 |
| 10/31/93 | 0.0601 |
| 11/30/93 | 0.0659 |
| 12/31/93 | 0.0573 |
| 1/31/94 | 0.0797 |
| 2/28/94 | 0.0673 |
| 3/31/94 | 0.0733 |
| 4/30/94 | -0.027 |
| 5/31/94 | 0.0524 |
| 6/30/94 | 0.0542 |
| 7/31/94 | 0.0233 |
| 8/31/94 | 0.0597 |
| 9/30/94 | 0.0185 |
| 10/31/94 | 0.0375 |
| 11/30/94 | 0.0622 |
| 12/31/94 | 0.0121 |
| 1/31/95 | 0.0047 |
| 2/28/95 | 0.03 |
| 3/31/95 | 0.017 |
| 4/30/95 | -0.0122 |
| 5/31/95 | -0.024 |

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| | |
|----------|---------|
| 6/30/95 | -0.0081 |
| 7/31/95 | -0.044 |
| 8/31/95 | -0.0697 |
| 9/30/95 | -0.0845 |
| 10/31/95 | -0.1206 |
| 11/30/95 | -0.075 |
| 12/31/95 | -0.0578 |
| 1/31/96 | -0.0625 |
| 2/29/96 | -0.0821 |
| 3/31/96 | -0.0385 |
| 4/30/96 | -0.0732 |
| 5/31/96 | -0.0916 |
| 6/30/96 | -0.047 |
| 7/31/96 | -0.0576 |
| 8/31/96 | -0.0708 |
| 9/30/96 | -0.0474 |
| 10/31/96 | -0.0405 |
| 11/30/96 | -0.0644 |
| 12/31/96 | -0.0394 |
| 1/31/97 | -0.0741 |
| 2/28/97 | -0.0644 |
| 3/31/97 | -0.0424 |
| 4/30/97 | -0.0077 |
| 5/31/97 | -0.0688 |
| 6/30/97 | -0.0613 |
| 7/31/97 | -0.0693 |
| 8/31/97 | -0.0676 |
| 9/30/97 | -0.0397 |
| 10/31/97 | -0.0636 |
| 11/30/97 | -0.0175 |
| 12/31/97 | 0.0316 |
| 1/31/98 | 0.0119 |
| 2/28/98 | -0.0088 |
| 3/31/98 | -0.022 |
| 4/30/98 | -0.0788 |
| 5/31/98 | -0.0885 |
| 6/30/98 | -0.04 |
| 7/31/98 | -0.042 |
| 8/31/98 | -0.0814 |
| 9/30/98 | -0.0091 |
| 10/31/98 | 0.0025 |
| 11/30/98 | 0.0216 |
| 12/31/98 | 0.0026 |
| 1/31/99 | 0.0103 |
| 2/28/99 | 0.0264 |
| 3/31/99 | 0.0202 |
| 4/30/99 | -0.0068 |
| 5/31/99 | -0.006 |
| 6/30/99 | -0.0163 |
| 7/31/99 | 0.007 |
| 8/31/99 | 0.0159 |
| 9/30/99 | 0.0126 |
| 10/31/99 | -0.0045 |
| 11/30/99 | -0.0178 |
| 12/31/99 | -0.0147 |
| 1/31/00 | -0.0331 |
| 2/29/00 | -0.0835 |
| 3/31/00 | -0.0438 |
| 4/30/00 | -0.078 |
| 5/31/00 | -0.046 |
| 6/30/00 | 0.0097 |
| 7/31/00 | -0.0093 |

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| | |
|----------|---------|
| 8/31/00 | 0.0073 |
| 9/30/00 | -0.0179 |
| 10/31/00 | -0.0298 |
| 11/30/00 | 0.0332 |
| 12/31/00 | 0.0493 |
| 1/31/01 | -0.045 |
| 2/28/01 | -0.0067 |
| 3/31/01 | 0.1048 |
| 4/30/01 | 0.0937 |
| 5/31/01 | 0.1453 |
| 6/30/01 | 0.1596 |
| 7/31/01 | 0.1107 |
| 8/31/01 | 0.1614 |
| 9/30/01 | 0.2041 |
| 10/31/01 | 0.2241 |
| 11/30/01 | 0.2314 |
| 12/31/01 | 0.2029 |
| 3/31/02 | 0.025 |
| | 0.0246 |
| | 0.0231 |

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COMMENTARY

THE ECONOMY: READY TO RUMBLE?

Impressive first and perhaps second quarter GDP growth appears to be "in the bag" -- largely the result of the lift in manufacturing schedules from the absence of "the inventory drag" in output. However, looking farther ahead, there are marked differences of opinion on how strong the nascent economic recovery will be. The optimists expect business investment, especially information technology capital spending, to rebound in the second half, providing "legs" to the consumer-led recovery. The pessimists contend that with the consumer having spent freely throughout the modest and short-lived recession, end demand will not be impressive enough to inspire corporations to invest more in their businesses. Consequently, they anticipate an anemic recovery at best, and if consumer spending flags, perhaps even a double-dip recession.

The realists -- we generously put ourselves in this category -- fall in between. It is certainly true that strong economic recoveries are generally propelled by pent-up consumer demand (housing, autos, and so on). But, we don't expect the consumer to roll over and play dead. The Federal Reserve Board ("Fed") will probably hike interest rates later in the year -- "taking back" the post 9/11 cuts -- but interest rates should remain relatively low. Mortgage re-financing will abate as rates rise, but lower mortgage payments will continue to have a positive effect on household cash flow. In addition, the 2001 tax cuts that took place in 2002 continue to bolster workers' "take home" pay. Political dynamics, volatility in oil prices and in the U.S. dollar will act as a drag on consumer psychology. Our concerns center on the U.S. dollar, the Fed's stop-go/stop-go policy and the "what if?" if the housing sector gets crimped.

We don't anticipate a surge in business investment this year and doubt that technology capital spending will increase significantly. However, because corporations reduced inventories so aggressively following the terrorist attacks, capital outlays on cost saving equipment should increase as production is ramped up to meet current retail activity. Should inventories be restocked, this would put added zest to the manufacturing schedule. For example, General Motors' "Keep America Rolling" campaign removed a million units from auto industry inventories. The company has to increase production, which is below demand, or inventories will be depleted even further. Our conclusion is that

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business investment will trend higher, particularly as the year unfolds, providing enough additional support to sustain an economic recovery muted by higher oil prices. Finally, we observe that exports to Europe and Japan will help in 2003, as will continued pick-up in defense-related spending.

EARNINGS, VALUATIONS AND INTEREST RATES CALL THE MARKET TUNE

The outlook for the economy certainly has an impact on investor psychology. To wit, the late February/early March market surge was sparked by the release of encouraging economic data and Fed Chairman Alan Greenspan's uncharacteristically upbeat comments to Congress. However, earnings, valuations and interest rates, not GDP growth rates, call the stock market tune.

The positive impact of cost cutting and improved productivity is never apparent when the economy is in recession, but is magnified in profits when the economy recovers. Corporations have been aggressively cutting costs and improving productivity, and we believe earnings leverage will result in stronger than expected profit growth in the year ahead. Also, corporations took maximum advantage of the recession and the turmoil caused by the 9/11 tragedy to write off everything including the kitchen sink. Going forward, we won't see the level of write-offs that have penalized earnings in recent years. Finally, FASB Statement 142, which does not require companies to amortize goodwill, should provide a meaningful boost to reported earnings. After the surge in profits this year, we see U.S.

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corporate earnings growing on a secular basis in the 6% to 8% range in the years ahead. S&P 500 earnings outside the U.S. should grow materially faster should the U.S. dollar weaken, as we expect. The fact that we are entering a period of easy year-to-year earnings comparisons should improve investors' moods.

Fed Chairman Greenspan has followed a policy of stop-go/stop-go/stop-go type of monetary policy. In the past, this has been proven to be a difficult course to pursue. Our conclusion is that the stock market can make halting progress over the balance of 2002, but that stock selection will be the primary determinant of investment returns for the foreseeable future.

PENT-UP DEAL DEMAND

While consumers have spent freely despite the recession and 9/11, corporate acquirers have been sitting on their wallets. Deal activity, already diminished by economic uncertainty and the declining value of equity as a deal currency, came to an abrupt halt in the wake of the 9/11 crisis. As the political, economic, and stock market dust settles, we expect pent-up deal demand to be unleashed in a variety of industries.

The ability to grow via acquisition in a slower growth economy, the need to preserve profit margins through realizing economies of scale, a government now more concerned with economic growth than potentially anti-competitive business combinations, more stable stock prices, and a change in accounting rules diminishing the impact of goodwill on reported earnings are powerful forces contributing to the "urge to merge."

TAKING THE HANDCUFFS OFF MEDIA

In recent shareholder letters we have discussed how regulatory changes in the media industry should promote increased deal activity. On February 19, 2002 the District of Columbia Court of Appeals struck down Federal Communications Commission ("FCC") restrictions on the ownership of cable and broadcast television properties in the same markets. This would allow cable giants like AOL Time Warner to bid for broadcast properties. The court ruling also paved the

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way for raising the current cap above the 35% national "footprint" for television broadcasters, in effect putting a bounty on the small group broadcasters in our portfolio. We expect rules currently preventing companies from owning television stations and newspapers in the same market to be modified or eliminated. This should also spur further consolidation in the media industry.

Thus far this year, just one of our media holdings, Ackerley Group, has been taken out. We expect more media deals at more attractive premiums to reward us in the year ahead.

THINNING THE WIRELESS HERD

Many years ago, we coined the phrase "Buffalo Investing," referring to our strategy of buying small cable television companies in front of what we believed would be massive consolidation in the industry. Our rationale was that as the herd was thinned out, the cost of hunting and therefore the value of the remaining buffalos would soar. When the industry was freed from the pricing regulation that had been strangling cash flow, the hunt was on and we were grandly rewarded.

We believe that the currently depressed wireless communications industry is also ripe for consolidation. There are simply too many players battling for market share. We expect to see the herd thinned out considerably in the years ahead both by financial starvation of the weakest players and by bigger predators taking down smaller competitors. Once again, we were somewhat disappointed by the only deal we've seen this year -- Alltel's purchase of

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CenturyTel's cellular properties at about 8 to 9 times cash flow -- a substantial discount to the Street's prevailing valuation of 10 to 12 times cash flow appraisal of wireless franchise values.

INTERNATIONAL OUTLOOK

A portion of the Trust's portfolio continues to be managed by Caesar Bryan. Caesar is the portfolio manager of the Gabelli International Growth Fund and the co-portfolio manager of The Gabelli Global Opportunity Fund and The Gabelli Global Growth Fund. Caesar's thoughts on international markets and global economies are provided below:

The overriding investment theme that seemed to dominate equity markets during the first quarter was the strength of the economic recovery. This recovery, having started in the U.S., is expected to spread to her trading partners.

Looking at the GDP numbers, it appears that the recession in the U.S. was short and shallow. It started in March 2001 and ended sometime last winter with GDP, adjusted for inflation, falling by a tiny 0.3%. However, a story lies behind the numbers. Since March 2001 about 1.4 million jobs have been lost which is a fall of 1.1% in total employment. So a significant number of jobs were lost when output hardly fell. The result was a rapid increase in productivity.

Two factors probably combined to limit the fall in output. First, government spending rose sharply in response to the terrorist attacks on 9/11 and secondly, record low interest rates allowed the auto companies to offer zero financing to consumers. These factors then led to a period of inventory rebuilding.

Recent stock market price action suggests that investors remain skeptical as to the strength of the recovery. Concerns center around the ability and

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willingness of corporate America to begin to spend again. And this, in turn, depends heavily on corporate profits. On the plus side, the consumer remains in good spirits, the housing market is booming, and inflation is low and falling. In this environment the Fed is likely to err on the side of maintaining interest rates at a low level until more evidence of a sustained recovery appears. In the background is the issue of the level of the dollar. The U.S. needs inflows of \$1.5 billion a day to finance its current account deficit. So foreign confidence needs to be maintained, yet many U.S. industrialists are starting to squeal about the painful side effects of a strong dollar on U.S. industrial competitiveness. Should the dollar weaken, inflationary expectations may rise and the Fed will be under some pressure to raise rates.

In contrast to the Fed, the European Central Bank ("ECB") has adopted a more hawkish stance. This is probably because inflation is a little bit more sticky in Europe than in the U.S. The ECB is now less confident that inflation will fall below 2% in the coming months and believes risks to price stability lie more on the upside than on the downside. The ECB is concerned because of the strong Purchasing Managers Index report for April which also contained a large jump in the "prices paid" component. It is possible that interest rates could rise in Euroland from their current 3.25% before the Fed raises U.S. short-term rates. The United Kingdom is probably the best performing of the larger European economies. The consumer remains confident as the country is in the grip of a housing boom.

There was a huge collective sigh of relief in early April emanating from Japan as the fiscal year came to a close without a financial meltdown. Indeed, a decent rally in the stock market in March helped shore up year-end balance sheets. We believe Japan presents an interesting investment opportunity. There are many world-class manufacturing companies which are attractively priced ranked on a global basis, as well as domestic companies which will benefit from restructuring and improved demand. There are signs that the Japanese economy is undergoing a mild cyclical recovery. Of course, structural reform remains a necessity. The banking problem is not yet fixed and there remains

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over-capacity. Through higher demand and the reduction of capacity, Japanese corporate profitability must be improved. Increasingly, we see evidence that this challenge is being met.

Global economies are recovering, but the strength of the recovery may disappoint the market. Many sectors will continue to suffer from over-capacity and severe competition. We do expect a rebound in corporate profitability, but this is based more on cost cutting than revenue growth. Of course, should there be a more robust recovery, with a sharply higher level of corporate fixed investment, profit growth could be explosive. But at this point, that scenario is a little too rosy to reasonably expect. On the plus side, equity valuations are now much more interesting, and many excellent companies are trading at reasonable valuations. This is a level from which we hope to achieve reasonable gains over the next year.

INVESTMENT SCORECARD

In anticipation of better earnings as the economy recovers, our industrial cyclical holdings performed well, with stocks such as Dana Corp. and Nortek near the top of our performance list. Small group broadcasters Young Broadcasting and Gray Communications rebounded nicely this quarter, as did newspaper publishers including Media General, McClatchy, and Scripps. Investments in lodging/gaming companies like Hilton Hotels, Aztar, and Starwood Hotels and Resorts rewarded us as the travel and tourism industry recovered from the shock of 9/11.

Telecommunications, wired and wireless, as well as cable holdings

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continued to be the portfolio's albatross, with a substantial percentage of our biggest laggards coming from this sector, which has witnessed the dumping of their shares by growth and momentum-oriented portfolio managers. Longer term, as growth in demand overtakes excess capacity, we believe our patience in the telecom arena will be satisfactorily rewarded. In the interim, we believe consolidation in the industry will help surface values. We believe AOL Time Warner will continue to be a multimedia powerhouse and that Cablevision will ultimately be the target of one of the dominant cable players.

LET'S TALK STOCKS

The following are stock specifics on selected holdings of our Trust. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend that we believe will develop over time.

AMERICAN EXPRESS CO. (AXP - \$40.96 - NYSE), one of the most widely recognized brands around the world, is focused on increasingly cross-selling financial products and services to its customers. The company consists of three segments: its Travel Related Services business, which contributes 80% of revenues, provides charge cards, credit cards, travelers cheques, and travel services to corporations and consumers; American Express Financial Advisors, which contributes 17% of revenues, provides investment advisory services and financial products such as mutual funds, insurance, and annuities; finally, American Express Bank, which accounts for 3% of revenues, offers banking services to other financial institutions, wholesale banking for corporations, and private banking for high net worth individuals. The company's long-term goal is to deliver revenue growth of at least 8% and earnings per share ("EPS") growth between 12% and 15%.

BERKSHIRE HATHAWAY INC. (BRK'A - \$71,100 - NYSE) is Warren Buffett. The company has interests in insurance (notably GEICO and General Re), publishing, aviation, retailing, and manufacturing. Its investment portfolio includes over \$28 billion of marketable equity securities. Berkshire has grown rapidly through acquisitions over the past 15 years, including Kirby vacuum cleaners; World Book encyclopedias; H. H. Brown, Dexter and Justin

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footwear; Executive Jet aviation; Dairy Queen restaurants and snack treats; Johns Manville building products; Benjamin Moore paints; Shaw Industries carpets; MiTek steel connectors; XTRA transportation leasing; GEICO insurance; and General Re reinsurance. GEICO, the sixth largest auto insurer in the U.S., contributes 19% of revenues while General Re, the fourth largest reinsurer globally, contributes 30% of revenues.

GUCCI GROUP NV (GUC - \$92.52 - NYSE), Pinault Printemps (PPR - \$118.32 - Paris Stock Exchange) and LVMH Moet Hennessy Louis Vuitton (LVMHY - \$10.15 - Nasdaq) have signed a three-step agreement under which PPR will take control of Gucci. In the first step, PPR has raised its stake in Gucci by buying 8.6 million shares from LVMH. Gucci has also already paid to holders a dividend of \$7 per share. The final step will enable Gucci public shareholders to "put" (sell) their shares to PPR at \$101.50 per share in March 2004. At the current price, the yield to the put date for Gucci shareholders, including dividends, is approximately 5% annualized.

LIBERTY MEDIA CORP. (L - \$12.64 - NYSE), run by savvy media investor John Malone, is engaged in businesses that provide programming services (including production, acquisition and distribution through all media formats) as well as businesses engaged in electronic retailing, direct marketing and other services. Liberty Media holds interests in globally branded entertainment networks such as the Discovery Channel, USA Networks, QVC, Encore and STARZ!. Liberty's

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investment portfolio also includes interests in international video distribution businesses, international telephony and domestic wireless companies, plant and equipment manufacturers, and other businesses related to broadband services.

MEDIA GENERAL INC. (MEG - \$63.50 - NYSE) is a Richmond, Virginia-based communications company that is primarily focused on the Southeast. Its newspaper publishing operations include the Richmond Times-Dispatch, the Winston-Salem Journal, the Tampa Tribune, and 22 other daily newspapers. This includes 5 daily newspapers, clustered in Alabama and South Carolina, which the company bought from Thomson Corp. for \$238 million in August 2000. The company also owns a 20 percent interest in the Denver Post. Media General also operates 26 television stations primarily located in Southeastern markets, including 13 purchased from Spartan Communications on March 27, 2000 for \$605 million.

NAVISTAR INTERNATIONAL CORP. (NAV - \$44.30 - NYSE), with world headquarters outside of Chicago, is a leading North American manufacturer and marketer of medium and heavy trucks and school buses, and a worldwide leader in the manufacture of mid-range diesel engines, produced in a range of 160 to 300 horsepower for the International[R] brand. The company is also a private label designer and manufacturer of diesel engines for the full-size pickup truck and van markets. The company's products, parts and services are sold through a network of 1,000 International[R] brand dealer outlets in the United States, Canada, Brazil and Mexico, and through more than 90 separate dealers in 75 countries. Navistar provides financing for its customers and distributors principally through its wholly-owned subsidiary, Navistar Financial Corporation.

PEPSICO INC. (PEP - \$51.50 - NYSE) is a \$25 billion food and beverage company after the acquisition of Quaker Oats was completed on August 2, 2001. PepsiCo added several products to its existing portfolio of the Pepsi-Cola and Frito Lay brands, such as Gatorade and the Quaker Oat snack and food businesses. The company is focused on the faster growing convenience category, improving their distribution systems and extracting the synergies expected from the merger. PepsiCo is also benefiting from the introduction of new products such as Mountain Dew Code Red, Pepsi with Lemon, Bistro chips and the continued robust growth of Aquafina.

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SPS TECHNOLOGIES INC. (ST - \$42.37 - NYSE) is a leading manufacturer of fasteners, superalloys and magnetic materials for the aerospace, automotive and industrial markets. The Precision Fasteners and Components group produces high strength fasteners for the aerospace, automotive and machinery markets. The Specialty Materials and Alloys group makes superalloys for the aerospace and industrial gas turbine markets and the Magnetic Products group produces magnetic materials used in automotive, electronics and other specialty applications. Under the leadership of CEO Charlie Grigg, SPS has made 18 acquisitions since 1996 and has positioned the nearly \$1 billion company to be a strategic global supplier in the fastener and component industry. We believe the company will continue to use its strong cash flow to augment internal revenue and earnings growth with acquisitions.

STANDARD MOTOR PRODUCTS INC. (SMP - \$14.60 - NYSE), headquartered in Long Island City, New York, supplies functional replacement parts for the engine management, electrical and climate control systems of cars, trucks and buses. The company services all makes and models, both new and old cars, imported and domestic. SMP has two primary divisions -- engine management and temperature control -- and believes it is the number one supplier to the North American aftermarket in each of these lines.

TELEPHONE & DATA SYSTEMS INC. (TDS - \$88.25 - AMEX) provides mobile and local phone services to 3.6 million customers in 35 states. TDS conducts its cellular operations through an 81%-owned United States Cellular (USM - \$41.00 - AMEX) and

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its wireline telephone operations through its wholly owned TDS Telecommunications ("TDS Telecom") subsidiary, a full-service local exchange carrier. Having completed a merger of its 82%-owned PCS subsidiary Aerial Communications with VoiceStream Wireless, which was acquired by Deutsche Telekom (DT - \$14.98 - NYSE), a former German phone monopoly, TDS now owns 131.6 million shares of Deutsche Telekom valued at almost \$2 billion. As part of the VoiceStream/Deutsche Telekom deal, TDS also received \$570 million in cash.

THOMAS & BETTS CORP. (TNB - \$21.16 - NYSE) primarily manufactures electrical components and connectors. This business is suffering from its exposure to the technology and telecommunications industries. Management is cutting costs and restructuring the business to be profitable at the current lower revenue levels. Any or all of the 3 smaller business segments -- Steel Structures (utility poles), Communications (CATV equipment), and HVAC -- could be sold to raise cash and streamline the company. We also expect management to monetize the 20% investment in Leviton Manufacturing, a private company on Long Island, NY.

VIACOM INC. (VIA - \$48.60 - NYSE) is a diversified media company with businesses across many media platforms. The firm operates cable networks (including VH1, MTV, Showtime and Nickelodeon), television networks and stations (including the CBS and UPN Television networks and numerous affiliated TV stations in major markets), major market radio stations and outdoor advertising (through Infinity Broadcasting), a movie studio (Paramount), a publishing house (Simon and Schuster), amusement parks (Paramount Parks) and video rental operations (Blockbuster). The company focuses on high growth businesses and aims to deliver cash flow growth that is above the industry average.

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COMMON STOCK 10% DISTRIBUTION POLICY

The Trust continues to maintain its 10% Distribution Policy whereby the Trust pays out to common stock shareholders 10% of its average net assets each year. Pursuant to this policy, the Trust distributed \$0.27 per share on March 25, 2002. The next distribution is scheduled for June 2002.

7.25% TAX ADVANTAGED CUMULATIVE PREFERRED STOCK - DIVIDENDS

The Trust's 7.25% Tax Advantaged Cumulative Preferred Stock paid a cash distribution on March 26, 2002 of \$0.453125 per share. For the twelve months ended March 31, 2002, Preferred Stock shareholders received distributions totaling 1.8125, the annual dividend rate per share of Preferred Stock. The next distribution is scheduled for June 2002.

7.20% TAX ADVANTAGED SERIES B CUMULATIVE PREFERRED STOCK - DIVIDENDS

The Trust's 7.20% Tax Advantaged Series B Cumulative Preferred Stock paid a cash distribution on March 26, 2002 of \$0.45 per share. The Series B Preferred Shares were issued on June 20, 2001 at \$25.00 per share and will pay distributions quarterly at an annual dividend rate of \$1.80 per share. The next distribution is scheduled for June 2002.

WWW.GABELLI.COM

Please visit us on the Internet. Our homepage at <http://www.gabelli.com> contains information about Gabelli Asset Management Inc., the Gabelli Mutual Funds, IRAs, 401(k)s, quarterly reports, closing prices and other current news. You can send us e-mail at closedend@gabelli.com.

In our efforts to bring our shareholders more timely portfolio information, Gabelli Fund's portfolio managers regularly participate in chat sessions at www.gabelli.com as reflected below.

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| | WHO --- | WHEN ---- |
|----------------|---------------------------------|---|
| Special Chats: | Mario J. Gabelli Howard Ward | First Monday of each month First Tuesday of each month |

In addition, every Wednesday will feature a different portfolio manager. The upcoming Wednesday chat schedule is as follows:

| | MAY --- | JUNE ---- | JULY --- |
|---------------|--------------------------------|------------------|-------------|
| 1st Wednesday | Ivan Arteaga | Henry Van der Eb | Ivan |
| 2nd Wednesday | Charles Minter & Martin Weiner | Caesar Bryan | Caesar |
| 3rd Wednesday | Walter Walsh & Laura Linehan | Ivan Arteaga | Lyn |
| 4th Wednesday | Hart Woodson | Barbara Marcini | Hen |
| 5th Wednesday | Barbara Marcini | | Bar |

All chat sessions start at 4:15 ET. Please arrive early, as participation is limited.

You may sign up for our HIGHLIGHTS e-mail newsletter at www.gabelli.com and receive early notice of chat sessions, closing mutual fund prices, news events and media sightings.

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IN CONCLUSION

In the first quarter of 2002, equity investors responded favorably to encouraging economic news. Indeed, the economy appears back on solid footing and we should see earnings rebound nicely. Our concern is that much of this good news is already reflected in stock prices and that as the Fed raises interest rates later in the year, equity valuations may come under pressure. So, while the worst may be over, we don't see smooth sailing for equities going forward. Stock picking will remain the key to returns and we believe our focus on companies selling at deep discounts to intrinsic value will be rewarded as merger and acquisition activity heats up in the year ahead.

Sincerely,
/S/ Mario J. Gabelli
MARIO J. GABELLI, CFA
Portfolio Manager and Chief Investment Officer

May 6, 2002

SELECTED HOLDINGS
MARCH 31, 2002

| | |
|-------------------------|-------------------------------|
| American Express Co. | Navistar International Corp. |
| Berkshire Hathaway Inc. | PepsiCo Inc. |
| Gucci Group NV | Telephone & Data Systems Inc. |

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Liberty Media Corp.
Media General Inc.

Thomas & Betts Corp.
Viacom Inc.

NOTE: The views expressed in this report reflect those of the portfolio managers only through the end of the period stated in this report. The managers' views are subject to change at any time based on market and other conditions.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO CHANGES
QUARTER ENDED MARCH 31, 2002
(UNAUDITED)

| | SHARES | OWNERSHIP AT MARCH 31, 2002 |
|---|---------|-----------------------------------|
| | ----- | ----- |
| NET PURCHASES | | |
| COMMON STOCKS | | |
| American Express Co. | 70,000 | 550,000 |
| AOL Time Warner Inc. | 110,000 | 575,000 |
| AT&T Wireless Services Inc. | 130,000 | 500,170 |
| BAE Systems plc | 25,000 | 150,000 |
| Bank of Ireland, London | 11,000 | 11,000 |
| BCE Inc. | 45,000 | 320,000 |
| Broadwing Inc. | 130,000 | 810,000 |
| Burlington Resources Inc. | 15,000 | 150,000 |
| Cable & Wireless plc, ADR | 3,000 | 173,000 |
| Campbell Soup Co. | 45,000 | 65,000 |
| Coca-Cola Co. | 15,000 | 30,000 |
| Cooper Industries Inc. | 5,000 | 120,000 |
| CoreComm Ltd. | 577,000 | 1,577,000 |
| Corning Inc. | 60,000 | 460,000 |
| Curtiss-Wright Corp., Cl. B | 92,000 | 98,320 |
| Dana Corp. | 69,900 | 320,061 |
| DTE Energy Co. | 18,000 | 30,366 |
| Embratel Participacoes SA, ADR | 5,000 | 215,000 |
| Flowers Foods Inc. (a) | 26,600 | 41,600 |
| Fox Entertainment Group Inc., Cl. A | 10,000 | 120,000 |
| FPL Group Inc. | 9,400 | 9,400 |
| France Telecom SA, ADR | 2,000 | 27,000 |
| Franklin Electric Co. Inc. (b) | 6,500 | 13,000 |
| Fuller (H.B.) Co. | 16,000 | 40,000 |
| General Motors Corp. | 10,000 | 167,942 |
| Genuity Inc. | 20,000 | 180,000 |
| Grupo Bimbo, SA de CV, Ser. A | 184,300 | 351,000 |
| Gucci Group NV, ADR | 3,000 | 33,000 |
| Halliburton Co. | 100,000 | 300,000 |
| Heinz (H.J.) Co. | 5,000 | 85,000 |
| Hilton Group plc | 200,000 | 1,650,000 |
| Honeywell International Inc. | 5,000 | 380,000 |
| John Hancock Financial Services Inc. | 20,000 | 60,000 |
| Leap Wireless International Inc. | 10,000 | 140,000 |
| Liberty Media Corp., Cl. A | 100,000 | 1,800,000 |
| MeadWestvaco Corp. (c) | 100,000 | 100,000 |
| Merck & Co. Inc. | 35,000 | 35,000 |
| Metro-Goldwyn-Mayer Inc. | 290,000 | 300,000 |
| Mirant Corp. | 60,000 | 60,000 |
| mm02 plc, ADR | 14,500 | 130,000 |
| Motorola Inc. | 10,000 | 110,000 |

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| | | |
|---|-----------|--------------|
| Newmont Mining Corp. Holding Co. | 25,000 | 125,000 |
| News Corp. Ltd., ADR (d) | 6,017 | 11,017 |
| Nikko Cordial Co. | 15,000 | 186,500 |
| Northeast Utilities | 55,000 | 250,000 |
| NTT DoCoMo Inc. (e) | 100 | 200 |
| NTT DoCoMo Inc. - W/I (e) | 800 | 800 |
| Pennzoil-Quaker State Co. | 50,000 | 213,400 |
| PRIMEDIA Inc. | 87,000 | 300,000 |
| Qwest Communications International Inc. | 20,000 | 20,000 |
| Rainbow Media Group | 50,000 | 550,000 |
| RAS SpA | 10,000 | 60,000 |
| | | OWNERSHIP AT |
| | | MARCH 31, |
| | SHARES | 2002 |
| | ----- | ----- |
| Sara Lee Corp. | 10,000 | 20,000 |
| Schwab (Charles) Corp. | 50,000 | 50,000 |
| Sensient Technologies Corp. | 13,800 | 213,800 |
| SJW Corp. | 200 | 10,400 |
| Sprint Corp. - PCS Group | 30,000 | 250,000 |
| Telecom Argentina Stet France Telecom SA, ADR | 20,000 | 40,000 |
| Telefonica SA, ADR (f) | 13,775 | 279,024 |
| Telefonica SA, BDR (g) | 657 | 16,913 |
| Texas Instruments Inc. | 40,000 | 40,000 |
| Thomas Industries Inc. | 23,000 | 100,000 |
| Tootsie Roll Industries Inc. (h) | 3,025 | 103,855 |
| Total Fina Elf SA | 2,000 | 6,907 |
| Travelers Property Casualty Corp. | 7,000 | 7,000 |
| TRW Inc. | 170,000 | 170,000 |
| | | |
| PREFERRED STOCKS | | |
| Allen Telecom Inc., 7.750%, Cv. Pfd., Ser. D | 60,000 | 60,000 |
| Lucent Technologies Capital Trust I, 7.750% Cv. Pfd. | 500 | 500 |
| News Corp. Ltd., Pfd., ADR (i) | 3,008 | 770,499 |
| ProSieben Sat.1 Media AG, Pfd. | 57,000 | 100,000 |
| | | |
| | PRINCIPAL | |
| | AMOUNT | |
| | ----- | |
| CORPORATE BONDS | | |
| Charter Communications Inc., Cv., 4.750%, 06/01/06 | \$100,000 | \$500,000 |
| Hilton Hotels Corp., Sub. Deb. Cv., 5.000%, 05/15/06 | 170,000 | 400,000 |
| Nextel Communications Inc., 9.500%, 02/01/11 | 500,000 | 500,000 |
| | | |
| | SHARES | |
| | ----- | |
| NET SALES | | |
| COMMON STOCKS | | |
| Ackerley Group Inc. | (7,100) | 42,900 |
| Aetna Inc. | (50,000) | 0 |
| AGL Resources Inc. | (3,400) | 70,000 |
| Allstate Corp. | (5,000) | 90,000 |
| Amphenol Corp., Cl. A | (3,000) | 2,000 |
| AutoNation Inc. | (20,000) | 300,000 |

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| | | |
|---------------------------------|-----------|---------|
| Aztar Corp. | (10,000) | 110,000 |
| Bank of New York Co. Inc. | (5,000) | 80,000 |
| Bank One Corp. | (5,000) | 105,000 |
| Benesse Corp. | (14,000) | 0 |
| Boeing Co. | (3,000) | 115,000 |
| Cable & Wireless plc | (95,000) | 0 |
| CH Energy Group Inc. | (5,000) | 115,000 |
| CLARCOR Inc. | (7,000) | 100,000 |
| Coca-Cola Enterprises Inc. | (20,000) | 50,000 |
| Curtiss-Wright Corp. | (98,000) | 0 |
| Dominion Resources Inc. | (3,000) | 5,000 |
| Donaldson Co. Inc. | (6,000) | 219,000 |
| Friends Provident plc | (126,000) | 0 |
| General Mills Inc. | (5,000) | 90,000 |
| GTECH Holdings Corp. | (1,000) | 4,000 |

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO CHANGES (CONTINUED)
 QUARTER ENDED MARCH 31, 2002
 (UNAUDITED)

| | SHARES | OWNERSHIP AT MARCH 31, 2002 |
|---|-----------|-----------------------------------|
| | ----- | ----- |
| NET SALES (CONTINUED) | | |
| COMMON STOCKS (CONTINUED) | | |
| Harley Davidson Inc. | (10,000) | 60,000 |
| Hilton Hotels Corp. | (40,000) | 660,000 |
| IDEX Corp. | (47,000) | 250,000 |
| Independent News & Media plc, Dublin. | (235,000) | 411,000 |
| ITT Industries Inc. | (5,000) | 125,000 |
| Jafco Co. Ltd. | (10,000) | 0 |
| Loral Space & Communications Ltd. | (10,000) | 190,000 |
| MGM Mirage Inc. | (25,000) | 90,000 |
| National Service Industries Inc. (j) | (105,000) | 35,000 |
| Navistar International Corp. | (5,000) | 425,000 |
| Nextel Communications Inc., Cl. A | (10,000) | 240,000 |
| Niagara Mohawk Holdings Inc. (k) | (210,000) | 0 |
| Nortek Inc. | (4,000) | 140,000 |
| NRJ Group | (10,000) | 40,375 |
| NTL Inc. | (20,000) | 40,000 |
| Obic Co. Ltd. | (1,000) | 1,500 |
| Pactiv Corp. | (10,000) | 170,000 |
| Procter & Gamble Co. | (10,000) | 100,000 |
| RCN Corp. | (20,000) | 130,000 |
| Rohm and Haas Co. | (73,000) | 100,000 |
| Rollins Inc. | (5,000) | 505,000 |
| Royce Value Trust Inc. | (4,000) | 40,000 |
| Sammy Corp. | (3,300) | 0 |
| Scheib (Earl) Inc. | (4,200) | 70,800 |
| Scripps (E.W.) Co., Cl. A | (1,000) | 70,000 |
| Secom Co. Ltd. | (3,000) | 7,000 |
| Smith Group plc | (2,420) | 10,000 |
| Starwood Hotels & Resorts | | |
| Worldwide Inc. | (10,000) | 50,000 |
| Superior Industries International Inc. | (10,000) | 60,000 |
| THK Co. Ltd. | (4,000) | 44,000 |

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| | | |
|--------------------------------------|-----------|---------|
| Tokyo Electron Ltd. | (3,000) | 9,400 |
| Tyson Foods Inc., Cl. A | (110,000) | 90,000 |
| Waste Management Inc. | (10,000) | 300,000 |
| Westvaco Corp. (c) | (105,000) | 0 |
| Willamette Industries Inc. (l) | (322,000) | 0 |
| Winn-Dixie Stores Inc. | (10,000) | 50,000 |
| Wyeth | (2,000) | 38,000 |
| Xerox Corp. | (2,000) | 10,000 |

| | PRINCIPAL AMOUNT | OWNERSHIP AT MARCH 31, 2002 |
|---|---------------------|-----------------------------------|
| | ----- | ----- |
| CORPORATE BONDS | | |
| Kaman Corp., Sub. Deb. Cv., 6.000%, 03/15/12 | \$ (67,000) | \$ 933,000 |
| News America Holdings Inc., Sub. Deb. Cv., Zero Coupon (d) (i) | (200,000) | 0 |
| Waste Management Inc., Sub. Deb. Cv., 4.000%, 02/01/02 | (2,039,000) | 0 |

-
- (a) 3 for 2 stock split
 - (b) 2 for 1 stock split
 - (c) Merger - 0.97 shares of MeadWestvaco Corp. for every 1 share of Westvaco Corp.
 - (d) Merger - 0.0301 shares of News Corp. Ltd., ADR for every 1 share of News America Holdings Inc., Cvt.
 - (e) 5 for 1 stock split
 - (f) 2% Stock dividend
 - (g) 2% Stock dividend
 - (h) 3% Stock dividend
 - (i) Merger - 0.0150 shares of News Corp. Ltd., Pfd., ADR for every 1 share of News America Holdings Inc., Cvt.
 - (j) 1 for 4 stock split
 - (k) Cash merger at \$18.89 a share
 - (l) Tender Offer at \$55.50 per share

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS
MARCH 31, 2002 (UNAUDITED)

| SHARES | | MARKET VALUE |
|-----------|--|-----------------|
| ----- | | ----- |
| | COMMON STOCKS -- 88.5% | |
| | ENTERTAINMENT -- 8.8% | |
| 575,000 | AOL Time Warner Inc.+ | \$ 13,598,750 |
| 160,000 | Canal Plus, ADR | 106,640 |
| 220,000 | Disney (Walt) Co. | 5,077,600 |
| 100,000 | EMI Group plc, ADR | 1,029,550 |
| 120,000 | Fox Entertainment Group Inc., Cl. A+ | 2,838,000 |
| 50,000 | GC Companies Inc.+ | 8,000 |
| 30,432 | Gemstar-TV Guide International Inc.+ | 450,089 |
| 195,000 | Grupo Televisa SA, ADR+ | 9,459,450 |
| 24,000 | Liberty Livewire Corp., Cl. A+ | 138,720 |
| 1,800,000 | Liberty Media Corp., Cl. A+ | 22,752,000 |
| 300,000 | Metro-Goldwyn-Mayer Inc.+ | 4,986,000 |
| 160,000 | Publishing & Broadcasting Ltd. | 849,641 |
| 100,000 | Six Flags Inc.+ | 1,786,000 |

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| | | |
|-----------|--|-------------|
| 495,000 | USA Networks Inc.+ | 15,726,150 |
| 850,000 | Viacom Inc., Cl. A+ | 41,310,000 |
| 30,900 | Vivendi Universal SA | 1,201,743 |
| 210,000 | Vivendi Universal SA, ADR | 8,085,000 |
| | | ----- |
| | | 129,403,333 |
| | | ----- |
| | TELECOMMUNICATIONS -- 8.6% | |
| 8,132 | Aliant Inc. | 135,837 |
| 7,500 | Allegiance Telecom Inc.+ | 22,500 |
| 30,000 | ALLTEL Corp. | 1,666,500 |
| 50,000 | AT&T Canada Inc., Cl. B+ | 1,346,500 |
| 1,500,000 | AT&T Corp. | 23,550,000 |
| 3,333 | Avaya Inc.+ | 24,598 |
| 320,000 | BCE Inc. | 5,638,400 |
| 33,400 | Brasil Telecom | |
| | Participacoes SA, ADR | 1,332,660 |
| 810,000 | Broadwing Inc.+ | 5,661,900 |
| 1,775,000 | BT Group plc+ | 7,077,350 |
| 29,000 | BT Group plc, ADR+ | 1,165,220 |
| 3,338,192 | Cable & Wireless Jamaica Ltd. | 121,337 |
| 173,000 | Cable & Wireless plc, ADR | 1,702,320 |
| 130,000 | CenturyTel Inc. | 4,420,000 |
| 100,000 | Citizens Communications Co.+ | 1,075,000 |
| 255,466 | Commonwealth Telephone | |
| | Enterprises Inc.+ | 9,771,574 |
| 20,000 | Commonwealth Telephone | |
| | Enterprises Inc., Cl. B+ | 870,000 |
| 45,000 | Compania de Telecomunicaciones | |
| | de Chile SA, ADR+ | 673,650 |
| 1,577,000 | CoreComm Ltd.+ | 157,700 |
| 240,278 | Deutsche Telekom AG, ADR | 3,599,364 |
| 215,000 | Embratel Participacoes SA, ADR | 741,750 |
| 27,000 | France Telecom SA, ADR | 821,070 |
| 265 | Japan Telecom Co. Ltd. | 819,783 |
| 100,000 | KPN NV+ | 512,096 |
| | | |
| | | MARKET |
| SHARES | | VALUE |
| | | ----- |
| 20,000 | Qwest Communications | |
| | International Inc. | \$ 164,400 |
| 130,000 | RCN Corp.+ | 183,300 |
| 9,655 | Rogers Communications Inc., Cl. B+ | 131,926 |
| 110,345 | Rogers Communications | |
| | Inc., Cl. B, ADR+ | 1,511,727 |
| 115,000 | SBC Communications Inc. | 4,305,600 |
| 350,000 | Sprint Corp. - FON Group | 5,351,500 |
| 186,554 | Tele Norte Leste | |
| | Participacoes SA, ADR | 2,343,118 |
| 40,000 | Telecom Argentina Stet | |
| | France Telecom SA, ADR | 114,400 |
| 400,040 | Telecom Italia SpA | 3,294,492 |
| 123,000 | Telecom Italia SpA, ADR | 10,055,250 |
| 135,000 | Telecom Italia SpA, RNC | 741,972 |
| 279,024 | Telefonica SA, ADR+ | 9,238,487 |
| 16,913 | Telefonica SA, BDR+ | 190,303 |
| 36,000 | Telefonos de Mexico SA, Cl. L, ADR | 1,454,040 |
| 12,750 | TELUS Corp. | 145,926 |
| 52,500 | TELUS Corp., ADR | 600,872 |
| 4,250 | TELUS Corp., Non-Voting | 44,673 |
| 27,500 | TELUS Corp., Non-Voting, ADR | 289,060 |

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| | | |
|---------|--|-------------|
| 295,000 | Verizon Communications Inc. | 13,466,750 |
| 100,000 | WorldCom Inc. - MCI Group | 591,000 |
| | | ----- |
| | | 127,125,905 |
| | | ----- |
| | FINANCIAL SERVICES -- 8.0% | |
| 26,000 | Aegon NV | 634,650 |
| 4,100 | Allianz AG | 976,472 |
| 90,000 | Allstate Corp. | 3,399,300 |
| 550,000 | American Express Co. | 22,528,000 |
| 36,400 | Argonaut Group Inc. | 769,496 |
| 90,000 | Banco Santander Central Hispano SA, ADR | 739,800 |
| 99,000 | Bank of Ireland, Ireland | 1,071,816 |
| 11,000 | Bank of Ireland, London | 122,353 |
| 80,000 | Bank of New York Co. Inc. | 3,361,600 |
| 105,000 | Bank One Corp. | 4,386,900 |
| 282,000 | Bankgesellschaft Berlin AG+ | 519,092 |
| 260 | Berkshire Hathaway Inc., Cl. A+ | 18,486,000 |
| 5,000 | Block (H&R) Inc. | 222,250 |
| 190,000 | Commerzbank AG, ADR | 3,401,266 |
| 160,000 | Deutsche Bank AG, ADR+ | 10,304,000 |
| 20,000 | Dun and Bradstreet Corp.+ | 800,200 |
| 56,000 | HBOS plc | 604,864 |
| 25,000 | Hibernia Corp., Cl. A | 477,500 |
| 20,000 | Invik & Co. AB, Cl. B | 1,032,997 |
| 100,000 | Irish Life & Permanent plc, Dublin | 1,260,611 |
| 60,000 | John Hancock Financial Services Inc. | 2,291,400 |
| 50,000 | JP Morgan Chase & Co. | 1,782,500 |
| 64,000 | Leucadia National Corp. | 2,288,000 |

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
MARCH 31, 2002 (UNAUDITED)

| SHARES | | MARKET VALUE |
|---------|--|-----------------|
| ----- | | ----- |
| | COMMON STOCKS (CONTINUED) | |
| | FINANCIAL SERVICES (CONTINUED) | |
| 83,100 | Mellon Financial Corp. | \$ 3,206,829 |
| 100,000 | Midland Co. | 4,260,000 |
| 30,000 | Moody's Corp. | 1,233,000 |
| 186,500 | Nikko Cordial Corp. | 823,197 |
| 185,000 | Phoenix Companies Inc.+ | 3,552,000 |
| 2,500 | Prudential Financial Inc.+ | 77,625 |
| 50,000 | Prudential plc | 504,101 |
| 60,000 | RAS SpA | 785,155 |
| 60,000 | Riggs National Corp. | 921,000 |
| 50,000 | Schwab (Charles) Corp. | 654,500 |
| 80,000 | State Street Corp. | 4,430,400 |
| 30,000 | Stilwell Financial Inc. | 734,700 |
| 20,000 | SunTrust Banks Inc. | 1,334,600 |
| 10,200 | Swiss Re | 938,542 |
| 100,000 | T. Rowe Price Group Inc. | 3,893,000 |
| 7,000 | Travelers Property Casualty Corp.+ | 140,000 |
| 50,000 | Unitrin Inc. | 2,010,000 |
| 130,000 | Wachovia Corp. | 4,820,400 |
| 55,100 | Waddell & Reed Financial Inc., Cl. A | 1,679,448 |
| | | ----- |

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| | | |
|---------|--|--------------|
| | | 117,459,564 |
| | | ----- |
| | FOOD AND BEVERAGE -- 6.7% | |
| 10,108 | Advantica Restaurant Group Inc.+ | 10,209 |
| 10,800 | Cadbury Schweppes plc, ADR | 299,700 |
| 65,000 | Campbell Soup Co. | 1,742,000 |
| 30,000 | Coca-Cola Co. | 1,567,800 |
| 50,000 | Coca-Cola Enterprises Inc. | 939,000 |
| 150,940 | Compass Group plc | 1,010,221 |
| 100,000 | Corn Products International Inc. | 3,220,000 |
| 100,000 | Diageo plc | 1,307,245 |
| 224,000 | Diageo plc, ADR | 11,753,280 |
| 41,600 | Flowers Foods Inc.+ | 1,059,552 |
| 90,000 | General Mills Inc. | 4,396,500 |
| 351,000 | Grupo Bimbo,SA de CV, Ser. A | 934,283 |
| 20,000 | Hain Celestial Group Inc.+ | 445,000 |
| 85,000 | Heinz (H.J.) Co. | 3,527,500 |
| 30,000 | Interbrew SA | 830,956 |
| 350,000 | Kellogg Co. | 11,749,500 |
| 75,000 | Kerry Group plc, Cl. A | 1,009,270 |
| 60,500 | LVMH Moet Hennessy Louis Vuitton, ADR | 614,075 |
| 41,300 | Mondavi (Robert) Corp., Cl. A+ | 1,484,322 |
| 600,595 | PepsiAmericas Inc. | 8,660,580 |
| 525,000 | PepsiCo Inc. | 27,037,500 |
| 60,000 | Ralcorp Holdings Inc.+ | 1,632,000 |
| 20,000 | Sara Lee Corp. | 415,200 |
| 103,855 | Tootsie Roll Industries Inc. | 4,776,287 |
| 90,000 | Tyson Foods Inc., Cl. A | 1,123,200 |
| | | |
| | | MARKET |
| SHARES | | VALUE |
| ----- | | ----- |
| 150,000 | Wrigley (Wm.) Jr. Co. | \$ 7,996,500 |
| | | ----- |
| | | 99,541,680 |
| | | ----- |
| | EQUIPMENT AND SUPPLIES-- 6.5% | |
| 120,000 | AMETEK Inc. | 4,465,200 |
| 2,000 | Amphenol Corp., Cl. A+ | 93,600 |
| 10,000 | Caterpillar Inc. | 568,500 |
| 95,000 | CIRCOR International Inc. | 1,971,250 |
| 100,000 | CLARCOR Inc. | 3,200,000 |
| 320,000 | Deere & Co. | 14,576,000 |
| 219,000 | Donaldson Co. Inc. | 8,805,990 |
| 150,000 | Flowserve Corp.+ | 4,801,500 |
| 13,000 | Franklin Electric Co. Inc. | 658,580 |
| 105,000 | Gerber Scientific Inc.+ | 771,750 |
| 250,000 | IDEX Corp. | 9,250,000 |
| 20,000 | Ingersoll-Rand Co., Cl. A | 1,000,400 |
| 60,000 | Lufkin Industries Inc. | 1,620,000 |
| 1,000 | Manitowoc Co. Inc. | 39,500 |
| 425,000 | Navistar International Corp.+ | 18,827,500 |
| 28,000 | Olympus Optical Co. Ltd. | 348,587 |
| 20,000 | PACCAR Inc. | 1,464,200 |
| 84,500 | Sequa Corp., Cl. A+ | 4,410,900 |
| 75,000 | Sequa Corp., Cl. B+ | 4,425,000 |
| 170,000 | SPS Technologies Inc.+ | 7,202,900 |
| 60,000 | Sybron Dental Specialties Inc.+ | 1,206,000 |
| 44,000 | THK Co. Ltd. | 836,609 |
| 75,000 | UCAR International Inc.+ | 1,065,000 |
| 250,000 | Watts Industries Inc., Cl. A | 4,200,000 |

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| | | |
|---------|---------------------------------------|------------|
| 100,000 | Weir Group plc | 414,388 |
| | | ----- |
| | | 96,223,354 |
| | | ----- |
| | DIVERSIFIED INDUSTRIAL -- 5.2% | |
| 220,000 | Acuity Brands Inc. | 3,636,600 |
| 195,000 | Ampco-Pittsburgh Corp. | 2,271,750 |
| 120,000 | Cooper Industries Inc. | 5,034,000 |
| 270,000 | Crane Co. | 7,381,800 |
| 110,000 | GATX Corp. | 3,498,000 |
| 200,000 | GenTek Inc. | 60,000 |
| 260,000 | Greif Bros. Corp., Cl. A | 9,282,000 |
| 3,400 | Greif Bros. Corp., Cl. B | 113,050 |
| 380,000 | Honeywell International Inc. | 14,542,600 |
| 125,000 | ITT Industries Inc. | 7,880,000 |
| 400,600 | Lamson & Sessions Co.+ | 2,303,450 |
| 35,000 | National Service Industries Inc. | 365,400 |
| 83,715 | Park-Ohio Holdings Corp.+ | 375,043 |
| 213,800 | Sensient Technologies Corp. | 4,921,676 |
| 10,000 | Smiths Group plc | 115,488 |
| 6,000 | Sulzer AG | 1,314,655 |
| 100,000 | Thomas Industries Inc. | 2,925,000 |
| 50,000 | Trinity Industries Inc. | 1,215,500 |
| 170,000 | TRW Inc. | 8,749,900 |
| | | ----- |
| | | 75,985,912 |
| | | ----- |

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 MARCH 31, 2002 (UNAUDITED)

| SHARES | | MARKET VALUE |
|---------|--|-----------------|
| ----- | | ----- |
| | COMMON STOCKS (CONTINUED) | |
| | PUBLISHING -- 5.1% | |
| 20,000 | Dow Jones & Co. Inc. | \$ 1,164,400 |
| 411,000 | Independent News & Media plc, Dublin | 788,819 |
| 5,000 | McClatchy Co., Cl. A | 296,850 |
| 105,000 | McGraw-Hill Companies Inc. | 7,166,250 |
| 400,000 | Media General Inc., Cl. A | 25,400,000 |
| 125,000 | Meredith Corp. | 5,313,750 |
| 115,000 | New York Times Co., Cl. A | 5,503,900 |
| 120,000 | News Corp. Ltd. | 840,248 |
| 11,017 | News Corp. Ltd., ADR | 313,922 |
| 400,000 | Penton Media Inc. | 3,020,000 |
| 300,000 | PRIMEDIA Inc.+ | 951,000 |
| 33,000 | Pulitzer Inc. | 1,765,500 |
| 185,000 | Reader's Digest Association Inc., Cl. B | 4,403,000 |
| 400,000 | SCMP Group Ltd. | 225,647 |
| 70,000 | Scripps (E.W.) Co., Cl. A | 5,748,400 |
| 91,842 | Seat-Pagine Gialle SpA+ | 71,069 |
| 75,000 | Thomas Nelson Inc. | 911,250 |
| 250,000 | Tribune Co. | 11,365,000 |
| | | ----- |
| | | 75,249,005 |
| | | ----- |
| | ENERGY AND UTILITIES -- 4.9% | |

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| | | |
|-----------|---|--------------|
| 70,000 | AGL Resources Inc. | 1,645,000 |
| 37,400 | Apache Corp. | 2,127,312 |
| 120,000 | BP plc | 1,068,010 |
| 248,800 | BP plc, ADR | 13,211,280 |
| 150,000 | Burlington Resources Inc. | 6,013,500 |
| 115,000 | CH Energy Group Inc. | 5,456,750 |
| 20,000 | Cinergy Corp. | 715,000 |
| 210,000 | Conoco Inc. | 6,127,800 |
| 10,000 | Constellation Energy Group Inc. | 308,500 |
| 5,000 | Dominion Resources Inc. | 325,800 |
| 15,000 | DPL Inc. | 383,250 |
| 50,000 | DQE Inc. | 1,065,500 |
| 30,366 | DTE Energy Co. | 1,381,653 |
| 400,000 | El Paso Electric Co.+ | 6,260,000 |
| 20,000 | Energy East Corp. | 435,000 |
| 9,400 | FPL Group Inc. | 559,770 |
| 300,000 | Halliburton Co. | 5,121,000 |
| 38,632 | Kerr-McGee Corp. | 2,428,021 |
| 60,000 | Mirant Corp.+ | 867,000 |
| 100,000 | NiSource Inc.+ | 232,000 |
| 250,000 | Northeast Utilities | 4,967,500 |
| 213,400 | Pennzoil-Quaker State Co. | 4,581,698 |
| 100,000 | Progress Energy Inc.+ | 27,500 |
| 10,400 | SJW Corp. | 844,480 |
| 14,000 | Southwest Gas Corp. | 350,000 |
| 6,907 | Total Fina Elf SA | 1,066,537 |
| | | |
| | | MARKET |
| SHARES | | VALUE |
| ----- | | ----- |
| 250,000 | Western Resources Inc. | \$ 4,287,500 |
| | | ----- |
| | | 71,857,361 |
| | | ----- |
| | WIRELESS COMMUNICATIONS -- 4.8% | |
| 95,000 | America Movil SA de CV, Cl. L, ADR | 1,886,700 |
| 500,170 | AT&T Wireless Services Inc.+ | 4,476,521 |
| 140,000 | Leap Wireless International Inc.+ | 1,178,800 |
| 1,775,000 | mm02 plc+ | 1,725,104 |
| 130,000 | mm02 plc, ADR+ | 1,272,700 |
| 240,000 | Nextel Communications Inc., Cl. A+ | 1,291,200 |
| 200 | NTT DoCoMo Inc. | 543,253 |
| 800 | NTT DoCoMo Inc. - W/I+ | 2,166,974 |
| 250,000 | Rogers Wireless Communications Inc., Cl. B+ | 2,850,000 |
| 250,000 | Sprint Corp. - PCS Group+ | 2,572,500 |
| 16,700 | Tele Celular Sul Participacoes SA, ADR | 222,945 |
| 55,666 | Tele Centro Oeste Celular Participacoes SA, ADR | 335,666 |
| 3,340 | Tele Leste Celular Participacoes SA, ADR+ | 58,951 |
| 8,350 | Tele Nordeste Celular Participacoes SA, ADR | 201,653 |
| 3,340 | Tele Norte Celular Participacoes SA, ADR | 53,273 |
| 1,400,000 | Telecom Italia Mobile SpA | 6,790,721 |
| 8,350 | Telemig Celular Participacoes SA, ADR | 237,140 |
| 450,000 | Telephone & Data Systems Inc. | 39,712,500 |
| 66,800 | Telesp Celular Participacoes SA, ADR | 422,844 |
| 553,888 | Vodafone Group plc | 1,023,396 |

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| | | |
|---------|---|------------|
| 100,000 | Vodafone Group plc, ADR | 1,843,000 |
| | | ----- |
| | | 70,865,841 |
| | | ----- |
| | CONSUMER PRODUCTS -- 4.0% | |
| 70,000 | Altadis SA | 1,285,474 |
| 43,000 | Christian Dior SA | 1,626,187 |
| 10,000 | Church & Dwight Co. Inc. | 294,600 |
| 110,000 | Compagnie Financiere Richemont AG, Cl. A | 2,534,472 |
| 50,000 | Department 56 Inc.+ | 700,000 |
| 350,001 | Energizer Holdings Inc.+ | 8,312,524 |
| 90,000 | Fortune Brands Inc. | 4,443,300 |
| 250,000 | Gallaher Group plc, ADR | 7,712,500 |
| 300,000 | Gillette Co. | 10,203,000 |
| 2,000 | Givaudan SA | 642,165 |
| 60,000 | Harley Davidson Inc. | 3,307,800 |
| 15,000 | Matsushita Electric Industrial Co. Ltd., ADR | 185,250 |
| 100,000 | Mattel Inc. | 2,084,000 |
| 30,000 | Maytag Corp. | 1,327,500 |

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
MARCH 31, 2002 (UNAUDITED)

| SHARES | | MARKET VALUE |
|---------|---|-----------------|
| ----- | | ----- |
| | COMMON STOCKS (CONTINUED) | |
| | CONSUMER PRODUCTS (CONTINUED) | |
| 50,000 | National Presto Industries Inc. | \$ 1,438,000 |
| 9,500 | Nintendo Co. Ltd. | 1,397,744 |
| 20,000 | Philip Morris Companies Inc. | 1,053,400 |
| 100,000 | Procter & Gamble Co. | 9,009,000 |
| 32,000 | Shimano Inc. | 393,556 |
| 15,000 | Swatch Group AG, Cl. B+ | 1,527,372 |
| 10,425 | Syratech Corp.+(a) | 5,265 |
| | | ----- |
| | | 59,483,109 |
| | | ----- |
| | AUTOMOTIVE: PARTS AND ACCESSORIES -- 3.4% | |
| 20,000 | ArvinMeritor Inc. | 571,000 |
| 36,802 | BorgWarner Inc. | 2,315,582 |
| 320,061 | Dana Corp. | 6,871,710 |
| 65,000 | Delphi Corp. | 1,039,350 |
| 260,000 | GenCorp Inc. | 4,087,200 |
| 210,000 | Genuine Parts Co. | 7,721,700 |
| 114,000 | Johnson Controls Inc. | 10,067,340 |
| 110,000 | Midas Inc. | 1,568,600 |
| 335,000 | Modine Manufacturing Co. | 9,041,650 |
| 20,000 | O'Reilly Automotive Inc.+ | 631,400 |
| 70,800 | Scheib (Earl) Inc.+ | 187,974 |
| 163,000 | Standard Motor Products Inc. | 2,379,800 |
| 60,000 | Superior Industries International Inc. | 2,926,800 |
| 105,000 | TransPro Inc.+ | 453,600 |
| | | ----- |
| | | 49,863,706 |
| | | ----- |
| | CABLE -- 2.6% | |

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| | | |
|-----------|--|--------------|
| 515,000 | Cablevision Systems Corp., Cl. A+ | 17,510,000 |
| 40,000 | Comcast Corp., Cl. A+ | 1,338,000 |
| 85,000 | Comcast Corp., Cl. A, Special+ | 2,703,000 |
| 40,000 | NTL Inc.+ | 8,000 |
| 550,000 | Rainbow Media Group+ | 13,574,000 |
| 20,000 | Shaw Communications Inc., Cl. B | 358,273 |
| 80,000 | Shaw Communications Inc., Cl. B, Non-Voting | 1,438,400 |
| 370,000 | UnitedGlobalCom Inc., Cl. A+ | 2,001,700 |
| | | ----- |
| | | 38,931,373 |
| | | ----- |
| | HOTELS AND GAMING -- 2.4% | |
| 110,000 | Aztar Corp.+ | 2,409,000 |
| 90,000 | Boca Resorts Inc., Cl. A+ | 1,164,600 |
| 240,000 | Gaylord Entertainment Co.+ | 6,384,000 |
| 4,000 | GTECH Holdings Corp.+ | 195,000 |
| 1,650,000 | Hilton Group plc | 5,856,436 |
| 660,000 | Hilton Hotels Corp. | 9,438,000 |
| 90,000 | MGM Mirage Inc.+ | 3,260,700 |
| 430,000 | Park Place Entertainment Corp.+ | 4,536,500 |
| 50,000 | Starwood Hotels & Resorts Worldwide Inc. | 1,880,500 |
| | | ----- |
| | | 35,124,736 |
| | | ----- |
| | | MARKET |
| | | VALUE |
| | | ----- |
| | HEALTH CARE -- 2.2% | |
| 60,000 | Amgen Inc.+ | \$ 3,580,800 |
| 40,000 | Apogent Technologies Inc.+ | 987,200 |
| 10,000 | AstraZeneca plc, London | 496,554 |
| 35,146 | AstraZeneca plc, Stockholm | 1,747,424 |
| 12,000 | Aventis SA | 829,124 |
| 26,000 | Biogen Inc.+ | 1,275,560 |
| 75,036 | GlaxoSmithKline plc | 1,767,337 |
| 4,000 | GlaxoSmithKline plc, ADR | 188,000 |
| 56,011 | Invitrogen Corp.+ | 1,922,298 |
| 35,000 | Merck & Co. Inc. | 2,015,300 |
| 46,000 | Novartis AG | 1,809,301 |
| 108,000 | Novartis AG, Registered | 4,276,800 |
| 65,000 | Pfizer Inc. | 2,583,100 |
| 17,900 | Roche Holding AG | 1,391,611 |
| 20,000 | Sanofi-Synthelabo SA | 1,284,165 |
| 10,000 | Schering-Plough Corp. | 313,000 |
| 23,000 | Sulzer Medica AG | 2,119,740 |
| 14,000 | Takeda Chemical Industries Ltd. | 567,246 |
| 38,000 | Wyeth | 2,494,700 |
| | | ----- |
| | | 31,649,260 |
| | | ----- |
| | RETAIL -- 2.1% | |
| 200,000 | Albertson's Inc. | 6,628,000 |
| 300,000 | AutoNation Inc.+ | 4,176,000 |
| 10,000 | Coldwater Creek Inc.+ | 177,600 |
| 16,000 | Delhaize Le Lion SA, ADR | 731,680 |
| 33,000 | Gucci Group NV, ADR | 3,053,160 |
| 100,000 | Lillian Vernon Corp. | 640,000 |
| 104,500 | Neiman Marcus Group Inc., Cl. A+ | 3,600,025 |
| 320,000 | Neiman Marcus Group Inc., Cl. B+ | 10,480,000 |

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| | | |
|---------|--|------------|
| 50,000 | Winn-Dixie Stores Inc. | 802,000 |
| | | ----- |
| | | 30,288,465 |
| | | ----- |
| | AEROSPACE -- 1.6% | |
| 150,000 | BAE Systems plc | 715,567 |
| 115,000 | Boeing Co. | 5,548,750 |
| 100,000 | Lockheed Martin Corp. | 5,758,000 |
| 97,978 | Northrop Grumman Corp. | 11,076,413 |
| | | ----- |
| | | 23,098,730 |
| | | ----- |
| | SPECIALTY CHEMICALS -- 1.3% | |
| 5,400 | Ciba Specialty Chemicals, ADR(b) | 204,120 |
| 10,000 | E.I. du Pont de Nemours and Co. | 471,500 |
| 315,000 | Ferro Corp. | 9,072,000 |
| 40,000 | Fuller (H.B.) Co. | 1,198,000 |
| 120,000 | Hercules Inc.+ | 1,597,200 |
| 210,000 | Omnova Solutions Inc. | 1,743,000 |
| 100,000 | Rohm and Haas Co. | 4,227,000 |
| 11,697 | Syngenta AG, ADR+ | 143,873 |
| | | ----- |
| | | 18,656,693 |
| | | ----- |

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THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 MARCH 31, 2002 (UNAUDITED)

| SHARES | | MARKET VALUE |
|-----------|--|-----------------|
| ----- | | ----- |
| | COMMON STOCKS (CONTINUED) | |
| | BROADCASTING -- 1.1% | |
| 42,900 | Ackerley Group Inc.+ | \$ 766,194 |
| 16,666 | Corus Entertainment Inc., Cl. B+ | 383,894 |
| 28,000 | Gray Communications Systems Inc. | 448,560 |
| 25,000 | Gray Communications Systems Inc., Cl. B | 362,250 |
| 200,000 | Liberty Corp. | 7,964,000 |
| 4,000 | Nippon Broadcasting System Inc. | 128,871 |
| 40,375 | NRJ Group | 876,699 |
| 131,000 | Paxson Communications Corp.+ | 1,435,760 |
| 14,700 | RTL Group (Brussels) | 569,395 |
| 3,000 | RTL Group (New York) | 116,988 |
| 100,000 | Television Broadcasts Ltd. | 465,398 |
| 110,000 | Young Broadcasting Inc., Cl. A+ | 2,748,900 |
| | | ----- |
| | | 16,266,909 |
| | | ----- |
| | PAPER AND FOREST PRODUCTS -- 1.0% | |
| 100,000 | MeadWestvaco Corp. | 3,315,000 |
| 170,000 | Pactiv Corp.+ | 3,403,400 |
| 10,000 | Rayonier Inc. | 532,800 |
| 253,000 | St. Joe Co. | 7,590,000 |
| | | ----- |
| | | 14,841,200 |
| | | ----- |
| | AGRICULTURE -- 1.0% | |
| 1,050,000 | Archer-Daniels-Midland Co. | 14,626,500 |

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| | | |
|---------|--------------------------------------|------------|
| 5,000 | Delta & Pine Land Co. | 94,850 |
| | | ----- |
| | | 14,721,350 |
| | | ----- |
| | REAL ESTATE -- 0.9% | |
| 450,000 | Catellus Development Corp.+ | 8,851,500 |
| 75,000 | Cheung Kong (Holdings) Ltd. | 670,692 |
| 44,000 | Florida East Coast Industries | |
| | Inc., Cl. A | 1,245,640 |
| 58,451 | Florida East Coast Industries | |
| | Inc., Cl. B | 1,532,001 |
| 55,000 | Griffin Land & Nurseries Inc.+ | 819,500 |
| 4,753 | HomeFed Corp.+ | 4,182 |
| | | ----- |
| | | 13,123,515 |
| | | ----- |
| | ELECTRONICS -- 0.9% | |
| 3,000 | Hitachi Ltd., ADR | 220,650 |
| 16,000 | Molex Inc., Cl. A | 489,440 |
| 7,500 | NEC Corp., ADR | 62,625 |
| 38,800 | Philips Electronics NV, ADR | 1,172,536 |
| 7,400 | Rohm Co. Ltd. | 1,111,102 |
| 47,000 | Sony Corp., ADR | 2,429,900 |
| 40,000 | Texas Instruments Inc. | 1,324,000 |
| 250,000 | Thomas & Betts Corp. | 5,290,000 |
| 9,400 | Tokyo Electron Ltd. | 653,216 |
| | | ----- |
| | | 12,753,469 |
| | | ----- |
| | | MARKET |
| | | VALUE |
| | | ----- |
| SHARES | | |
| ----- | | |
| | CONSUMER SERVICES -- 0.7% | |
| 40,000 | Loewen Group Inc.+ | \$ 1,200 |
| 505,000 | Rollins Inc. | 10,655,500 |
| | | ----- |
| | | 10,656,700 |
| | | ----- |
| | AUTOMOTIVE -- 0.7% | |
| 15,000 | Ford Motor Co. | 247,350 |
| 167,942 | General Motors Corp. | 10,152,094 |
| | | ----- |
| | | 10,399,444 |
| | | ----- |
| | ENVIRONMENTAL SERVICES -- 0.6% | |
| 65,000 | Republic Services Inc.+ | 1,214,200 |
| 300,000 | Waste Management Inc. | 8,175,000 |
| | | ----- |
| | | 9,389,200 |
| | | ----- |
| | COMMUNICATIONS EQUIPMENT -- 0.6% | |
| 68,000 | Acterna Corp.+ | 102,000 |
| 290,000 | Allen Telecom Inc.+ | 1,937,200 |
| 460,000 | Corning Inc. | 3,505,200 |
| 130,000 | Lucent Technologies Inc. | 614,900 |
| 110,000 | Motorola Inc. | 1,562,000 |
| 100,000 | Nortel Networks Corp. | 449,000 |
| 44,000 | Scientific-Atlanta Inc. | 1,016,400 |
| | | ----- |
| | | 9,186,700 |
| | | ----- |

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| | | |
|---------|---------------------------------------|-----------|
| | BUSINESS SERVICES -- 0.6% | |
| 60,000 | ANC Rental Corp.+ | 21,000 |
| 180,000 | Cendant Corp.+ | 3,456,000 |
| 1,000 | CheckFree Corp.+ | 15,330 |
| 98,000 | Landauer Inc. | 3,719,100 |
| 70,000 | Nashua Corp.+ | 413,000 |
| 10,833 | Reuters Group plc, ADR | 511,210 |
| 7,000 | Secom Co. Ltd. | 309,503 |
| 250,000 | Securicor plc | 434,324 |
| 3,500 | SYNAVANT Inc.+ | 11,795 |
| | | ----- |
| | | 8,891,262 |
| | | ----- |
| | AVIATION: PARTS AND SERVICES -- 0.6% | |
| 98,320 | Curtiss-Wright Corp., Cl. B | 6,415,380 |
| 90,000 | Fairchild Corp., Cl. A+ | 226,800 |
| 60,000 | Precision Castparts Corp. | 2,124,600 |
| | | ----- |
| | | 8,766,780 |
| | | ----- |
| | BUILDING AND CONSTRUCTION -- 0.5% | |
| 112,500 | CRH plc | 1,982,517 |
| 32,222 | Huttig Building Products Inc.+ | 178,510 |
| 15,000 | Martin Marietta Materials Inc. | 633,300 |
| 140,000 | Nortek Inc.+ | 5,040,000 |
| 5,000 | Nortek Inc., Special Common+(a) | 180,000 |
| | | ----- |
| | | 8,014,327 |
| | | ----- |

17

THE GABELLI EQUITY TRUST INC.
 PORTFOLIO OF INVESTMENTS (CONTINUED)
 MARCH 31, 2002 (UNAUDITED)

| SHARES | | MARKET VALUE |
|---------|--|--------------|
| ----- | | ----- |
| | COMMON STOCKS (CONTINUED) | |
| | METALS AND MINING -- 0.3% | |
| 72,500 | Harmony Gold Mining Co. Ltd. | \$ 812,713 |
| 15,000 | Harmony Gold Mining Co. Ltd., ADR | 169,500 |
| 125,000 | Newmont Mining Corp. Holding Co. | 3,461,250 |
| 50,000 | Placer Dome Inc. | 612,500 |
| | | ----- |
| | | 5,055,963 |
| | | ----- |
| | SATELLITE -- 0.2% | |
| 180,323 | General Motors Corp., Cl. H+ | 2,966,313 |
| 340,000 | Liberty Satellite & Technology Inc., Cl. A+ | 197,200 |
| 190,000 | Loral Space & Communications Ltd.+ | 408,500 |
| | | ----- |
| | | 3,572,013 |
| | | ----- |
| | TRANSPORTATION -- 0.2% | |
| 100,000 | AMR Corp.+ | 2,641,000 |
| 7,500 | Kansas City Southern Industries Inc.+ | 119,550 |
| 31,273 | Tsakos Energy Navigation Ltd.+ | 467,413 |
| | | ----- |
| | | 3,227,963 |

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| | | |
|---------|--|-----------------|
| | COMPUTER SOFTWARE AND SERVICES -- 0.2% | |
| 20,000 | Capcom Co. Ltd. | 534,198 |
| 10,000 | Computer Associates International Inc. | 218,900 |
| 170,000 | EMC Corp.+ | 2,026,400 |
| 180,000 | Genuity Inc.+ | 156,600 |
| 1,500 | Obic Co. Ltd. | 283,510 |
| | | 3,219,608 |
| | CLOSED END FUNDS -- 0.2% | |
| 59,000 | Central European Equity Fund Inc. | 782,930 |
| 18,592 | France Growth Fund Inc. | 139,254 |
| 54,150 | Italy Fund Inc. | 372,552 |
| 68,000 | New Germany Fund Inc.+ | 402,560 |
| 70,000 | Pimco RCM Europe Fund Inc. | 535,500 |
| 40,000 | Royce Value Trust Inc. | 718,000 |
| | | 2,950,796 |
| | COMPUTER HARDWARE -- 0.0% | |
| 26,000 | Hewlett-Packard Co. | 466,440 |
| 10,000 | Xerox Corp.+ | 107,500 |
| | | 573,940 |
| | TOTAL COMMON STOCKS | 1,306,419,166 |
| | PREFERRED STOCKS -- 1.8% | |
| | PUBLISHING -- 1.2% | |
| 770,499 | News Corp. Ltd., Pfd., ADR, | 18,490,419 |
| | | |
| | | MARKET VALUE |
| SHARES | | |
| | TELECOMMUNICATIONS -- 0.4% | |
| 60,000 | Allen Telecom Inc., 7.750% Cv. Pfd., Ser. D | \$ 2,851,200 |
| 31,000 | Broadwing Inc., 6.750% Cv. Pfd., Ser. B | 1,010,600 |
| 20,000 | Citizens Communications Co., 5.000% Cv. Pfd. | 940,400 |
| 500 | Lucent Technologies Capital Trust I, 7.750% Cv. Pfd.+ (b) | 474,125 |
| | | 5,276,325 |
| | AEROSPACE -- 0.1% | |
| 14,021 | Northrop Grumman Corp., 7.000% Cv. Pfd., Ser. B | 1,859,185 |
| | BROADCASTING -- 0.1% | |
| 100,000 | ProSieben Sat.1 Media AG, Pfd. | 873,267 |
| | EQUIPMENT AND SUPPLIES -- 0.0% | |
| 3,000 | Sequa Corp., \$5.00 Cv. Pfd. | 252,750 |
| | WIRELESS COMMUNICATIONS -- 0.0% | |

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| | | |
|------------------------------|---|------------|
| 10,760,547 | Telesp Celular Participacoes SA, Pfd. | 26,670 |
| | | ----- |
| | TOTAL PREFERRED STOCKS | 26,778,616 |
| | | ----- |
| PRINCIPAL AMOUNT ----- | | |
| | CORPORATE BONDS -- 0.3% | |
| | AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.1% | |
| \$1,500,000 | Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09 | 1,115,625 |
| | | ----- |
| 933,000 | AVIATION: PARTS AND SERVICES -- 0.1% | |
| | Kaman Corp., Sub. Deb. Cv., 6.000%, 03/15/12 | 912,007 |
| | | ----- |
| 1,000,000 | ENERGY AND UTILITIES -- 0.1% | |
| | Mirant Corp., Sub. Deb. Cv., 2.500%, 06/15/21 | 810,000 |
| | | ----- |
| 500,000 | CABLE -- 0.0% | |
| | Charter Communications Inc., Cv., 4.750%, 06/01/06 | 391,250 |
| | | ----- |
| 400,000 | HOTELS AND GAMING -- 0.0% | |
| | Hilton Hotels Corp., Sub. Deb. Cv., 5.000%, 05/15/06 | 381,000 |
| | | ----- |

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO OF INVESTMENTS (CONTINUED)
MARCH 31, 2002 (UNAUDITED)

| PRINCIPAL AMOUNT ----- | | MARKET VALUE ----- |
|------------------------------|--|--------------------------|
| | CORPORATE BONDS (CONTINUED) | |
| | WIRELESS COMMUNICATIONS -- 0.0% | |
| \$ 500,000 | Nextel Communications Inc., 9.500%, 02/01/11 | \$ 323,750 |
| | | ----- |
| 1,000,000 | CONSUMER PRODUCTS -- 0.0% | |
| | Pillowtex Corp., Sub. Deb. Cv., 6.000%, 03/15/12+ (e) | 0 |
| | | ----- |
| | TOTAL CORPORATE BONDS | 3,933,632 |
| | | ----- |
| SHARES ----- | | |
| | WARRANTS -- 0.0% | |
| | FOOD AND BEVERAGE -- 0.0% | |
| 62,463 | Advantica Restaurant Group Inc., expires 01/07/05+ | 1,249 |
| | | ----- |
| 5,000 | METALS AND MINING -- 0.0% | |
| | Harmony Gold Mining Co. Ltd., ADR, expires 06/29/03+ | 38,250 |
| | | ----- |

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| | | | |
|--|---|--------------------------------|-------|
| | TOTAL WARRANTS | 39,499 | ----- |
| PRINCIPAL AMOUNT | | | |
| ----- | | | |
| \$100,000,000 | U.S. GOVERNMENT OBLIGATIONS -- 6.8% U.S. Treasury Bills, 1.660% to 1.770%+, 04/25/02 to 07/11/02 | 99,653,744 | ----- |
| 42,000,000 | REPURCHASE AGREEMENT -- 2.8% State Street Bank & Trust Co., 1.770%, dated 03/28/02, due 04/01/02, proceeds at maturity \$42,008,260 (c) | 42,000,000 | ----- |
| TOTAL INVESTMENTS -- 100.2% | (Cost \$1,109,848,786) | 1,478,824,657 | |
| OTHER ASSETS, LIABILITIES AND LIQUIDATION VALUE OF CUMULATIVE PREFERRED STOCK -- (20.4)% | | (301,425,621) | ----- |
| NET ASSETS -- COMMON STOCK -- 79.7% | (130,831,966 common shares outstanding) | 1,177,399,036 | ----- |
| NET ASSETS -- PREFERRED STOCK -- 20.3% | (11,967,900 preferred shares outstanding) | 299,197,500 | ----- |
| TOTAL NET ASSETS -- 100.0% | | \$1,476,596,536 | ===== |
| NET ASSET VALUE PER COMMON SHARE (1,177,399,036 / 130,831,966 shares outstanding) | | \$9.00 | ===== |
| PRINCIPAL AMOUNT | SETTLEMENT DATE | NET UNREALIZED APPRECIATION | |
| ----- | ----- | ----- | |
| FORWARD FOREIGN EXCHANGE CONTRACTS -- 0.0% | | | |
| \$4,992,000 (d) Deliver Hong Kong Dollars in exchange for USD 639,820 | 08/01/02 | \$374 | ===== |
| NUMBER OF CONTRACTS | | | |
| ----- | | | |
| 20 | FUTURE CONTRACTS - SHORT POSITION S&P 500 Index Futures | 84,000 | ===== |
| ----- | | | |
| | For Federal tax purposes: | | |
| | Aggregate cost | \$1,109,848,786 | ===== |
| | Gross unrealized appreciation | \$ 436,350,184 | |
| | Gross unrealized depreciation | (67,374,313) | |

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Net unrealized appreciation \$ 368,975,871
 =====

-
- + Non-income producing security.
 - ++ Represents annualized yield at date of purchase.
 - (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 March 31, 2002, the market value of Rule 144A securities amounted to \$678,245 or 0.0% of total net assets.
 - (c) Collateralized by U.S. Treasury Notes, 5.50% to 5.75%, due 04/30/03 to 05/31/03, market value \$42,844,368.
 - (d) Principal amount denoted in Hong Kong Dollars.
 - (e) Bond in default.
- ADR - American Depositary Receipt.
 BDR - Brazilian Depositary Receipt.
 RNC - Non-Convertible Savings Shares.
 USD - U.S. Dollars.
 W/I - When Issued.

| | % OF MARKET VALUE | MARKET VALUE |
|----------------------------|-------------------------|-----------------|
| | ----- | ----- |
| GEOGRAPHIC DIVERSIFICATION | | |
| United States | 83.7% | \$1,237,952,444 |
| Europe | 11.2 | 166,199,880 |
| Asia/Pacific Rim | 2.5 | 37,131,402 |
| Latin America | 1.4 | 20,620,530 |
| Canada | 1.1 | 15,938,188 |
| South Africa | 0.1 | 982,213 |
| | ----- | ----- |
| Total Investments | 100.0% | \$1,478,824,657 |
| | ===== | ===== |

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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 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

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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.

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

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shareholders to increase their investment in the Equity Trust. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

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

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

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DIRECTORS AND OFFICERS

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

DIRECTORS

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

Dr. Thomas E. Bratter
PRESIDENT, JOHN DEWEY ACADEMY

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

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

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

Arthur V. Ferrara
FORMER CHAIRMAN AND CHIEF EXECUTIVE OFFICER,
GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Karl Otto Pohl
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

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

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Salvatore J. Zizza
CHAIRMAN, HALLMARK ELECTRICAL SUPPLIES CORP.

OFFICERS

Mario J. Gabelli, CFA
PRESIDENT & CHIEF INVESTMENT OFFICER

Bruce N. Alpert
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 | 7.25% PREFERRED | 7.20% PREFERRED |
|--------------|-------------|-----------------|-----------------|
| | ----- | ----- | ----- |
| NYSE- | | | |
| Symbol: | GAB | GAB Pr | GAB PrB |
| Shares | | | |
| Outstanding: | 130,831,966 | 5,367,900 | 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 1-800-GABELLI (1-800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: [HTTP://WWW.GABELLI.COM](http://WWW.GABELLI.COM) or e-mail us at: closedend@gabelli.com

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Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Equity Trust may, from time to time, purchase shares of its common stock in the open market when the Equity Trust shares are trading at a discount of 10% or more from the net asset value of the shares. The Equity Trust may also, from time to time, purchase shares of its Cumulative Preferred Stock in the open market when the shares are trading at a discount to the Liquidation Value of \$25.00.

THE GABELLI EQUITY TRUST INC.
ONE CORPORATE CENTER
RYE, NY 10580-1422
(914) 921-5070
[HTTP://WWW.GABELLI.COM](http://WWW.GABELLI.COM)

FIRST QUARTER REPORT
MARCH 31, 2002

GBFCM 03/02