



Shareholder Commentary  
December 31, 2009



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.

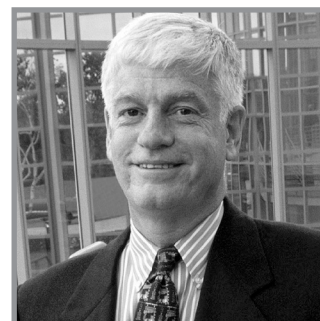
**Investment Objective:**

The Gabelli Utility Trust is a non-diversified, closed-end management investment company whose primary objectives are long-term growth of capital and income. The Fund will invest in companies that provide products, services, or equipment for the generation or distribution of electricity, gas, and water. Additionally, the Fund will invest in companies in telecommunications services or infrastructure operations.

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

## To Our Shareholders,

The utility sector provided investors with total returns of approximately 10% to 12% in 2009, with returns of over 40% since March 2009. Roughly half of this annual total return came in the form of dividends, and nearly all of the annual price appreciation occurred with the fourth quarter's 6% price advance. As expected, the sector's recovery lagged the overall market recovery in the second and third quarters as initial investor optimism regarding an economic recovery was directed toward the higher beta cyclical and growth sectors. However, the group advanced solidly in the fourth quarter as it has become more likely that the U.S. will experience a slower and more prolonged recovery than many had predicted. A slowly recovering economy provides a better macroeconomic environment for the near-term relative performance of the defensive utility sector, and we continue to believe that utility stocks offer attractive, low risk, total return potential. While the group was decidedly cheap in the second quarter and provided easier opportunities for value investing, the recent appreciation has resulted in more normalized valuation multiples, and future performance will become more dependent upon stock selection.



Mario J. Gabelli, CFA

The 4.6% current yield on the electric utility sector is still 80 basis points higher than the yield on the ten year U.S. Treasury note. In addition, utility stocks offer the potential for annual dividend increases. In 2009, electric utilities increased the annual dividend rate by an average of 2%. The current dividend represents an average payout of 64% of forecasted 2009 earnings, which provides a comfortable margin for dividend maintenance and growth. Given that we expect sector earnings growth of roughly 7% in 2010 and five year annual earnings growth of 4% to 6%, investors can expect dividend growth above recent historical inflation rates.

The fundamentals of the group are solid and offer the likelihood of further improvement. Balance sheets and credit ratings are generally strong, and the return of investor confidence has allowed capital raising activity to resume at a measured pace. Early 2009 investor concern that climate change legislation could penalize the sector has faded.

## Comparative Results

### Average Annual Returns through December 31, 2009 (a)

|                                   | <u>Quarter</u> | <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> | <u>10 Year</u> | <u>Since Inception (07/09/99)</u> |
|-----------------------------------|----------------|---------------|---------------|---------------|----------------|-----------------------------------|
| <b>Gabelli Utility Trust</b>      |                |               |               |               |                |                                   |
| NAV Total Return (b) .....        | 7.57%          | 19.46%        | (3.19)%       | 4.86%         | 6.94%          | 6.97%                             |
| Investment Total Return (c) ..... | 24.38          | 70.88         | 6.42          | 8.64          | 10.91          | 10.75                             |
| S&P 500 Index .....               | 6.04           | 26.47         | (5.62)        | 0.42          | (0.95)         | (0.36)                            |
| S&P 500 Utilities Index .....     | 7.26           | 11.91         | (1.74)        | 6.05          | 4.88           | 3.55                              |
| Lipper Utility Fund Average ..... | 5.76           | 16.43         | (2.80)        | 5.43          | 3.38           | 3.75                              |

(a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The S&P 500 Index is an unmanaged indicator of stock market performance. The S&P 500 Utilities Index is an unmanaged indicator of electric and gas utility stock performance. The Lipper Utility Fund Average reflects the average performance of open-end mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

(b) Total returns and average annual returns reflect changes in the net asset value ("NAV") per share, reinvestment of distributions at NAV on the ex-dividend date, and adjustments for rights offerings and are net of expenses. Since inception return is based on an initial NAV of \$7.50.

(c) Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange ("NYSE"), reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$7.50.

The climate change bill that passed the House in mid 2009, and then stalled in the Senate in late 2009 was the result of significant compromise and was generally considered “utility friendly.” While the timing of the inevitable climate change legislation remains uncertain, it appears that utilities will be provided with a sufficient transition period to address legislated requirements.

Our expectation for mid-to-high single digit utility earnings growth in 2010 and 2011 is driven by rate recognition of investments, recovering load growth, and cost controls. Rate increases are necessary to offset declines in the earned profit levels associated with economically impacted retail sales as well as to recognize investments made in utility infrastructure. Over the past twelve to eighteen months, utilities have dramatically increased their rate filing activity. Recent, pending, and future rate recognition of the increased capital spending in utility infrastructure is made more politically palatable by depressed fuel prices, which lowers the fuel portion (charge) of the customer bill and mitigates the net impact of the customer bill. In addition, 2010 earnings comparisons will likely be made easier by the negative earnings impact of mild temperatures in the summer of 2009.

Should the economy experience a stronger than expected recovery, we would expect an equally positive recovery in retail electric sales, which would enhance earnings growth. Long-term natural gas prices remain an important variable, and higher prices would improve depressed non-regulated merchant power generation margins, which would be significant for the independent power generating companies. Finally, we expect the benefits of significant cost cutting efforts from the sector to materialize in 2010.

Utility stocks do face some challenges. Economic factors, which include depressed natural gas and power prices, will likely result in 2009 EPS results roughly 5% to 7% below 2008 results. We expect the recessionary declines in revenue from larger industrial customers, whose consumption declined as much as 15% in some regions, to take a couple of years to recover fully. In addition, for the first time in decades, residential 2009 consumption per capita declined, albeit modestly, driven by conservation related to household budgetary constraints and global warming concerns. Nonetheless, utilities remain one of the more recession resistant sectors of the stock market, and earnings are more stable during economic weakness because the volume of electricity and natural gas sold to residential and commercial customers tends to be less sensitive to economic cycles. Electricity, natural gas, and water are not discretionary purchases for consumers. Industrial demand is more cyclical, but industrial revenues make up only about 25% of total revenues. In addition, these customers usually buy their electricity and natural gas under long-term contracts that require them to pay the utility a fixed amount regardless of consumption. As a result, the bottom line net income impact is significantly less than the top line decline in unit sales.

Lack of clarity regarding the eventual rules governing climate change, as well as lower electric demand, have temporarily slowed renewable generation development and associated long haul transmission projects. As rules are firmly established in the near future, utility managements can strategically invest in the necessary infrastructure, and the appropriate regulatory bodies, such as the Federal Energy Regulatory Commission (“FERC”) and individual state public utility commissions, can recognize these investments in customer rates.

In 2009, the long-term trend of utility consolidation slowed to a tepid pace. In the fourth quarter, Chesapeake Utilities purchased Florida Public Utilities, TransAlta purchased Canadian Hydro Developers, and EDF Development closed on the purchase of a 49.9% interest in the nuclear generation assets of Constellation Energy. While Exelon abandoned its hostile bid for NRG in the third quarter, the action reinforces the long-term tendency of utilities to increase scale.

The same forces that resulted in more than one hundred utility takeover announcements over the past two decades remain in place, and some new forces have come into play to continue to drive the long-term trend. As rules for climate change policy are clarified, utilities will face increased pressure to meet renewable portfolio standards and emission reduction standards, as well as to generate baseload power. Given that it is easier to buy assets than build them, utility investors can expect more acquisitions in the years to come. Pending details of important climate change policy will likely lead utility managements to make long-term strategic decisions, such as acquisitions. We look for larger European utilities, especially the Iberian utilities, to pursue growth in North America and Latin America. In early 2010, these companies expect to receive over €10 billion in cash refunds relating to previous under-recoveries from the Spanish government.

We expect utility stocks to provide solid, low risk total return potential over the next few years. Their relatively safe, high dividends provide support to stock prices, and their stable, predictable earnings should be much less volatile than many other industry groups. In addition, the material “pick-up” in rate case activity is expected to drive earnings growth in 2010. Economic stimulus plans continue to enhance cash flows of many companies in the utility industry and provide some assurance of rate recognition of higher capital investments. We are particularly encouraged by the administration’s emphasis on increased infrastructure investment to modernize the electric grid and on accelerated investment in alternative energy, which will provide more efficient products for customers as well as new base rates on which utility companies will be allowed to earn a return for their investors.

### Investment Performance

The Gabelli Utility Trust’s (the “Fund”) NAV total return was 7.6% during the fourth quarter of 2009, compared with gains of 7.3% and 5.8% for the S&P 500 Utilities Index and the Lipper Utility Fund Average, respectively. The total return for the Fund’s publicly traded shares was 24.4% during the fourth quarter. For 2009, the Fund’s NAV total return was 19.5% and the total return for the Fund’s publicly traded shares was 70.9%, compared with gains of 11.9% and 16.4% for the S&P 500 Utilities Index and the Lipper Utility Fund Average, respectively. On December 31, 2009, the Fund’s NAV per share was \$5.20, while the price of the publicly traded shares closed at \$9.02 on the NYSE.

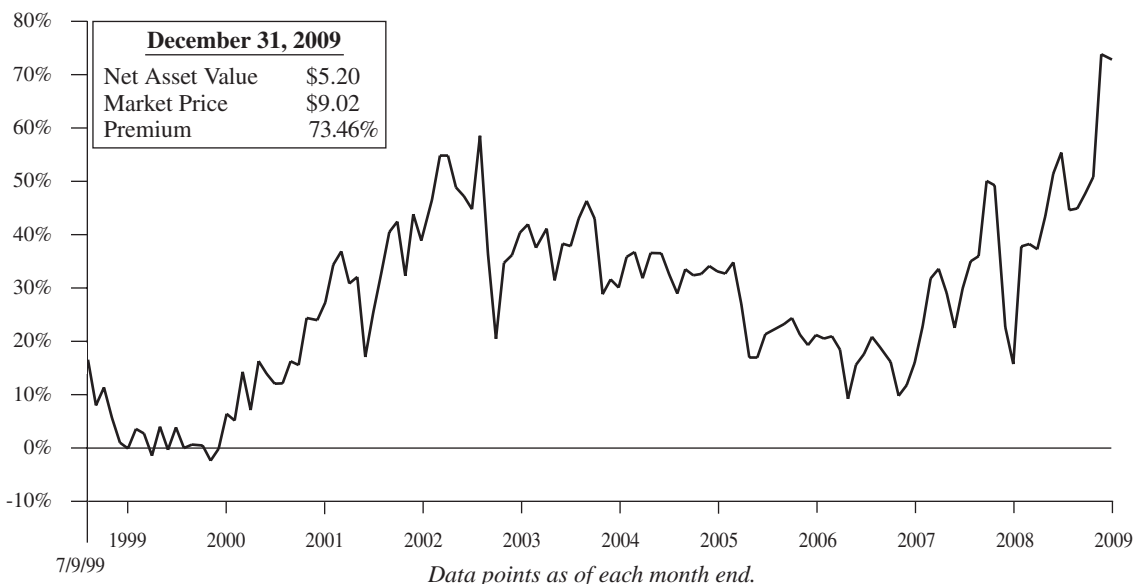
### Premium / Discount Discussion

As a refresher for our shareholders, the price of a closed-end fund is determined in the open market by willing buyers and sellers. Shares of the Fund trade on the NYSE and may trade at a premium to (higher than) net asset value (the market value of the Fund’s underlying portfolio and other assets less any liabilities) or a discount to (lower than) net asset value. Of the 623 closed-end funds that are publicly traded in the U.S. as of December 31, 2009, approximately 25% trade at premiums to NAV compared with 27% five years ago and 5% ten years ago.

Ideally, the Fund’s market price will generally track the NAV. However, the Fund’s premium or discount to NAV may vary over time. Over the Fund’s ten year history, the range fluctuated from a 77% premium in December 2009 to a 3% discount in November 2000. Shortly after the inception of the Fund, the market price of the Fund exceeded the NAV and this premium continues today. On December 31, 2009, the market price of the Fund closed at a 73.5% premium to its NAV.

The Fund’s investment goals are long-term growth of capital and income. 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 7.0% 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 Fund is not likely to be sustainable.**

**PREMIUM/DISCOUNT SINCE INCEPTION**



## **COMMENTARY**

In the upcoming year, we believe that investors will continue to look for dividend paying stocks with low betas and low fundamental risk. Utility stocks fit this description. Across the utilities sector, we see many opportunities to buy the stocks of good companies with strong earnings growth potential and relatively safe and growing dividends, trading at attractive valuations.

Some of the best performers among the major holdings of the Fund during the fourth quarter were: NSTAR (NST), TECO Energy (TE), and El Paso Electric (EE). TE and EE benefited from recent and anticipated constructive rate relief while NST sold a non-core asset, which further improved its future cash flow outlook.

### **Future Green World Policies a Key Long-Term Consideration**

Global warming is an overwhelming public policy concern, and we believe climate change legislation to lower carbon dioxide emissions and slow down global warming is inevitable. Like many large countries, over half of U.S. electricity is produced from coal fired generation, and nearly three-quarters from fossil fuels. President Obama and the Democratic majority in both houses of Congress are pushing for aggressive reductions in carbon dioxide emissions from power plants, compared with the views of the previous administration. It appears likely that a “cap-and-trade” system for greenhouse gas emissions (“GHGs”) will be implemented sometime in the near future, as well as federal and state mandates to increase the percentage of electric output to be derived from renewable energy such as wind farms and solar plants. This is more in line with the policies already in place in Europe.

Legislation passed in the fall of 2008, combined with the February 2009 American Recovery and Reinvestment Act, permits U.S. utilities to accelerate the use of tax credits from investment in alternative energy power plants and provides for more than \$60 billion in loan guarantees for companies to pursue investments in the electric grid and alternative energy. While wind generation makes up less than 3% of total U.S. generation, this percentage is expected to increase dramatically over the next decade as wind farms are built throughout Montana, the Dakotas, Minnesota, Wyoming, Iowa, Kansas, Texas, and other wind rich states.

Over the long term, we anticipate increased utility investment in renewable generation, specifically wind and solar plants, smart grid technology, and long haul transmission lines. The investments are likely to be received favorably by utility regulators and offer the opportunity for long-term earnings growth. The FERC regulates transmission investment and also promotes it via higher allowed profit levels, including 12.5%+ allowed ROEs. Smart grid technology and advanced meters allow for real time communication between power users and providers, which will ultimately lead to efficiencies, lower utility bills, and higher margins. Moreover, we expect a second wave of nuclear generation to be added over the 2020-2030 time period. Advancing efforts and technology improvements offer longer term potential to develop an electric vehicle, which could lead to substantial increases in future electric consumption.

### **Cap and Trade**

A cap-and-trade system would call for a mandatory reduction in total emissions, most importantly carbon. Utilities unable to meet the reduction requirements would be allowed to purchase the preset number of credits made available by the government. A market based trading system would develop for such emission credits, and the number of credits would decline in future years. The bill that cleared the House called for roughly 35% of the credits made available to be allocated to the industry in the initial years of the program. Fortunately for utilities, the “free” allocation of credits would act to delay and/or mitigate the initial negative financial impact. In addition, state public utility regulators will likely allow cost of compliance, which includes the purchase of credits, to be passed on to customers.

### **Growing the Nation’s Power Highway**

Expanding the archaic U.S. electric grid to move power from unpopulated wind regions to load centers as well as freeing up existing “bottlenecks” in the system represents one of the better investment opportunities for the sector. The FERC, not state public utility commissions, regulates transmission, and it wants more investment in the grid.

Transmission investment generally receives higher profit levels, more incentives, and easier recovery than investment in the jurisdictions regulated by state public utility commissions. Utilities have proposed billions of dollars in projects for longer “power highways” that will enhance future earnings growth potential.

### **Another Wave of Nuclear Plants**

Over the long term, large baseload generation plants that can operate at low marginal costs will be needed to meet growing demand and replace older coal fired units. Given that wind farms only run when the wind blows, solar plants only run when the sun shines, and natural gas prices have proven volatile, it appears that a new wave of nuclear plants will be needed. Incentives from the 2005 energy legislation already provide generous loan guarantees for companies that build new nuclear plants, and more than two dozen nuclear construction license requests are now awaiting approval from the Nuclear Regulatory Commission. Actual construction on the first new wave of plants is expected to begin in 2011, with operations starting in 2016 and 2017. We believe that the value of existing nuclear plants, as well as those currently being developed, will only increase as the number of coal fired plants diminishes over time. The inherent value of nuclear plants will become more evident should natural gas prices recover from their current cyclical depression.

### **Today’s Investment Results in Tomorrow’s Earnings**

The utility sector remains in the early stages of another round of investment. Utilities build, own, and operate infrastructure: power plants, transmission lines, gas pipelines, distribution systems, gas storage facilities, and water treatment plants. After a five year lull in capital spending, utilities have increased capital investment to operate in a more environmentally friendly manner and replace aging infrastructure while meeting growing demand. The politicians and general public are supportive, if not at least understanding, of the need for infrastructure investment.

Regulated utilities generate income when regulators set rates that allow utilities a reasonable opportunity to earn a return on their investment or rate base. Therefore, there is a direct correlation between accelerating long-term earnings prospects and accelerating capital budgets. Given generally strong balance sheets, utilities are well positioned to meet their investment obligations. The number of rate increase requests has picked up significantly over the past twelve months, and rate increases authorized recently and in the near future will drive earnings growth in the sector.

### **Our Approach**

There are nearly seventy publicly traded, investor owned electric utilities in the U.S. This is fifty more than we need from the standpoint of economic efficiency. Small natural gas distribution companies make no economic sense either. The balkanized structure of the industry is inherently inefficient and competitive forces are now putting pressure on the marginal players. The big companies feel the need to be bigger to achieve scale economies, and the small companies are selling out as the cost of staying in the game rises. It is only because of a complex and lengthy merger review and approval process that the industry remains as fragmented as it currently is. Our investments in regulated companies have primarily, though not exclusively, focused on fundamentally sound, reasonably priced mid cap and small cap utilities that are likely acquisition targets for large utilities seeking increased bulk.

We also like the beneficiaries of developing trends. This has led to our ongoing focus on nuclear power utilities and utilities with material wind development pipelines as a way to benefit from the need for more power from carbon free generation. We favor utilities with pending transmission line developments and also focus on natural gas pipelines and storage operators as a way to take advantage of the growing demand for natural gas in the U.S.

### **Let’s Talk Stocks**

The following are stock specifics on selected holdings of our Fund. 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. Individual securities mentioned are not necessarily representative of the entire portfolio. The share prices of the following holdings are stated in U.S. dollars or U.S. dollar equivalent terms as of December 31, 2009.

*American Water Works Co. Inc. (AWK - \$22.41 - NYSE)* is the largest investor owned water and wastewater utility company in the United States. Recently, the German multi-utility RWE eliminated its remaining interest in AWK, allowing the company diligently to focus its efforts on improving its regulated returns via an active regulatory program. The company's regulated utilities serve approximately 1,600 communities in twenty states and provided roughly 89% of consolidated revenues in 2008. As the largest and most geographically diverse water utility, AWK's size, scale, and technological and financial resources position it favorably as a private consolidator in the fragmented, municipally dominated water and wastewater industry.

*AREVA SA (CEI FP - \$500.31 - Paris Stock Exchange)*, based in France, is the largest global manufacturer and service provider in the nuclear power industry. Earnings growth is expected to benefit from strong demand for new reactors in Asian countries during the next few years, as well as a rebirth of nuclear plant construction in the U.S. and the U.K.

*Enel SpA (ENEL IM - \$5.80 - Milan Stock Exchange)* is the largest electric utility in Italy. Enel continues to strengthen its balance sheet while focusing on significantly increasing its presence internationally. Further integration and improvement of its now 92% ownership of Endesa, Spain's largest utility, will allow Enel to become a force in the European energy space.

*FPL Group Inc. (FPL - \$52.82 - NYSE)* is expected to be one of the biggest beneficiaries of the pending climate change policy. FPL's non-regulated subsidiary, NextEra Energy Resources, is the nation's largest builder, owner, and operator of wind farms. NextEra benefits from a competitive advantage in wind development and a pipeline of future wind farms totaling roughly 30,000 megawatts. FPL's regulated utility, Florida Power & Light Company, is one of the largest, best operated, and historically fastest growing utilities in the U.S. While the recession has hit Florida's economy hard, a pending rate case could reset rates based on current sales levels, recognize the sizeable investments the company has made, and lead to strong regulated utility growth in 2010. In addition, FPL has one of the strongest balance sheets in the utility industry and it is one of the few companies in the sector to raise its dividend every year for the past decade.

*National Fuel Gas Co. (NFG - \$50.00 - NYSE)* is a diversified natural gas company. NFG owns a regulated gas utility serving the region around Buffalo, NY. It also owns major gas pipelines that move gas from the Midwest and Canada down to New York City and to New England. However, NFG's largest business, providing more than 40% of earnings, is its domestic production of natural gas and oil. Under the name Seneca Resources, NFG and its joint venture partner EOG Resources have been successfully drilling for natural gas in a very promising region of the Northeast called the Marcellus Shale. It has continued to increase its dividend for almost forty years.

*Northeast Utilities (NU - \$25.79 - NYSE)*, the holding company for four regulated distribution utilities in the Northeast, is a transmission play. NU expects that a significant portion of its capital investment over the next several years will be for transmission infrastructure, and projects its total transmission rate base to more than double to nearly \$5.0 billion by year end 2013. In May 2009, FERC conceptually approved NU's proposed 150-200 mile transmission line that would deliver about 1,200 megawatts of "no carbon" hydroelectric power from Quebec to New England. The company is moving forward on several other transmission projects in Connecticut that will relieve bottlenecks and improve reliability in the heavily populated region. NU's business model is somewhat desensitized to the economy given numerous adjustment clauses and other mechanisms.

*NSTAR (NST - \$36.80 - NYSE)* is a consolidation play in the New England region. NST is primarily an electric transmission and distribution utility serving the Boston and Cape Cod regions of Massachusetts. NST also owns a small gas utility. The northeast region of the U.S. has been the most active area for consolidation activity among utilities, including the acquisition of KeySpan by National Grid in August 2007 and the takeover of Energy East by Iberdrola in September 2008. In the interim, the company benefits from a relatively strong Boston economy, constructive annual rate adjustments, and significant transmission projects such as the proposed 1,200 megawatt hydroelectric transmission line the company is jointly pursuing with Northeast Utilities.

*SCANA Corp. (SCG - \$37.68 - NYSE)* is the parent company of regulated utilities South Carolina Electric & Gas (SCE&G) and Public Service Company of North Carolina (PSNC). It is a play on the buildout of new nuclear plants, as the company has a constructive regulatory environment that will allow it to recover ongoing construction financing costs. In May of 2007, the Base Load Review Act (BLRA) became law in South Carolina and established a procedure allowing an investor owned electric utility to recover some of the costs of constructing a new large generating facility prior to the completion of the project, as long as the plant is constructed in accordance with the schedules, estimates, and projections set forth in the approved application. Currently, SCE&G, in a joint venture with the state owned utility (Santee Cooper), is set to build two 1,117 megawatts nuclear units to be completed in 2016 and 2019.

*Westar Energy Inc. (WR - \$21.72 - NYSE)* is another turnaround story since its large divestiture of non-core assets, which enabled it to reduce a significant amount of debt. The balance sheet is solid, with common equity representing 45% of total capitalization. Westar is building several smaller transmission projects in Kansas and has joint venture to build a large \$400 million transmission project in southern Kansas. The company benefits from its ability to recover transmission costs through several automatic mechanisms.

*Wisconsin Energy Corp. (WEC - \$49.83 - NYSE)* is the holding company for Wisconsin Electric, that state's largest electric utility. WEC shares offer a near term outlook of free cash flow, above average EPS and dividend growth, nearly completed new baseload coal plants from its "Power the Future" plan, and significant opportunities for renewable rate base growth. Over the next few years, WEC's capital program is projected to decline, and "already granted" rate recognition of its investments should drive earnings and cash flow growth mechanisms.

Sincerely,



**Mario J. Gabelli, CFA**  
Portfolio Manager and  
Chief Investment Officer

January 8, 2010

**Note:** The views expressed in this Shareholder Commentary reflect those of the Portfolio Manager only through the end of the period stated in this Shareholder Commentary. The Portfolio Manager's views are subject to change at any time based on market and other conditions. The information in this Portfolio Manager's Shareholder Commentary represents the opinions of the individual Portfolio Manager and is not intended to be a forecast of future events, a guarantee of future results, or investment advice. Views expressed are those of the Portfolio Manager and may differ from those of other portfolio managers or of the Firm as a whole. This Shareholder Commentary does not constitute an offer of any transaction in any securities. Any recommendation contained herein may not be suitable for all investors. Information contained in this Shareholder Commentary has been obtained from sources we believe to be reliable, but cannot be guaranteed.

### **Portfolio Manager Compensation**

Mr. Gabelli's incentive-based, variable compensation structure and dollar amount have been fully disclosed each year since April of 2000 in the annual proxy statement for GAMCO Investors, Inc. (NYSE:GBL). Mr. Gabelli receives no base salary, no annual bonus, and no stock options.

As founder and portfolio manager of The Gabelli Utility Trust, Mr. Gabelli received \$656,283 in calendar year 2008. For the Fund's first twelve months of operation starting in July 1999, Mr. Gabelli received less than \$250,000. Mario J. Gabelli and various entities he is deemed to control owned 591,110 common shares of the Fund for a total amount invested of \$5,331,811 as of December 31, 2009. Mr. Gabelli may not have pecuniary interest equal to a one hundred percent economic ownership in some of the entities he is deemed to control.

## **Monthly Distribution Policy for Common Shareholders**

The Board of Trustees of the Fund (the “Board”) has reaffirmed the continuation of the Fund’s monthly distribution policy for the first quarter of 2010. Pursuant to its distribution policy, the Fund paid \$0.06 per share cash distributions on October 23, 2009, November 20, 2009, and December 17, 2009 to common shareholders of record on October 16, 2009, November 13, 2009, and December 14, 2009, respectively, for a total distribution of \$0.18 per share during the fourth quarter of 2009.

Under the Fund’s current distribution policy, the Fund pays a distribution of \$0.06 per share each month and, if necessary, an adjusting distribution in December which includes any additional income and net realized capital gains in excess of the monthly distributions for that year to satisfy the minimum distribution requirements of the Internal Revenue Code.

Each quarter, the Board reviews the amount of any potential distribution and the income, capital gain, or capital available. The Board will continue to monitor the Fund’s distribution level, taking into consideration the Fund’s net asset value and the financial market environment. The Fund’s distribution policy is subject to modification by the Board at any time.

If the Fund does not generate earnings from dividends and interest received and net realized capital gains equal to or in excess of the aggregate distributions paid by the Fund in a given year, then the amount distributed in excess of the Fund’s investment income and net realized capital gains would be deemed a non-taxable return of capital. Since this would be considered a return of a portion of a shareholder’s original investment, it is not taxable and is treated as a reduction in the shareholder’s cost basis. However, despite the challenges of the extra record keeping, a distribution that is occasionally supplemented with a return of capital serves as a smoothing mechanism resulting in a more stable and consistent cash flow available to shareholders. For a closed-end fund with a distribution policy, a return of capital becomes progressively less likely with the passage of time because in later years it is more likely that long-term capital gains can be realized and therefore become available for distribution. A portion of the distribution may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum federal income tax rate, which is currently 15% in taxable accounts for individuals. Long-term capital gains, qualified dividend income, ordinary income, and paid-in capital, if any, will be allocated on a pro-rata basis to all distributions to common shareholders for the year. Based on the distribution allocations of the Fund as of December 31, 2009, the total distributions paid in 2009 include approximately 11% from net investment income and 89% from paid-in capital. The estimated components of each distribution are provided to shareholders of record in a notice accompanying the distribution and are available on our website ([www.gabelli.com](http://www.gabelli.com)). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2009 distributions in early 2010 via Form 1099-DIV.

## **5.625% Series A Cumulative Preferred Shares**

The Fund’s 5.625% Series A Cumulative Preferred Shares paid a \$0.3515625 per share cash distribution on December 28, 2009 to preferred shareholders of record on December 18, 2009. The Series A Preferred Shares, which trade on the NYSE under the symbol “GUT Pr A”, are rated “Aaa” by Moody’s Investors Service and have an annual dividend rate of \$1.40625 per share. The Series A Preferred Shares were issued on July 31, 2003 at \$25.00 per share and pay distributions quarterly. After five years of call protection, the Series A Preferred Shares became callable at any time at the liquidation value of \$25.00 per share plus accrued dividends. The next distribution is scheduled for March 2010. The Fund is authorized to purchase its Series A Preferred Shares in the open market from time to time when such shares are trading at a discount to the liquidation value of \$25.00. In total through December 31, 2009, the Fund repurchased and retired 46,712 Series A Preferred Shares in the open market under this share repurchase authorization. The Fund did not repurchase any Series B Preferred Shares during the fourth quarter of 2009.

## **Series B Auction Market Preferred Shares**

The dividend rates for the Series B Auction Market Preferred Shares ranged from 1.461% to 1.487% during the fourth quarter of 2009. Dividend rates for the Series B Preferred Shares are cumulative at a rate that may be reset every seven days based on the results of an auction. Since February 2008, the number of Series B Preferred Shares

subject to bid orders by potential holders has been less than the number of Series B Preferred Shares subject to sell orders. Therefore, the weekly auctions have failed, and the holders have not been able to sell any or all of the Series B Preferred Shares for which they submitted sell orders. The dividend rate since then has been the maximum rate. The current maximum rate is 125 basis points greater than the seven day Telerate/British Bankers Association LIBOR on the day of such auction. The Series B Preferred Shares do not trade on an exchange. The Series B Preferred Shares are rated “Aaa” by Moody’s Investors Service and “AAA” by Standard & Poor’s Ratings Services. The Fund issued 1,000 Series B Preferred Shares on July 31, 2003 at \$25,000 per share. As of December 31, 2009, 900 Series B Preferred Shares were outstanding.

It should be noted that the Investment Adviser does not receive a management fee on the incremental assets attributable to the Preferred Shares unless the total return of the net asset value of the common shares during the year, including distributions and management fee subject to reduction, exceeds the stated dividend rate or corresponding swap rate of each particular series of Preferred Shares for the fiscal year. The Investment Adviser believes this fee arrangement is in the best interest of all shareholders.

The Board shares the Investment Adviser’s view that the issuance of the Preferred Shares is designed to benefit the common shareholders. To the extent that the Fund earns in excess of the dividend rate on the Preferred Shares, additional value will thereby be created for its common shareholders.

A portion of the distributions may be treated as long-term capital gain and qualified dividend income for individuals, each subject to the maximum federal income tax rate, which is currently 15% in taxable accounts for individuals. Long-term capital gains, qualified dividend income, and ordinary income, if any, will be allocated on a pro-rata basis to all distributions to preferred shareholders for the year. Based on the distribution allocations of the Fund as of December 31, 2009, the total distributions paid in 2009 include 100% from net investment income. The estimated components of each distribution are provided to shareholders of record in a notice accompanying the distribution and are available on our website ([www.gabelli.com](http://www.gabelli.com)). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2009 distributions in early 2010 via Form 1099-DIV.

### **[www.gabelli.com](http://www.gabelli.com)**

Please visit us on the Internet. Our homepage at [www.gabelli.com](http://www.gabelli.com) contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Mutual Funds, IRAs, 401(k)s, current and historical quarterly reports, closing prices, and other current news. We welcome your comments and questions via e-mail at [closedend@gabelli.com](mailto:closedend@gabelli.com).

You may sign up for our e-mail alerts at [www.gabelli.com](http://www.gabelli.com) and receive early notice of quarterly report availability, news events, media sightings, and mutual fund prices and performance.

### **e-delivery**

We are pleased to offer electronic delivery of Gabelli fund documents. Shareholders of our closed-end funds can now elect to receive e-mail announcements regarding available materials, including shareholder commentaries and fund reports. For more information or to register for e-delivery, please visit our website at [www.gabelli.com](http://www.gabelli.com).

#### **Top Ten Holdings** **December 31, 2009**

|                                 |                          |
|---------------------------------|--------------------------|
| NSTAR                           | FPL Group Inc.           |
| National Fuel Gas Co.           | UniSource Energy Corp.   |
| Allegheny Energy Inc.           | Great Plains Energy Inc. |
| Westar Energy Inc.              | Wisconsin Energy Corp.   |
| Constellation Energy Group Inc. | ONEOK Inc.               |

The Annual Meeting of The Gabelli Utility Trust’s shareholders will be held on Monday, May 17, 2010 at the Greenwich Library in Greenwich, Connecticut.

## **AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS**

### **Enrollment in the Plan**

It is the policy of The Gabelli Utility Trust (the “Fund”) to automatically reinvest dividends payable to common shareholders. As a “registered” shareholder you automatically become a participant in the Fund’s Automatic Dividend Reinvestment Plan (the “Plan”). The Plan authorizes the Fund to credit common 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 Fund. Plan participants may send their share certificates to Computershare Trust Company, N.A. (“Computershare”) to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distributions in cash must submit this request in writing to:

The Gabelli Utility Trust  
c/o Computershare  
P.O. Box 43010  
Providence, RI 02940-3010

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 or requesting a copy of the terms of the Plan, may contact Computershare at (800) 336-6983.

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 distributions 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 common shares 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 Fund’s common shares 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 common shares 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 Fund’s common shares. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange (“NYSE”) trading day, the next trading day. If the net asset value of the common shares at the time of valuation exceeds the market price of the common shares, participants will receive common shares from the Fund valued at market price. If the Fund should declare a dividend or capital gains distribution payable only in cash, Computershare will buy common shares in the open market, or on the NYSE or elsewhere, for the participants’ accounts, except that Computershare will endeavor to terminate purchases in the open market and cause the Fund to issue shares at net asset value if, following the commencement of such purchases, the market value of the common shares 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.

## **Voluntary Cash Purchase Plan**

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Fund. 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 Computershare for investments in the Fund's common shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. Computershare will use these funds to purchase shares in the open market on or about the 1st and 15th of each month. Computershare 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 Computershare, P.O. Box 43010, Providence, RI 02940-3010 such that Computershare receives such payments approximately 10 days before the 1st and 15th of the month. Funds not received at least five days before the investment date shall be held for investment until the next purchase date. A payment may be withdrawn without charge if notice is received by Computershare at least 48 hours before such payment is to be invested.

*Shareholders wishing to liquidate shares held at Computershare* 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.

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

The Fund 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 Computershare on at least 90 days written notice to participants in the Plan.

## **THE GABELLI UTILITY TRUST AND YOUR PERSONAL PRIVACY**

### **Who are we?**

The Gabelli Utility Trust (the “Fund”) is a closed-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

### **What kind of non-public information do we collect about you if you become a shareholder?**

When you purchase shares of the Fund on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us.* This would include information about the shares that you buy or sell; it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

### **What information do we disclose and to whom do we disclose it?**

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, [www.sec.gov](http://www.sec.gov).

### **What do we do to protect your personal information?**

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

**TRUSTEES AND OFFICERS**  
**THE GABELLI UTILITY TRUST**  
**One Corporate Center, Rye, NY 10580-1422**

**Trustees**

Mario J. Gabelli, CFA  
*Chairman & Chief Executive Officer,*  
*GAMCO Investors, Inc.*

Dr. Thomas E. Bratter  
*President & Founder, John Dewey Academy*

Anthony J. Colavita  
*President,*  
*Anthony J. Colavita, P.C.*

James P. Conn  
*Former Managing Director &*  
*Chief Investment Officer,*  
*Financial Security Assurance Holdings Ltd.*

Vincent D. Enright  
*Former Senior Vice President &*  
*Chief Financial Officer,*  
*KeySpan Corp.*

Frank J. Fahrenkopf, Jr.  
*President & Chief Executive Officer,*  
*American Gaming Association*

John D. Gabelli  
*Senior Vice President,*  
*Gabelli & Company, Inc.*

Robert J. Morrissey  
*Attorney-at-Law,*  
*Morrissey, Hawkins & Lynch*

Anthony R. Pustorino  
*Certified Public Accountant,*  
*Professor Emeritus, Pace University*

Salvatore J. Zizza  
*Chairman, Zizza & Co., Ltd.*

**Officers**

Bruce N. Alpert  
*President*

Peter D. Goldstein  
*Chief Compliance Officer*

Agnes Mullady  
*Treasurer & Secretary*

David I. Schachter  
*Vice President & Ombudsman*

**Investment Adviser**

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

**Custodian**

The Bank of New York Mellon

**Counsel**

Willkie Farr & Gallagher LLP

**Transfer Agent and Registrar**

Computershare Trust Company, N.A.

**Stock Exchange Listing**

|                     |               |                  |
|---------------------|---------------|------------------|
|                     | <u>Common</u> | <u>Preferred</u> |
| NYSE-Symbol:        | GUT           | GUT PrA          |
| Shares Outstanding: | 30,945,908    | 1,153,288        |
|                     |               | 5.625%           |

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading “Specialized Equity Funds,” in Monday’s The Wall Street Journal. It is also listed in Barron’s Mutual Funds/Closed End Funds section under the heading “Specialized Equity Funds.”

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting [www.gabelli.com](http://www.gabelli.com).

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](http://www.gabelli.com), or e-mail us at: [closedend@gabelli.com](mailto:closedend@gabelli.com)

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund’s shares are trading at a discount of 10% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

# THE GABELLI UTILITY TRUST

One Corporate Center, Rye, NY 10580-1422

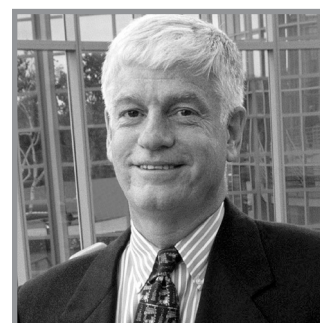
Phone: 800-GABELLI (800-422-3554)

Fax: 914-921-5118 Internet: [www.gabelli.com](http://www.gabelli.com)

e-mail: [closedend@gabelli.com](mailto:closedend@gabelli.com)

# The Gabelli Utility Trust

Annual Report  
December 31, 2009



Mario J. Gabelli, CFA

## To Our Shareholders,

The Sarbanes-Oxley Act requires a fund's principal executive and financial officers to certify the entire contents of the semi-annual and annual shareholder reports in a filing with the Securities and Exchange Commission ("SEC") on Form N-CSR. This certification would cover the portfolio manager's commentary and subjective opinions if they are attached to or a part of the financial statements. Many of these comments and opinions would be difficult or impossible to certify.

Because we do not want our portfolio managers to eliminate their opinions and/or restrict their commentary to historical facts, we have separated their commentary from the financial statements and investment portfolio and have sent it to you separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com](http://www.gabelli.com).

Enclosed are the audited financial statements including the investment portfolio as of December 31, 2009.

## Investment Performance

For the year ended December 31, 2009, The Gabelli Utility Trust's (the "Fund") net asset value ("NAV") total return was 19.5% and the total return for the Fund's publicly traded shares was 70.9%, compared with gains of 11.9% and 16.4% for the S&P 500 Utilities Index and the Lipper Utility Fund Average, respectively. On December 31, 2009, the Fund's NAV per share was \$5.20, while the price of the publicly traded shares closed at \$9.02 on the New York Stock Exchange ("NYSE").

## Premium / Discount Discussion

The price of a closed-end fund is determined in the open market by willing buyers and sellers. Shares of the Fund trade on the NYSE and may trade at a premium to (higher than) NAV (the market value of the Fund's underlying portfolio and other assets less any liabilities) or a discount to (lower than) NAV. Of the 623 closed-end funds that are publicly traded in the U.S. as of December 31, 2009, approximately 25% trade at premiums to NAV compared with 27% five years ago and 5% ten years ago.

Ideally, the Fund's market price will generally track the NAV. However, the Fund's premium or discount to NAV may vary over time. Over the Fund's ten year history, the range fluctuated from a 76% premium in December 2009 to a 3% discount in November 2000. Shortly after the inception of the Fund, the market price of the Fund exceeded the NAV and this premium continues today. On December 31, 2009, the market price of the Fund closed at a 73.5% premium to its NAV.

We believe that an excessive premium for the Fund is not likely to be sustainable.

Sincerely yours,

Bruce N. Alpert  
President

February 19, 2010

## Comparative Results

### Average Annual Returns through December 31, 2009 (a) (Unaudited)

|                                   | Quarter | 1 Year | 3 Year  | 5 Year | 10 Year | Since Inception (07/09/99) |
|-----------------------------------|---------|--------|---------|--------|---------|----------------------------|
| <b>Gabelli Utility Trust</b>      |         |        |         |        |         |                            |
| NAV Total Return (b) .....        | 7.57%   | 19.46% | (3.19)% | 4.86%  | 6.94%   | 6.97%                      |
| Investment Total Return (c) ..... | 24.38   | 70.88  | 6.42    | 8.64   | 10.91   | 10.75                      |
| S&P 500 Index .....               | 6.04    | 26.47  | (5.62)  | 0.42   | (0.95)  | (0.36)                     |
| S&P 500 Utilities Index .....     | 7.26    | 11.91  | (1.74)  | 6.05   | 4.88    | 3.55                       |
| Lipper Utility Fund Average ..... | 5.76    | 16.43  | (2.80)  | 5.43   | 3.38    | 3.75                       |

(a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. Performance returns for periods of less than one year are not annualized. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The S&P 500 Index is an unmanaged indicator of stock market performance. The S&P 500 Utilities Index is an unmanaged indicator of electric and gas utility stock performance. The Lipper Utility Fund Average reflects the average performance of open-end mutual funds classified in this particular category. Dividends are considered reinvested. You cannot invest directly in an index.

(b) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date, and adjustments for rights offerings and are net of expenses. Since inception return is based on an initial NAV of \$7.50.

(c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings. Since inception return is based on an initial offering price of \$7.50.

**THE GABELLI UTILITY TRUST**  
**Summary of Portfolio Holdings (Unaudited)**

The following table presents portfolio holdings as a percent of total investments as of December 31, 2009:

|  |       |  |               |
|--|-------|--|---------------|
| Energy and Utilities: Electric Integrated . . . . .    | 48.4% | U.S. Government Obligations . . . . .              | 0.7%          |
| Energy and Utilities: Natural Gas Integrated . . . . . | 8.2%  | Communications Equipment . . . . .                 | 0.5%          |
| Energy and Utilities:                                  |       | Independent Power Producers and Energy Traders . . | 0.5%          |
| Electric Transmission and Distribution . . . . .       | 8.2%  | Energy and Utilities: Services . . . . .           | 0.4%          |
| Energy and Utilities: Natural Gas Utilities . . . . .  | 7.6%  | Energy and Utilities: Alternative Energy . . . . . | 0.3%          |
| Telecommunications . . . . .                           | 4.3%  | Aerospace . . . . .                                | 0.3%          |
| Cable and Satellite . . . . .                          | 4.0%  | Transportation . . . . .                           | 0.2%          |
| Energy and Utilities: Global Utilities . . . . .       | 3.9%  | Environmental Services . . . . .                   | 0.1%          |
| Energy and Utilities: Water . . . . .                  | 3.1%  | Real Estate . . . . .                              | 0.1%          |
| Wireless Communications . . . . .                      | 3.0%  | Equipment and Supplies . . . . .                   | 0.1%          |
| Energy and Utilities: Merchant Energy . . . . .        | 2.2%  | Investment Companies . . . . .                     | 0.0%          |
| Diversified Industrial . . . . .                       | 1.4%  | Agriculture . . . . .                              | 0.0%          |
| Energy and Utilities: Natural Resources . . . . .      | 1.3%  | Publishing . . . . .                               | 0.0%          |
| Entertainment . . . . .                                | 1.2%  |  | <u>100.0%</u> |

*The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, the last of which was filed for the quarter ended September 30, 2009. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.*

**Proxy Voting**

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

**THE GABELLI UTILITY TRUST**  
**SCHEDULE OF INVESTMENTS**  
**December 31, 2009**

| <u>Shares</u>  | <u>Cost</u>                              | <u>Market Value</u> | <u>Shares</u>  | <u>Cost</u>  | <u>Market Value</u> |
|--|--|---------------------|--|--|---------------------|
| <b>COMMON STOCKS — 98.3%</b>                           |  |                     | <b>Energy and Utilities:</b>                         |  |                     |
| <b>ENERGY AND UTILITIES — 84.8%</b>                    |  |                     | <b>Electric Transmission and Distribution — 8.2%</b> |  |                     |
| <b>Energy and Utilities: Alternative Energy — 0.3%</b> |  |                     | 243  | Brookfield Infrastructure                                  |                     |
| 17,000   | Ormat Industries Ltd. .... \$ 231,438    | \$ 154,907          |  | Partners LP .....  | \$ 5,103 \$ 4,075   |
| 12,500   | Ormat Technologies Inc. .... 273,994     | 473,000             | 50,000   | CH Energy Group Inc. ....                                  | 2,261,677 2,126,000 |
| 8,100  | Renegy Holdings Inc.† .... 57,108        | 11,178              | 60,000   | Consolidated Edison Inc. ....                              | 2,684,666 2,725,800 |
|  | 562,540                                  | 639,085             | 135,000  | Northeast Utilities .....                                  | 2,670,943 3,481,650 |
|  |  |                     | 210,000  | NSTAR .....  | 5,185,708 7,728,000 |
|  |  |                     | 22,500   | Pepco Holdings Inc. ....                                   | 449,918 379,125     |
|  |  |                     | 36,666   | UIL Holdings Corp. ....                                    | 966,693 1,029,581   |
|  |  |                     |  | 14,224,708   | 17,474,231          |
|  |  |                     |  | <b>Energy and Utilities: Global Utilities — 3.9%</b>       |                     |
| 250,000  | Allegheny Energy Inc. .... 7,418,240     | 5,870,000           | 1,500  | Areva SA .....   | 613,197 750,462     |
| 23,000   | ALLETE Inc. .... 728,776                 | 751,640             | 8,000  | Chubu Electric   |                     |
| 75,000   | Alliant Energy Corp. .... 1,824,382      | 2,269,500           |  | Power Co. Inc. ....  | 189,551 190,691     |
| 20,000   | Ameren Corp. .... 691,088                | 559,000             | 40,000   | Electric Power   |                     |
| 78,000   | American Electric                        |                     |  | Development Co. Ltd. ....                                  | 1,440,584 1,133,838 |
|  | Power Co. Inc. .... 2,568,822            | 2,713,620           | 45,000   | Endesa SA .....  | 1,676,497 1,544,684 |
| 10,000   | Avista Corp. .... 199,636                | 215,900             | 300,000  | Enel SpA .....   | 1,862,753 1,740,685 |
| 50,000   | Black Hills Corp. .... 1,431,322         | 1,331,500           | 300,000  | Hera SpA .....   | 433,286 696,274     |
| 26,000   | Central Vermont Public                   |                     | 8,000  | Hokkaido Electric  |                     |
|  | Service Corp. .... 482,572               | 540,800             |  | Power Co. Inc. ....  | 156,870 145,080     |
| 27,000   | Cleco Corp. .... 524,506                 | 737,910             | 8,000  | Hokuriku Electric Power Co.                                | 146,449 173,941     |
| 125,000  | CMS Energy Corp. .... 1,418,407          | 1,957,500           | 3,500  | Huaneng Power  |                     |
| 160,000  | Constellation Energy                     |                     |  | International Inc., ADR ...                                | 135,552 78,400      |
|  | Group Inc. .... 6,078,680                | 5,627,200           | 35,000   | Korea Electric Power Corp.,                                |                     |
| 33,000   | Dominion Resources Inc. ... 1,449,340    | 1,284,360           |  | ADR† .....   | 565,727 508,900     |
| 155,000  | DPL Inc. .... 3,267,909                  | 4,278,000           | 8,000  | Kyushu Electric  |                     |
| 24,000   | DTE Energy Co. .... 978,366              | 1,046,160           |  | Power Co. Inc. ....  | 167,818 164,406     |
| 180,000  | Duke Energy Corp. .... 3,468,251         | 3,097,800           | 2,000  | Niko Resources Ltd. ....                                   | 113,769 188,172     |
| 88,000   | Edison International .... 3,769,833      | 3,060,640           | 8,000  | Shikoku Electric   |                     |
| 185,000  | El Paso Electric Co.† .... 3,347,782     | 3,751,800           |  | Power Co. Inc. ....  | 155,987 206,152     |
| 1,000  | Emera Inc. .... 21,639                   | 23,971              | 8,000  | The Chugoku Electric                                       |                     |
| 3,000  | Entergy Corp. .... 84,249                | 245,520             |  | Power Co. Inc. ....  | 150,761 152,467     |
| 51,000   | FirstEnergy Corp. .... 2,118,209         | 2,368,950           | 8,000  | The Kansai Electric  |                     |
| 95,000   | FPL Group Inc. .... 4,094,308            | 5,017,900           |  | Power Co. Inc. ....  | 158,472 180,383     |
| 235,000  | Great Plains Energy Inc. .... 6,319,204  | 4,556,650           | 8,000  | The Tokyo Electric   |                     |
| 55,000   | Hawaiian Electric                        |                     |  | Power Co. Inc. ....  | 191,450 200,569     |
|  | Industries Inc. .... 1,335,289           | 1,149,500           | 15,000   | Tohoku Electric  |                     |
| 92,000   | Integrus Energy Group Inc. ... 4,632,153 | 3,863,080           |  | Power Co. Inc. ....  | 284,854 296,344     |
| 61,000   | Maine & Maritimes Corp. ... 1,926,684    | 2,122,800           |  | 8,443,577  | 8,351,448           |
| 64,000   | MGE Energy Inc. .... 1,887,100           | 2,287,360           |  | <b>Energy and Utilities: Merchant Energy — 2.2%</b>        |                     |
| 48,000   | NiSource Inc. .... 1,020,001             | 738,240             | 35,810   | Dynegy Inc., Cl. A† .....                                  | 175,000 64,816      |
| 110,000  | NorthWestern Corp. .... 3,338,803        | 2,862,200           | 8,130  | Mirant Corp.† .....  | 37,373 124,145      |
| 35,000   | NV Energy Inc. .... 312,248              | 433,300             | 300,000  | Mirant Corp., Escrow† (a) ..                               | 0 0                 |
| 100,000  | OGE Energy Corp. .... 2,406,346          | 3,689,000           | 330,000  | The AES Corp.† .....                                       | 4,122,058 4,392,300 |
| 24,000   | Otter Tail Corp. .... 637,145            | 595,200             |  | 4,334,431  | 4,581,261           |
| 48,000   | PG&E Corp. .... 1,280,160                | 2,143,200           |  | <b>Energy and Utilities: Natural Gas Integrated — 7.4%</b> |                     |
| 100,000  | PNM Resources Inc. .... 1,119,082        | 1,265,000           | 205,000  | El Paso Corp. ....   | 1,881,819 2,015,150 |
| 95,000   | Progress Energy Inc. .... 4,127,681      | 3,895,950           | 1,000  | Energen Corp. ....   | 66,090 46,800       |
| 40,000   | Progress Energy Inc., CVO† 20,800        | 6,000               | 130,000  | National Fuel Gas Co. ....                                 | 4,434,268 6,500,000 |
| 38,000   | Public Service Enterprise                |                     | 100,000  | ONEOK Inc. ....  | 2,674,346 4,457,000 |
|  | Group Inc. .... 996,629                  | 1,263,500           | 120,000  | Southern Union Co. ....                                    | 2,059,886 2,724,000 |
| 60,500   | SCANA Corp. .... 1,918,305               | 2,279,640           |  | 11,116,409   | 15,742,950          |
| 104,000  | TECO Energy Inc. .... 1,548,928          | 1,686,880           |  |  |                     |
| 25,000   | The Empire District                      |                     |  |  |                     |
|  | Electric Co. .... 515,057                | 468,250             |  |  |                     |
| 150,000  | UniSource Energy Corp. .... 4,583,635    | 4,828,500           |  |  |                     |
| 18,000   | Unitil Corp. .... 466,141                | 413,640             |  |  |                     |
| 47,000   | Vectren Corp. .... 1,162,166             | 1,159,960           |  |  |                     |
| 260,000  | Westar Energy Inc. .... 5,973,605        | 5,647,200           |  |  |                     |
| 90,000   | Wisconsin Energy Corp. .... 3,273,387    | 4,484,700           |  |  |                     |
| 195,000  | Xcel Energy Inc. .... 3,384,476          | 4,137,900           |  |  |                     |
|  | 100,151,342                              | 102,727,321         |  |  |                     |

See accompanying notes to financial statements.

**THE GABELLI UTILITY TRUST**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**December 31, 2009**

| <u>Shares</u>   | <u>Cost</u>                                   | <u>Market Value</u> | <u>Shares/<br/>Units</u>                                     | <u>Cost</u>                                   | <u>Market Value</u> |
|---|---|---------------------|--|---|---------------------|
| <b>COMMON STOCKS (Continued)</b>                          |   |                     | <b>Independent Power Producers and Energy Traders — 0.5%</b> |   |                     |
| <b>ENERGY AND UTILITIES (Continued)</b>                   |   |                     | 40,000   | NRG Energy Inc.† . . . . . \$ 966,620         | \$ 944,400          |
| <b>Energy and Utilities: Natural Gas Utilities — 7.6%</b> |   |                     | <b>TOTAL ENERGY AND UTILITIES . . . . .</b>                  |   |                     |
| 26,000  | AGL Resources Inc. . . . . \$ 643,173         | \$ 948,220          |  | 165,865,282                                   | 180,016,167         |
| 40,000  | Atmos Energy Corp. . . . . 993,963            | 1,176,000           | <b>COMMUNICATIONS — 11.7%</b>                                |   |                     |
| 29,635  | Chesapeake Utilities Corp. . . . . 690,213    | 949,802             | <b>Cable and Satellite — 4.0%</b>                            |   |                     |
| 12,500  | Corning Natural Gas Corp. . . . . 196,189     | 240,000             | Cablevision Systems Corp.,                                   |   |                     |
| 30,000  | Delta Natural Gas Co. Inc. . . . . 502,057    | 858,300             | 100,000  | Cl. A . . . . . 2,566,292                     | 2,582,000           |
| 11,445  | GDF Suez . . . . . 387,206                    | 496,885             | 5,000  | Cogeco Cable Inc. . . . . 105,008             | 167,328             |
| 11,445  | GDF Suez, Strips . . . . . 0                  | 16                  | 20,000   | Cogeco Inc. . . . . 389,461                   | 548,453             |
| 90,000  | Nicor Inc. . . . . 3,094,353                  | 3,789,000           | 54,000   | DIRECTV, Cl. A† . . . . . 892,323             | 1,800,900           |
| 35,000  | Piedmont Natural Gas Co. Inc. . . . . 553,256 | 936,250             | 59,000   | DISH Network Corp., Cl. A . . . . . 1,217,843 | 1,225,430           |
| 6,000   | RGC Resources Inc. . . . . 128,344            | 177,300             | 10,000   | EchoStar Corp., Cl. A† . . . . . 280,860      | 201,400             |
| 145,000   | Southwest Gas Corp. . . . . 4,030,376         | 4,136,850           | 35,000   | Liberty Global Inc., Cl. A† . . . . . 739,454 | 766,850             |
| 120,000   | Spectra Energy Corp. . . . . 3,280,847        | 2,461,200           | 20,000   | Liberty Global Inc., Cl. C† . . . . . 421,966 | 437,000             |
|   |   |                     | 8,000  | Rogers Communications Inc.,                   |                     |
|   | 14,499,977                                    | 16,169,823          |  | Cl. B . . . . . 119,139                       | 248,000             |
| <b>Energy and Utilities: Natural Resources — 1.3%</b>     |   |                     | 12,000   | Time Warner Cable Inc. . . . . 515,102        | 496,680             |
| 6,000   | Anadarko Petroleum Corp. . . . . 265,940      | 374,520             | 2,112  | Zon Multimedia Servicos de                    |                     |
| 34,000  | Compania de Minas                             |                     |  | Telecomunicacoes e                            |                     |
|   | Buenaventura SA, ADR . . . . . 381,326        | 1,137,980           |  | Multimedia SGPS SA . . . . . 20,761           | 13,134              |
| 14,000  | Exxon Mobil Corp. . . . . 800,233             | 954,660             |  | 7,268,209                                     | 8,487,175           |
| 3,000   | Peabody Energy Corp. . . . . 112,025          | 135,630             | <b>Communications Equipment — 0.5%</b>                       |   |                     |
| 4,000   | Royal Dutch Shell plc,                        |                     | 2,000  | QUALCOMM Inc. . . . . 76,299                  | 92,520              |
|   | Cl. A, ADR . . . . . 237,320                  | 240,440             | 260,000  | The Furukawa                                  |                     |
|   | 1,796,844                                     | 2,843,230           |  | Electric Co. Ltd. . . . . 1,199,164           | 1,077,576           |
| <b>Energy and Utilities: Services — 0.4%</b>              |   |                     |  | 1,275,463                                     | 1,170,096           |
| 40,000  | ABB Ltd., ADR . . . . . 436,920               | 764,000             | <b>Telecommunications — 4.3%</b>                             |   |                     |
| 3,000   | Tenaris SA, ADR . . . . . 136,820             | 127,950             | 50,000   | AT&T Inc. . . . . 1,310,776                   | 1,401,500           |
|   | 573,740                                       | 891,950             | 2,000  | Belgacom SA . . . . . 69,509                  | 72,595              |
| <b>Energy and Utilities: Water — 3.1%</b>                 |   |                     | 4,350  | Bell Aliant Regional                          |                     |
| 14,000  | American States Water Co. . . . . 312,701     | 495,740             |  | Communications Income                         |                     |
| 30,000  | American Water                                |                     |  | Fund (a)(b) . . . . . 117,218                 | 116,307             |
|   | Works Co. Inc. . . . . 645,000                | 672,300             | 16,000   | BT Group plc, ADR . . . . . 487,541           | 347,840             |
| 21,833  | Aqua America Inc. . . . . 221,008             | 382,296             | 220,000  | Cincinnati Bell Inc.† . . . . . 942,873       | 759,000             |
| 24,750  | Artesian Resources Corp.,                     |                     | 2,000  | Comstar United Telesystems                    |                     |
|   | Cl. A . . . . . 257,250                       | 453,173             |  | OJSC, GDR . . . . . 13,882                    | 11,000              |
| 20,000  | California Water                              |                     | 62,000   | Deutsche Telekom AG, ADR                      | 911,400             |
|   | Service Group . . . . . 555,152               | 736,400             | 2,000  | France Telecom SA, ADR . . . . . 22,799       | 50,480              |
| 7,500   | Connecticut Water                             |                     | 200  | Hutchison Telecommunications                  |                     |
|   | Service Inc. . . . . 146,455                  | 185,775             |  | Hong Kong Holdings Ltd. . . . . 19            | 34                  |
| 51,333  | Middlesex Water Co. . . . . 801,882           | 905,001             | 200  | Hutchison Telecommunications                  |                     |
| 33,000  | Pennichuck Corp. . . . . 680,437              | 697,290             |  | International Ltd.† . . . . . 163             | 42                  |
| 80,000  | SJW Corp. . . . . 1,482,532                   | 1,805,600           | 500  | Mobistar SA . . . . . 41,057                  | 34,330              |
| 8,101   | Southwest Water Co. . . . . 52,047            | 47,715              | 20,000   | Nippon Telegraph &                            |                     |
| 9,000   | The York Water Co. . . . . 108,269            | 130,590             |  | Telephone Corp. . . . . 929,640               | 783,808             |
|   | 5,262,733                                     | 6,511,880           | 2,000  | Orascom Telecom Holding                       |                     |
| <b>Diversified Industrial — 1.4%</b>                      |   |                     |  | SAE, GDR . . . . . 65,069                     | 45,980              |
| 2,200   | Alstom SA . . . . . 201,640                   | 154,726             | 15,000   | Portugal Telecom SGPS SA . . . . . 210,165    | 183,207             |
| 2,000   | Bouygues SA . . . . . 104,931                 | 104,434             | 2,000  | PT Indosat Tbk . . . . . 1,061                | 1,006               |
| 10,000  | Cooper Industries plc . . . . . 279,812       | 426,400             | 1,000  | Rostelecom, ADR . . . . . 52,268              | 27,350              |
| 150,000   | General Electric Co. . . . . 3,174,879        | 2,269,500           | 500  | Sistema JSFC, GDR† (c) . . . . . 17,384       | 10,500              |
|   | 3,761,262                                     | 2,955,060           | 1,200  | Tele2 AB, Cl. B . . . . . 14,604              | 18,483              |
| <b>Equipment and Supplies — 0.1%</b>                      |   |                     | 27,000   | Telekom Austria AG . . . . . 403,751          | 385,123             |
| 50,000  | Capstone Turbine Corp.† . . . . . 83,080      | 64,500              | 40,000   | Touch America                                 |                     |
| 2,000   | Mueller Industries Inc. . . . . 88,019        | 49,680              |  | Holdings Inc.† (a) . . . . . 38,488           | 0                   |
|   | 171,099                                       | 114,180             | 115,000  | Verizon Communications Inc.                   | 3,809,950           |
| <b>Environmental Services — 0.0%</b>                      |   |                     | 10,000   | Windstream Corp. . . . . 100,600              | 109,900             |
| 3,000   | Suez Environnement Co. SA . . . . . 0         | 69,348              |  | 10,176,562                                    | 9,079,835           |

See accompanying notes to financial statements.

**THE GABELLI UTILITY TRUST**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**December 31, 2009**

| <u>Shares</u>  | <u>Cost</u>                                       | <u>Market Value</u> |             |
|--|---|---------------------|-------------|
| <b>COMMUNICATIONS (Continued)</b>                          |   |                     |             |
| <b>Wireless Communications — 2.9%</b>                      |   |                     |             |
| 600  | America Movil SAB de CV,<br>Cl. L, ADR .....      | \$ 9,424            | \$ 28,188   |
| 2,000  | China Mobile Ltd., ADR ...                        | 33,988              | 92,860      |
| 2,000  | China Unicom Hong<br>Kong Ltd., ADR .....         | 16,278              | 26,220      |
| 14,000   | Millicom International<br>Cellular SA .....       | 1,016,300           | 1,032,780   |
| 4,500  | Mobile TeleSystems OJSC, ADR                      | 175,074             | 220,005     |
| 171  | MobileOne Ltd. ....                               | 210                 | 230         |
| 1,200  | NTT DoCoMo Inc. ....                              | 1,732,443           | 1,669,834   |
| 600  | SK Telecom Co. Ltd., ADR ..                       | 12,374              | 9,756       |
| 200  | SmarTone Telecommunications<br>Holdings Ltd. .... | 207                 | 165         |
| 22,000   | Turkcell Iletisim Hizmetleri<br>A/S, ADR .....    | 378,706             | 384,780     |
| 30,000   | United States Cellular Corp.†                     | 1,429,970           | 1,272,300   |
| 75,000   | Vimpel-Communications, ADR                        | 720,805             | 1,394,250   |
|  |   | 5,525,779           | 6,131,368   |
| <b>TOTAL COMMUNICATIONS ..</b>                             |   |                     |             |
|  |   | 24,246,013          | 24,868,474  |
| <b>OTHER — 1.8%</b>  |   |                     |             |
| <b>Aerospace — 0.3%</b>                                    |   |                     |             |
| 75,000   | Rolls-Royce Group plc† ....                       | 555,067             | 585,710     |
| 4,500,000  | Rolls-Royce Group plc, Cl. C†                     | 7,351               | 7,268       |
|  |   | 562,418             | 592,978     |
| <b>Agriculture — 0.0%</b>                                  |   |                     |             |
| 3,000  | Cadiz Inc.† .....                                 | 30,211              | 35,910      |
| <b>Entertainment — 1.2%</b>                                |   |                     |             |
| 22,000   | Time Warner Inc. ....                             | 730,152             | 641,080     |
| 64,000   | Vivendi .....                                     | 2,365,469           | 1,907,880   |
|  |   | 3,095,621           | 2,548,960   |
| <b>Investment Companies — 0.0%</b>                         |   |                     |             |
| 3,000  | Kinnevik Investment AB, Cl. B                     | 41,537              | 44,866      |
| <b>Publishing — 0.0%</b>                                   |   |                     |             |
| 8,000  | Idearc Inc.† .....                                | 404                 | 26          |
| <b>Real Estate — 0.1%</b>                                  |   |                     |             |
| 6,075  | Brookfield Asset<br>Management Inc., Cl. A ..     | 65,353              | 134,744     |
| <b>Transportation — 0.2%</b>                               |   |                     |             |
| 20,000   | GATX Corp. ....                                   | 569,753             | 575,000     |
|  |   | 4,365,297           | 3,932,484   |
| <b>TOTAL COMMON STOCKS ...</b>                             |   |                     |             |
|  |   | 194,476,592         | 208,817,125 |
| <b>CONVERTIBLE PREFERRED STOCKS — 0.8%</b>                 |   |                     |             |
| <b>ENERGY AND UTILITIES — 0.8%</b>                         |   |                     |             |
| <b>Energy and Utilities: Natural Gas Integrated — 0.8%</b> |   |                     |             |
| 2,000  | El Paso Corp.,<br>4.990% Cv. Pfd. (b) .....       | 1,945,987           | 1,846,300   |
| <b>WARRANTS — 0.1%</b>                                     |   |                     |             |
| <b>ENERGY AND UTILITIES — 0.0%</b>                         |   |                     |             |
| <b>Energy and Utilities: Merchant Energy — 0.0%</b>        |   |                     |             |
| 26,107   | Mirant Corp., Ser. A,<br>expire 01/03/11† .....   | 51,616              | 12,531      |

| <u>Shares</u>                                     | <u>Cost</u>  | <u>Market Value</u>                              |   |                         |                                |
|---|--|--|---|-------------------------|--------------------------------|
| <b>COMMUNICATIONS — 0.1%</b>                      |  |  |   |                         |                                |
| <b>Wireless Communications — 0.1%</b>             |  |  |   |                         |                                |
| 18,000  | Bharti Airtel Ltd.,<br>expire 09/19/13† (b) .....  | \$ 126,088                                       | \$ 127,577                                    |                         |                                |
|   |  | 177,704  | 140,108                                       |                         |                                |
| <b>TOTAL WARRANTS .....</b>                       |  |  |   |                         |                                |
|   |  | 177,704  | 140,108                                       |                         |                                |
| <b>CONVERTIBLE CORPORATE BONDS — 0.1%</b>         |  |  |   |                         |                                |
| <b>ENERGY AND UTILITIES — 0.1%</b>                |  |  |   |                         |                                |
| <b>Environmental Services — 0.1%</b>              |  |  |   |                         |                                |
| \$ 100,000  | Covanta Holding Corp., Cv.,<br>3.250%, 06/01/14 (b) .....  | 100,000  | 115,750                                       |                         |                                |
| <b>U.S. GOVERNMENT OBLIGATIONS — 0.7%</b>         |  |  |   |                         |                                |
| <b>U.S. Treasury Bills — 0.5%</b>                 |  |  |   |                         |                                |
| 1,047,000   | U.S. Treasury Bills,<br>0.122% to 0.152%††,<br>05/13/10 to 06/03/10 .....  | 1,046,465  | 1,046,448                                     |                         |                                |
| <b>U.S. Treasury Cash Management Bills — 0.1%</b> |  |  |   |                         |                                |
| 295,000   | U.S. Treasury Cash Management Bill,<br>0.152%††, 06/10/10 .....  | 294,799  | 294,779                                       |                         |                                |
| <b>U.S. Treasury Notes — 0.1%</b>                 |  |  |   |                         |                                |
| 115,000   | U.S. Treasury Note,<br>4.125%, 08/15/10 .....  | 117,773  | 117,727                                       |                         |                                |
| <b>TOTAL U.S. GOVERNMENT OBLIGATIONS .....</b>    |  |  |   |                         |                                |
|   |  | 1,459,037  | 1,458,954                                     |                         |                                |
| <b>TOTAL INVESTMENTS — 100.0% .....</b>           |  |  |   |                         |                                |
|   |  | \$198,159,320                                    | 212,378,237                                   |                         |                                |
| <b>Other Assets and Liabilities (Net) .....</b>   |  |  |   |                         |                                |
|   |  |  | (199,159)                                     |                         |                                |
| <b>PREFERRED STOCK</b>                            |  |  |   |                         |                                |
|   |  |  | (51,332,200)                                  |                         |                                |
| <b>NET ASSETS — COMMON SHARES</b>                 |  |  |   |                         |                                |
|   |  |  | \$160,846,878                                 |                         |                                |
| <b>NET ASSET VALUE PER COMMON SHARE</b>           |  |  |   |                         |                                |
|   |  |  | \$5.20  |                         |                                |
|   |  |  | (160,846,878 ÷ 30,945,908 shares outstanding) |                         |                                |
| (a)   | Security fair valued under procedures established by the Board of Trustees. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At December 31, 2009, the market value of fair valued securities amounted to \$116,307 or 0.05% of total investments.  |  |   |                         |                                |
| (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 December 31, 2009, the market value of Rule 144A securities amounted to \$2,205,934 or 1.04% of total investments.  |  |   |                         |                                |
| (c)   | Security purchased pursuant to Regulation S under the Securities Act of 1933, which exempts from registration securities offered and sold outside of the United States. Such a security cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At December 31, 2009, the market value of the Regulation S security amounted to \$10,500 or 0.00% of total investments, which was valued under methods approved by Board of Trustees as follows: |  |   |                         |                                |
|   | <b>Acquisition Shares</b>  | <b>Issuer</b>                                    | <b>Acquisition Date</b>                       | <b>Acquisition Cost</b> | <b>Carrying Value Per Unit</b> |
|   | 500  | Sistema JSFC, GDR .....                          | 10/10/07                                      | \$17,384                | \$21.0000                      |
|   | †  | Non-income producing security.                   |   |                         |                                |
|   | ††   | Represents annualized yield at date of purchase. |   |                         |                                |
|   | ADR  | American Depositary Receipt                      |   |                         |                                |
|   | CVO  | Contingent Value Obligation                      |   |                         |                                |
|   | GDR  | Global Depositary Receipt                        |   |                         |                                |

See accompanying notes to financial statements.

# THE GABELLI UTILITY TRUST

## STATEMENT OF ASSETS AND LIABILITIES

December 31, 2009

|  |                      |
|--|----------------------|
| <b>Assets:</b>   |                      |
| Investments, at value (cost \$198,159,320) .....   | \$212,378,237        |
| Cash .....   | 2,454                |
| Receivable for investments sold .....  | 697,113              |
| Dividends and interest receivable .....  | 514,358              |
| Deferred offering expense .....  | 119,072              |
| Prepaid expense .....  | 6,356                |
| Other asset .....  | 5,868                |
| <b>Total Assets</b> .....  | <u>213,723,458</u>   |
| <b>Liabilities:</b>  |                      |
| Distributions payable .....  | 19,854               |
| Payable for investment advisory fees .....   | 649,301              |
| Payable for payroll expenses .....   | 35,842               |
| Payable for accounting fees .....  | 11,250               |
| Payable for shareholder communications expenses .....  | 171,850              |
| Unrealized depreciation on swap contracts .....  | 461,603              |
| Payable for auction agent fees .....   | 111,133              |
| Other accrued expenses .....   | 83,547               |
| <b>Total Liabilities</b> .....   | <u>1,544,380</u>     |
| <b>Preferred Shares:</b>   |                      |
| Series A Cumulative Preferred Shares (5.625%, \$25 liquidation value, \$0.001 par value 1,200,000 shares authorized with 1,153,288 shares issued and outstanding) .....    | 28,832,200           |
| Series B Cumulative Preferred Shares (Auction Market, \$25,000 liquidation value, \$0.001 par value, 1,000 shares authorized with 900 shares issued and outstanding) ..... | 22,500,000           |
| <b>Total Preferred Shares</b> .....  | <u>51,332,200</u>    |
| <b>Net Assets Attributable to Common Shareholders</b> ..   | <u>\$160,846,878</u> |
| <b>Net Assets Attributable to Common Shareholders Consist of:</b>  |                      |
| Paid-in capital .....  | \$149,384,552        |
| Accumulated distributions in excess of net investment income .....   | (9,516)              |
| Accumulated net realized loss on investments, swap contracts, and foreign currency transactions ...  | (2,286,403)          |
| Net unrealized appreciation on investments .....   | 14,218,917           |
| Net unrealized depreciation on swap contracts .....  | (461,603)            |
| Net unrealized appreciation on foreign currency translations .....   | 931                  |
| <b>Net Assets</b> .....  | <u>\$160,846,878</u> |
| <b>Net Asset Value per Common Share</b>  |                      |
| (\$160,846,878 ÷ 30,945,908 shares outstanding, at \$0.001 par value; unlimited number of shares authorized) .....   | <u>\$5.20</u>        |

## STATEMENT OF OPERATIONS

For the Year Ended December 31, 2009

|   |                      |
|---|----------------------|
| <b>Investment Income:</b>   |                      |
| Dividends (net of foreign taxes of \$112,278) .....   | \$ 8,081,015         |
| Interest .....  | 46,990               |
| <b>Total Investment Income</b> .....  | <u>8,128,005</u>     |
| <b>Expenses:</b>  |                      |
| Investment advisory fees .....  | 1,933,306            |
| Shareholder communications expenses .....   | 289,294              |
| Shareholder services fees .....   | 164,690              |
| Payroll expenses .....  | 145,849              |
| Legal and audit fees .....  | 74,869               |
| Trustees' fees .....  | 74,000               |
| Auction agent expenses .....  | 57,087               |
| Accounting fees .....   | 45,000               |
| Custodian fees .....  | 31,857               |
| Interest expense .....  | 31                   |
| Miscellaneous expenses .....  | 82,740               |
| <b>Total Expenses</b> .....   | <u>2,898,723</u>     |
| Less:   |                      |
| Advisory fee reduction .....  | (986)                |
| Custodian fee credits .....   | (31)                 |
| <b>Total Reductions and Credits</b> .....   | <u>(1,017)</u>       |
| <b>Net Expenses</b> .....   | <u>2,897,706</u>     |
| <b>Net Investment Income</b> .....  | <u>5,230,299</u>     |
| <b>Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, and Foreign Currency:</b>          |                      |
| Net realized loss on investments .....  | (1,458,726)          |
| Net realized loss on swap contracts .....   | (793,240)            |
| Net realized gain on foreign currency transactions .....  | 1,256                |
| Net realized loss on investments, swap contracts, and foreign currency transactions .....                     | <u>(2,250,710)</u>   |
| Net change in unrealized appreciation:  |                      |
| on investments .....  | 23,313,766           |
| on swap contracts .....   | 345,628              |
| on foreign currency translations .....  | 1,010                |
| Net change in unrealized appreciation on investments, swap contracts, and foreign currency translations ..... | <u>23,660,404</u>    |
| <b>Net Realized and Unrealized Gain/(Loss) on Investments, Swap Contracts, and Foreign Currency</b> .....     | <u>21,409,694</u>    |
| <b>Net Increase in Net Assets Resulting from Operations</b> .....   | <u>26,639,993</u>    |
| Total Distributions to Preferred Shareholders .....   | (1,965,939)          |
| <b>Net Increase in Net Assets Attributable to Common Shareholders Resulting from Operations</b> .....         | <u>\$ 24,674,054</u> |

See accompanying notes to financial statements.

## THE GABELLI UTILITY TRUST

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

|   | <u>Year Ended</u><br><u>December 31, 2009</u> | <u>Year Ended</u><br><u>December 31, 2008</u> |
|---|---|---|
| <b>Operations:</b>  |   |   |
| Net investment income .....   | \$ 5,230,299                                  | \$ 5,330,806                                  |
| Net realized gain/(loss) on investments, swap contracts, and foreign currency transactions .....                              | (2,250,710)                                   | 1,691,926                                     |
| Net change in unrealized appreciation/depreciation on investments, swap contracts,<br>and foreign currency translations ..... | <u>23,660,404</u>                             | <u>(76,477,469)</u>                           |
| <b>Net Increase/(Decrease) in Net Assets Resulting from Operations .....</b>  | <u>26,639,993</u>                             | <u>(69,454,737)</u>                           |
| <b>Distributions to Preferred Shareholders:</b>   |   |   |
| Net investment income .....   | (1,965,939)                                   | (1,794,946)                                   |
| Net realized short-term gain .....  | —   | (65,729)                                      |
| Net realized long-term gain .....   | <u>—</u>                                      | <u>(762,705)</u>                              |
| <b>Total Distributions to Preferred Shareholders .....</b>  | <u>(1,965,939)</u>                            | <u>(2,623,380)</u>                            |
| <b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders<br/>Resulting from Operations .....</b>          | <u>24,674,054</u>                             | <u>(72,078,117)</u>                           |
| <b>Distributions to Common Shareholders:</b>  |   |   |
| Net investment income .....   | (2,413,479)                                   | (2,937,568)                                   |
| Net realized short-term gain .....  | —   | (107,569)                                     |
| Net realized long-term gain .....   | —   | (1,248,226)                                   |
| Return of capital .....   | <u>(19,676,599)</u>                           | <u>(17,442,628)</u>                           |
| <b>Total Distributions to Common Shareholders .....</b>   | <u>(22,090,078)</u>                           | <u>(21,735,991)</u>                           |
| <b>Fund Share Transactions:</b>   |   |   |
| Net increase in net assets from common shares issued upon reinvestment of distributions .....                                 | 3,328,163                                     | 3,135,666                                     |
| Net increase in net assets from repurchase of preferred shares .....  | 36,704  | 54,184  |
| Offering costs for issuance of rights charged to paid-in capital .....  | <u>—</u>                                      | <u>(94,830)</u>                               |
| <b>Net Increase in Net Assets from Fund Share Transactions .....</b>  | <u>3,364,867</u>                              | <u>3,095,020</u>                              |
| <b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders .....</b>  | 5,948,843                                     | (90,719,088)                                  |
| <b>Net Assets Attributable to Common Shareholders:</b>  |   |   |
| Beginning of period .....   | <u>154,898,035</u>                            | <u>245,617,123</u>                            |
| End of period (including undistributed net investment income of<br>\$0 and \$0, respectively) .....                           | <u>\$ 160,846,878</u>                         | <u>\$ 154,898,035</u>                         |

See accompanying notes to financial statements.

# THE GABELLI UTILITY TRUST

## FINANCIAL HIGHLIGHTS

Selected data for a share of beneficial interest outstanding throughout each period:

|   | Year Ended December 31, |           |         |         |           |
|---|-------------------------|-----------|---------|---------|-----------|
|   | 2009                    | 2008      | 2007    | 2006    | 2005      |
| <b>Operating Performance:</b>   |                         |           |         |         |           |
| Net asset value, beginning of period .....  | \$ 5.09                 | \$ 8.18   | \$ 8.19 | \$ 6.98 | \$ 7.14   |
| Net investment income .....   | 0.17                    | 0.18      | 0.19    | 0.17    | 0.18      |
| Net realized and unrealized gain/(loss) on investments, swap contracts, and foreign currency transactions ..... | 0.69                    | (2.48)    | 0.61    | 1.84    | 0.45      |
| Total from investment operations .....  | 0.86                    | (2.30)    | 0.80    | 2.01    | 0.63      |
| <b>Distributions to Preferred Shareholders: (a)</b>   |                         |           |         |         |           |
| Net investment income .....   | (0.06)                  | (0.06)    | (0.03)  | (0.02)  | (0.02)    |
| Net realized gain .....   | —                       | (0.03)    | (0.07)  | (0.08)  | (0.07)    |
| Total distributions to preferred shareholders .....   | (0.06)                  | (0.09)    | (0.10)  | (0.10)  | (0.09)    |
| <b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations</b>      |                         |           |         |         |           |
|   | 0.80                    | (2.39)    | 0.70    | 1.91    | 0.54      |
| <b>Distributions to Common Shareholders:</b>  |                         |           |         |         |           |
| Net investment income .....   | (0.08)                  | (0.10)    | (0.16)  | (0.16)  | (0.14)    |
| Net realized gain .....   | —                       | (0.04)    | (0.33)  | (0.56)  | (0.58)    |
| Paid-in capital .....   | (0.64)                  | (0.58)    | (0.23)  | —       | —         |
| Total distributions to common shareholders .....  | (0.72)                  | (0.72)    | (0.72)  | (0.72)  | (0.72)    |
| <b>Fund Share Transactions:</b>   |                         |           |         |         |           |
| Increase in net asset value from common share transactions .....  | 0.03                    | 0.02      | 0.01    | 0.02    | 0.02      |
| Increase in net asset value from repurchase of preferred shares .....   | 0.00(g)                 | 0.00(g)   | 0.00(g) | —       | —         |
| Offering costs for preferred shares charged to paid-in capital .....  | —                       | —         | —       | —       | 0.00(g)   |
| Offering costs for issuance of rights charged to paid-in capital .....  | —                       | (0.00)(g) | —       | 0.00(g) | (0.00)(g) |
| Total fund share transactions .....   | 0.03                    | 0.02      | 0.01    | 0.02    | 0.02      |
| <b>Net Asset Value Attributable to Common Shareholders, End of Period</b>                                       |                         |           |         |         |           |
|   | \$ 5.20                 | \$ 5.09   | \$ 8.18 | \$ 8.19 | \$ 6.98   |
| Net asset value total return † .....  | 14.19%                  | (31.68)%  | 8.08%   | 27.46%  | 5.71%     |
| Market value, end of period .....   | \$ 9.02                 | \$ 5.90   | \$ 9.50 | \$ 9.94 | \$ 9.27   |
| Investment total return †† .....  | 70.88%                  | (31.81)%  | 3.42%   | 16.47%  | 7.79%     |

See accompanying notes to financial statements.

## THE GABELLI UTILITY TRUST

### FINANCIAL HIGHLIGHTS (Continued)

Selected data for a share of beneficial interest outstanding throughout each period:

|  | Year Ended December 31, |           |           |           |           |
|--|-------------------------|-----------|-----------|-----------|-----------|
|  | 2009                    | 2008      | 2007      | 2006      | 2005      |
| <b>Ratios and Supplemental Data:</b>   |                         |           |           |           |           |
| Net assets including liquidation value of preferred shares, end of period (in 000's) . . . . .   | \$212,179               | \$206,724 | \$300,210 | \$297,511 | \$259,303 |
| Net assets attributable to common shares, end of period (in 000's) . . . . .   | \$160,847               | \$154,898 | \$245,617 | \$242,906 | \$204,698 |
| Ratio of net investment income to average net assets attributable to common shares before preferred share distributions . . . . .                        | 3.68%                   | 2.68%     | 2.03%     | 2.24%     | 2.42%     |
| Ratio of operating expenses to average net assets attributable to common shares before fee waived . . . . .  | 2.04%                   | 1.77%     | —         | —         | —         |
| Ratio of operating expenses to average net assets attributable to common shares net of advisory fee reduction, if any (b)(c) . . . . .                   | 2.04%                   | 1.50%     | 1.63%     | 1.75%     | 1.85%     |
| Ratio of operating expenses to average net assets including liquidation value of preferred shares before fee waived . . . . .                            | 1.50%                   | 1.39%     | —         | —         | —         |
| Ratio of operating expenses to average net assets including liquidation value of preferred shares net of advisory fee reduction, if any (b)(c) . . . . . | 1.50%                   | 1.18%     | 1.34%     | 1.40%     | 1.47%     |
| Portfolio turnover rate ††† . . . . .  | 4%                      | 14%       | 13%       | 33%       | 19%       |
| <b>Preferred Shares:</b>   |                         |           |           |           |           |
| <b>5.625% Series A Cumulative Preferred Shares</b>   |                         |           |           |           |           |
| Liquidation value, end of period (in 000's) . . . . .  | \$ 28,832               | \$ 29,326 | \$ 29,593 | \$ 29,605 | \$ 29,605 |
| Total shares outstanding (in 000's) . . . . .  | 1,153                   | 1,173     | 1,184     | 1,184     | 1,184     |
| Liquidation preference per share . . . . .   | \$ 25.00                | \$ 25.00  | \$ 25.00  | \$ 25.00  | \$ 25.00  |
| Average market value (d) . . . . .   | \$ 23.86                | \$ 22.76  | \$ 23.36  | \$ 23.80  | \$ 25.02  |
| Asset coverage per share . . . . .   | \$ 103.34               | \$ 99.72  | \$ 137.48 | \$ 136.21 | \$ 118.72 |
| <b>Series B Auction Market Cumulative Preferred Shares</b>   |                         |           |           |           |           |
| Liquidation value, end of period (in 000's) . . . . .  | \$ 22,500               | \$ 22,500 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Total shares outstanding (in 000's) . . . . .  | 1                       | 1         | 1         | 1         | 1         |
| Liquidation preference per share . . . . .   | \$ 25,000               | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Average market value (e) . . . . .   | \$ 25,000               | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Asset coverage per share . . . . .   | \$103,336               | \$ 99,721 | \$137,478 | \$136,210 | \$118,718 |
| <b>Asset Coverage (f)</b> . . . . .  | 413%                    | 399%      | 550%      | 545%      | 475%      |

† Based on net asset value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan.

†† Based on market value per share, adjusted for reinvestment of distributions at prices determined under the Fund's dividend reinvestment plan.

††† Effective in 2008, a change in accounting policy was adopted with regard to the calculation of the portfolio turnover rate to include cash proceeds due to mergers. Had this policy been adopted retroactively, the portfolio turnover rate for the years ended December 31, 2007, 2006, and 2005, would have been 29%, 34%, and 29%, respectively.

(a) Calculated based upon average common shares outstanding on the record dates throughout the period.

(b) 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 year ended December 31, 2007, the ratios of operating expenses to average net assets attributable to common shares net of advisory fee reduction would have been 1.63% and the ratios of operating expenses to average net assets including liquidation value of preferred shares net of fee reduction would have been 1.33%. For the years ended December 31, 2009, 2008, 2006, and 2005, the effect of the custodian fee credits was minimal.

(c) The Fund incurred interest expense during the year ended December 31, 2007. If interest expense had not been incurred, the ratio of operating expenses to average net assets attributable to common stock would have been 1.62% and the ratio of operating expenses to average net assets including liquidation value of preferred shares would have been 1.33%. For the years ended December 31, 2009 and December 31, 2008, the effect of interest expense was minimal.

(d) Based on weekly prices.

(e) Based on weekly auction prices. Since February 2008, the weekly auctions have failed. Holders that have submitted orders have not been able to sell any or all of their shares in the auctions.

(f) Asset coverage is calculated by combining all series of preferred shares.

(g) Amount represents less than \$0.005 per share.

See accompanying notes to financial statements.

## THE GABELLI UTILITY TRUST

### NOTES TO FINANCIAL STATEMENTS

**1. Organization.** The Gabelli Utility Trust (the “Fund”) is a non-diversified closed-end management investment company organized as a Delaware statutory trust on February 25, 1999 and registered under the Investment Company Act of 1940, as amended (the “1940 Act”). Investment operations commenced on July 9, 1999.

The Fund’s primary objective is long-term growth of capital and income. The Fund will invest 80% of its assets, under normal market conditions, in common stocks and other securities of foreign and domestic companies involved in providing products, services, or equipment for (i) the generation or distribution of electricity, gas, and water and (ii) telecommunications services or infrastructure operations (the “80% Policy”). The 80% Policy may be changed without shareholder approval. However, the Fund has adopted a policy to provide shareholders with notice at least sixty days prior to the implementation of any change in the 80% Policy.

**2. Significant Accounting Policies.** The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) has become the exclusive reference of authoritative U.S. generally accepted accounting principles (“GAAP”) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the SEC under authority of federal laws are also sources of authoritative GAAP for SEC registrants. The ASC has superseded all existing non-SEC accounting and reporting standards. The Fund’s financial statements are prepared in accordance with GAAP, which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

*Security Valuation.* Portfolio securities listed or traded on a nationally 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 Trustees (the “Board”) so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC (the “Adviser”).

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities’ fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value ADR securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund’s investments are summarized into three levels as described in the hierarchy below:

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and
- Level 3 – significant unobservable inputs (including the Fund’s determinations as to the fair value of investments).

**THE GABELLI UTILITY TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments and other financial instruments by inputs used to value the Fund's investments as of December 31, 2009 is as follows:

|   | Valuation Inputs            |   |   | Total<br>Market Value<br>at 12/31/09 |
|---|-----------------------------|---|---|--------------------------------------|
|   | Level 1<br>Quoted<br>Prices | Level 2<br>Other Significant<br>Observable Inputs | Level 3<br>Significant<br>Unobservable Inputs |                                      |
| <b>INVESTMENTS IN SECURITIES:</b>               |                             |   |   |                                      |
| <b>ASSETS (Market Value):</b>                   |                             |   |   |                                      |
| Common Stocks:                                  |                             |   |   |                                      |
| ENERGY AND UTILITIES                            |                             |   |   |                                      |
| Energy and Utilities: Merchant Energy           | \$ 4,581,261                | —   | \$ 0  | \$ 4,581,261                         |
| COMMUNICATIONS                                  |                             |   |   |                                      |
| Telecommunications                              | 8,963,528                   | \$ 116,307  | 0   | 9,079,835                            |
| OTHER   |                             |   |   |                                      |
| Aerospace                                       | 585,710                     | 7,268   | —   | 592,978                              |
| Other Industries (a)                            | 194,563,051                 | —   | —   | 194,563,051                          |
| Total Common Stocks                             | 208,693,550                 | 123,575   | 0   | 208,817,125                          |
| Convertible Preferred Stocks (a)                | 1,846,300                   | —   | —   | 1,846,300                            |
| Warrants:                                       |                             |   |   |                                      |
| ENERGY AND UTILITIES                            |                             |   |   |                                      |
| Energy and Utilities: Merchant Energy           | 12,531                      | —   | —   | 12,531                               |
| COMMUNICATIONS                                  |                             |   |   |                                      |
| Wireless Communications                         | —                           | 127,577   | —   | 127,577                              |
| Total Warrants                                  | 12,531                      | 127,577   | —   | 140,108                              |
| Convertible Corporate Bonds                     | —                           | 115,750   | —   | 115,750                              |
| U.S. Government Obligations                     | —                           | 1,458,954   | —   | 1,458,954                            |
| <b>TOTAL INVESTMENTS IN SECURITIES</b>          | <b>\$210,552,381</b>        | <b>\$1,825,856</b>                                | <b>\$0</b>                                    | <b>\$212,378,237</b>                 |
| <b>OTHER FINANCIAL INSTRUMENTS:</b>             |                             |   |   |                                      |
| <b>LIABILITIES (Unrealized Depreciation): *</b> |                             |   |   |                                      |
| Contract for Difference Swap Agreements         | \$ —                        | \$ (4,166)  | \$—   | \$ (4,166)                           |
| Interest Rate Swap Agreement                    | —                           | (457,437)   | —   | (457,437)                            |
| <b>TOTAL OTHER FINANCIAL INSTRUMENTS</b>        | <b>\$ —</b>                 | <b>\$ (461,603)</b>                               | <b>\$—</b>                                    | <b>\$ (461,603)</b>                  |

(a) Please refer to the Schedule of Investments for the industry classifications of these portfolio holdings.

\* Other financial instruments are derivatives not reflected in the Schedule of Investments, such as futures, forwards, and swaps which are valued at the unrealized appreciation/depreciation of the instrument.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

|   | Balance<br>as of<br>12/31/08 | Accrued<br>discounts/<br>(premiums) | Realized<br>gain/<br>(loss) | Change in<br>unrealized<br>appreciation/<br>depreciation† | Net<br>purchases/<br>(sales) | Transfers in<br>and/or out<br>of Level 3 | Balance<br>as of<br>12/31/09 | Net change<br>in unrealized<br>appreciation/<br>depreciation<br>during the<br>period on Level 3<br>investments held<br>at 12/31/09† |
|---|------------------------------|-------------------------------------|-----------------------------|---|------------------------------|--|------------------------------|---|
| <b>INVESTMENTS IN SECURITIES:</b>         |                              |                                     |                             |   |                              |  |                              |   |
| <b>ASSETS (Market Value):</b>             |                              |                                     |                             |   |                              |  |                              |   |
| Common Stocks:                            |                              |                                     |                             |   |                              |  |                              |   |
| ENERGY AND UTILITIES                      |                              |                                     |                             |   |                              |  |                              |   |
| Energy and Utilities: Electric Integrated | \$13,200                     | \$—                                 | \$—                         | \$—   | \$—                          | \$(13,200)                               | \$—                          | \$—   |
| Energy and Utilities: Merchant Energy     | 0                            | —                                   | —                           | —   | —                            | —  | 0                            | —   |
| COMMUNICATIONS                            |                              |                                     |                             |   |                              |  |                              |   |
| Telecommunications                        | 0                            | —                                   | —                           | —   | —                            | —  | 0                            | —   |
| Total Common Stocks                       | 13,200                       | —                                   | —                           | —   | —                            | (13,200)                                 | 0                            | —   |
| Corporate Bonds                           | 0                            | —                                   | 0                           | —   | 0                            | —  | —                            | —   |
| <b>TOTAL INVESTMENTS IN SECURITIES</b>    | <b>\$13,200</b>              | <b>\$—</b>                          | <b>\$ 0</b>                 | <b>\$—</b>  | <b>\$ 0</b>                  | <b>\$(13,200)</b>                        | <b>\$ 0</b>                  | <b>\$—</b>  |

† Net change in unrealized appreciation/depreciation on investments is included in the related amounts in the Statement of Operations.

*Derivative Financial Instruments.*

The Fund may engage in various portfolio investment strategies by investing in a number of derivative financial instruments for the purpose of increasing the income of the Fund, hedging or protecting its exposure to interest rate movements and movements in the securities markets, hedging against changes in the value of its portfolio securities and in the value of securities it intends to purchase, or hedging against a specific transaction with respect to either the currency in which the transaction is denominated or another currency. Investing in certain derivative financial instruments, including participation in the options, futures, or swap markets, entails

## THE GABELLI UTILITY TRUST

### NOTES TO FINANCIAL STATEMENTS (Continued)

certain execution, liquidity, hedging, tax, and securities, interest, credit, or currency market risks. Losses may arise if the Adviser's prediction of movements in the direction of the securities, foreign currency, and interest rate markets is inaccurate. Losses may also arise if the counterparty does not perform its duties under a contract, or that, in the event of default, the Fund may be delayed in or prevented from obtaining payments or other contractual remedies owed to it under derivative contracts. The creditworthiness of the counterparties is closely monitored in order to minimize these risks. Participation in derivative transactions involves investment risks, transaction costs, and potential losses to which the Fund would not be subject absent the use of these strategies. The consequences of these risks, transaction costs, and losses may have a negative impact on the Fund's ability to pay distributions.

*Swap Agreements.* The Fund may enter into equity, contract for difference, and interest rate swap or cap transactions for the purpose of increasing the income of the Fund or hedging or protecting its exposure to interest rate movements and movements in the securities market. The use of swaps 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 Fund would agree to pay periodically to the other party (which is known as the "counterparty") a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund periodically a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on the Series B Auction Market Cumulative Preferred Shares ("Series B Shares"). In an interest rate cap, the Fund would pay a premium 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. Swap and cap transactions introduce additional risk because the Fund would remain obligated to pay preferred stock dividends when due in accordance with the Statement of Preferences even if the counterparty defaulted. In a swap, a set of future cash flows is exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at the time a swap transaction reaches its scheduled termination date, there is a risk that the Fund 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.

Unrealized gains related to swaps are reported as an asset and unrealized losses are reported as a liability in the Statement of Assets and Liabilities. The change in the value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps, is reported as unrealized gain or loss in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements.

The Fund has entered into an interest rate swap agreement with Citibank N.A. Under the agreement, the Fund 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 December 31, 2009 are as follows:

| <u>Notional Amount</u> | <u>Fixed Rate</u> | <u>Floating Rate*<br/>(rate reset monthly)</u> | <u>Termination Date</u> | <u>Net Unrealized Depreciation</u> |
|------------------------|-------------------|--|-------------------------|------------------------------------|
| \$25,000,000           | 4.00000%          | 0.23531%                                       | 6/02/10                 | \$(457,437)                        |

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

Current notional amounts are an indicator of the average volume of the Fund's derivative activities during the period.

The Fund has entered into equity contract for difference swap agreements with The Goldman Sachs Group, Inc. Details of the swaps at December 31, 2009 are as follows:

| <u>Notional Amount</u>    | <u>Equity Security Received</u>  | <u>Interest Rate/<br/>Equity Security Paid</u>   | <u>Termination Date</u> | <u>Net Unrealized Depreciation</u> |
|---------------------------|----------------------------------|--|-------------------------|------------------------------------|
|                           |                                  | One Month LIBOR plus<br>90 bps plus Market Value |                         |                                    |
|                           | Market Value<br>Appreciation on: | Depreciation on:                                 |                         |                                    |
| \$199,299 (25,000 Shares) | Rolls-Royce Group plc            | Rolls-Royce Group plc                            | 6/25/10                 | \$(4,149)                          |
| 2,438 (1,500,000 Shares)  | Rolls-Royce Group plc, Cl. C     | Rolls-Royce Group plc, Cl. C                     | 6/25/10                 | (17)                               |
|                           |                                  |  |                         | <u>\$(4,166)</u>                   |

The Fund increased the volume of activity in equity contract for difference swap agreements during the year ended December 31, 2009 with an average notional amount of approximately \$150,297.

*Futures Contracts.* The Fund 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. Upon entering into a futures contract, the Fund 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 Fund each day, depending on the daily fluctuations in the value of the contract, which are included in unrealized appreciation/depreciation on investments and futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

**THE GABELLI UTILITY TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

There are several risks in connection with the use of futures contracts as a hedging instrument. 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 that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market. During the year ended December 31, 2009, the Fund had no investments in futures contracts.

*Forward Foreign Exchange Contracts.* The Fund may engage in forward foreign exchange contracts for the purpose of 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 translations. When the contract is closed, the Fund 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 Fund'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 that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of their contracts. During the year ended December 31, 2009, the Fund had no investments in forward foreign exchange contracts.

**Fair Values of Derivative Instruments as of December 31, 2009:**

The following table presents the value of derivatives held as of December 31, 2009, by their primary underlying risk exposure and respective location on the Statement of Assets and Liabilities:

| Derivative Contracts    | Statement of Assets and Liabilities Location           | Fair Value         |
|-------------------------|--|--------------------|
| Liabilities:            |  |                    |
| Equity Contracts        | Liabilities, Unrealized depreciation on swap contracts | \$ (4,166)         |
| Interest Rate Contracts | Liabilities, Unrealized depreciation on swap contracts | (457,437)          |
| Total                   |  | <u>\$(461,603)</u> |

**Effect of Derivative Instruments on the Statement of Operations during the Year Ended December 31, 2009:**

The following table presents the effect of derivatives on the Statement of Operations during the year ended December 31, 2009, by primary risk exposure:

| Derivative Contracts    | Realized Gain or (Loss) on<br>Derivatives Recognized in Income | Change in Unrealized<br>Appreciation or Depreciation on<br>Derivatives Recognized<br>in Income |
|-------------------------|--|--|
| Equity Contracts        | \$ 96,850  | \$ (14,844)  |
| Interest Rate Contracts | (890,090)  | 360,472  |
| Total                   | <u>\$(793,240)</u>   | <u>\$345,628</u>   |

The Fund's derivative contracts held at December 31, 2009 are not accounted for as hedging instruments under accounting principles generally accepted in the United States of America.

*Repurchase Agreements.* The Fund may enter into repurchase agreements with primary government securities dealers recognized by the Federal Reserve Board, 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. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. It is the policy of the Fund to always receive and maintain securities as collateral whose market value, including accrued interest, is at least equal to 102% of the dollar amount invested by the Fund in each agreement. The Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer of the collateral to the account of the custodian. To the extent that any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to maintain the

**THE GABELLI UTILITY TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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 Fund may be delayed or limited. At December 31, 2009, there were no open repurchase agreements.

*Foreign Currency Translations.* The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at the current exchange rates. 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 that 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 translations. 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 Fund 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.

*Foreign Securities.* The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

*Foreign Taxes.* The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

*Securities Transactions and Investment Income.* Securities transactions are accounted for on 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 on the accrual basis. Premiums and discounts on debt securities are amortized using the effective yield to maturity method. Dividend income is recorded on the ex-dividend date except for certain dividends which are recorded as soon as the Fund is informed of the dividend.

*Custodian Fee Credits and Interest Expense.* When cash balances are maintained in the custody account, the Fund receives credits which are used to offset custodian fees. The gross expenses paid under the custody arrangement are included in custodian fees in the Statement of Operations with the corresponding expense offset, if any, shown as “custodian fee credits.” When cash balances are overdrawn, the Fund is charged an overdraft fee equal to 110% of the 90 day Treasury Bill rate. This amount, if any, would be included in “interest expense” in the Statement of Operations.

*Distributions to Shareholders.* Distributions to common shareholders are recorded on the ex-dividend date. Distributions to shareholders are based on income and capital gains as determined in accordance with federal income tax regulations, which may differ from income and capital gains as determined under U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities and foreign currency transactions held by the Fund, timing differences, and differing characterizations of distributions made by the Fund. Distributions from net investment income for federal income tax purposes include net realized gains on foreign currency transactions. These book/tax differences are either temporary or permanent in nature. To the extent these differences are permanent, adjustments are made to the appropriate capital accounts in the period when the differences arise. Permanent differences were primarily due to recharacterization of distributions and swap reclasses. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2009, reclassifications were made to decrease accumulated net investment income by \$798,202 and to decrease accumulated net realized loss on investments, swap contracts, and foreign currency transactions by \$797,976, with an offsetting adjustment to paid-in capital.

Distributions to shareholders of the Fund’s 5.625% Series A Cumulative Preferred Shares and Series B Auction Market Cumulative Preferred Shares (“Cumulative Preferred Shares”) are recorded on a daily basis and are determined as described in Note 5.

**THE GABELLI UTILITY TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

The tax character of distributions paid during the years ended December 31, 2009 and December 31, 2008 was as follows:

|  | Year Ended<br>December 31, 2009 |                    | Year Ended<br>December 31, 2008 |                    |
|--|---------------------------------|--------------------|---------------------------------|--------------------|
|  | Common                          | Preferred          | Common                          | Preferred          |
| <b>Distributions paid from:</b>                                      |                                 |                    |                                 |                    |
| Ordinary income<br>(inclusive of short-term capital gains) . . . . . | \$ 2,413,479                    | \$1,965,939        | \$ 3,045,137                    | \$1,860,675        |
| Net long-term capital gains . . . . .                                | —                               | —                  | 1,248,226                       | 762,705            |
| Return of capital . . . . .  | 19,676,599                      | —                  | 17,442,628                      | —                  |
| Total distributions paid . . . . .                                   | <u>\$22,090,078</u>             | <u>\$1,965,939</u> | <u>\$21,735,991</u>             | <u>\$2,623,380</u> |

*Provision for Income Taxes.* The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

At December 31, 2009, the components of accumulated earnings/losses on a tax basis were as follows:

|  |                     |
|--|---------------------|
| Accumulated capital loss carryforwards . . . . .   | \$ (890,826)        |
| Net unrealized appreciation on investments, swap contracts, and<br>foreign currency transactions . . . . . | 12,295,676          |
| Other temporary differences* . . . . .   | 57,476              |
| Total . . . . .  | <u>\$11,462,326</u> |

\* Other temporary differences are primarily due to adjustments on preferred share class distribution payables, income from investments in hybrid securities, and mark-to-market and accrual adjustments on investments in swap contracts.

At December 31, 2009, the Fund had net capital loss carryforwards for federal income tax purposes of \$890,826 which are available to reduce future required distributions of net capital gains to shareholders through 2017.

At December 31, 2009, the difference between book basis and tax basis unrealized appreciation/depreciation was primarily due to deferral of losses from wash sales for tax purposes, mark-to-market adjustments on passive foreign investment companies, and basis adjustments for investments in partnerships.

The following summarizes the tax cost of investments and the related unrealized appreciation/depreciation at December 31, 2009:

|                       | Cost          | Gross<br>Unrealized<br>Appreciation | Gross<br>Unrealized<br>Depreciation | Net Unrealized<br>Appreciation |
|-----------------------|---------------|-------------------------------------|-------------------------------------|--------------------------------|
| Investments . . . . . | \$199,621,889 | \$27,189,754                        | \$(14,433,406)                      | \$12,756,348                   |

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed to not meet the more-likely-than-not threshold. For the year ended December 31, 2009, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2009, the Adviser has reviewed all open tax years and concluded that there was no impact to the Fund’s net assets or results of operations. Tax years ended December 31, 2007 through December 31, 2009, remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Adviser will monitor its tax positions to determine if adjustments to this conclusion are necessary.

**3. Agreements and Transactions with Affiliates.** The Fund has entered into an investment advisory agreement (the “Advisory Agreement”) with the Adviser which provides that the Fund will pay the Adviser a fee, computed weekly and paid monthly, equal on an annual basis to 1.00% of the value of its average weekly net assets including the liquidation value of the preferred stock. In accordance with the Advisory Agreement, the Adviser provides a continuous investment program for the Fund’s portfolio and oversees the administration of all aspects of the Fund’s business and affairs. The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Cumulative Preferred Shares if the total return of the NAV of the common shares of the Fund, including distributions and advisory fee subject to reduction, does not exceed the stated dividend rate or corresponding swap rate of the Cumulative Preferred Shares for the year.

The Fund’s total return on the NAV of the common shares is monitored on a monthly basis to assess whether the total return on the NAV of the common shares exceeds the stated dividend rate or corresponding swap rate of each particular series of Cumulative Preferred Shares for the period. For the year ended December 31, 2009, the Fund’s total return on the NAV of the common shares exceeded the stated dividend rate or corresponding swap of the outstanding Preferred Shares. Thus, advisory fees were accrued on these assets.

**THE GABELLI UTILITY TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

During the year ended December 31, 2009, the Fund paid brokerage commissions on security trades of \$20,304 to Gabelli & Company, Inc. (“Gabelli & Company”), an affiliate of the Adviser.

The cost of calculating the Fund’s NAV per share is a Fund expense pursuant to the Advisory Agreement between the Fund and the Adviser. During the year ended December 31, 2009, the Fund paid or accrued \$45,000 to the Adviser in connection with the cost of computing the Fund’s NAV.

As per the approval of the Board, the Fund compensates officers of the Fund, who are employed by the Fund and are not employed by the Adviser (although the officers may receive incentive based variable compensation from affiliates of the Adviser) and pays its allocated portion of the cost of the Fund’s Chief Compliance Officer. For the year ended December 31, 2009, the Fund paid or accrued \$145,849 in payroll expenses in the Statement of Operations.

The Fund pays each Trustee who is not considered an affiliated person an annual retainer of \$6,000 plus \$500 for each Board meeting attended and each Trustee is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$500 per meeting attended. In addition, the Audit Committee Chairman receives an annual fee of \$3,000, the Nominating Committee Chairman receives an annual fee of \$2,000, and the Lead Trustee receives an annual fee of \$1,000. A Trustee may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Trustees who are directors or employees of the Adviser or an affiliated company receive no compensation or expense reimbursement from the Fund.

**4. Portfolio Securities.** Purchases and sales of securities for the year ended December 31, 2009, other than short-term securities and U.S. Government obligations, aggregated \$7,527,547 and \$11,637,296, respectively.

Purchases and sales of U.S. Government obligations for the year ended December 31, 2009, other than short-term obligations, aggregated \$117,785 and \$9,026,164, respectively.

**5. Capital.** The Fund is authorized to issue an unlimited number of shares of beneficial interest (par value \$0.001). The Board has authorized the repurchase of its common shares on the open market when the shares are trading at a discount of 10% or more (or such other percentage as the Board may determine from time to time) from the NAV of the shares. During the years ended December 31, 2009 and December 31, 2008, the Fund did not repurchase any common shares of beneficial interest in the open market.

Transactions in shares of beneficial interest were as follows:

|   | Year Ended<br>December 31, 2009 |             | Year Ended<br>December 31, 2008 |             |
|---|---------------------------------|-------------|---------------------------------|-------------|
|   | Shares                          | Amount      | Shares                          | Amount      |
| Net increase from shares issued upon<br>reinvestment of distributions ..... | 515,887                         | \$3,328,163 | 408,833                         | \$3,135,666 |

A shelf registration authorizing the offering of preferred shares was declared effective by the SEC on June 13, 2008.

The Fund is authorized to issue up to 2,005,000 shares of \$0.001 par value Cumulative Preferred Shares. The Cumulative Preferred Shares are senior to the common shares and result in the financial leveraging of the common shares. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on shares of the Cumulative Preferred Shares are cumulative. The Fund is required by the 1940 Act and by the Statement of Preferences to meet certain asset coverage tests with respect to the Cumulative Preferred Shares. If the Fund fails to meet these requirements and does not correct such failure, the Fund may be required to redeem, in part or in full, the 5.625% Series A and Series B Auction Market Cumulative Preferred Shares at a redemption price of \$25.00 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 coverage requirements could restrict the Fund’s ability to pay dividends to common shareholders and could lead to sales of portfolio securities at inopportune times. The income received on the Fund’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.

On July 31, 2003, the Fund received net proceeds of \$28,895,026 (after underwriting discounts of \$945,000 and offering expenses of \$159,974) from the public offering of 1,200,000 shares of 5.625% Series A Cumulative Preferred Shares. Commencing July 31, 2008 and thereafter, the Fund, at its option, may redeem the 5.625% Series A Cumulative Preferred Shares in whole or in part at the redemption price at any time. During the year ended December 31, 2009, the Fund repurchased and retired 19,736 shares of 5.625% Series A Cumulative Preferred Shares in the open market at a cost of \$456,696 and an average discount of approximately 7.48% from its liquidation preference. At the time the Fund repurchased its Series A Cumulative Preferred Shares, the total return on the NAV of the Common Shares did not exceed the dividend rate of the Series A Cumulative Preferred Shares; therefore advisory fees were not paid on these shares, reducing the advisory fee by \$986. At December 31, 2009, 1,153,288 shares of 5.625% Series A Cumulative Preferred Shares were outstanding and accrued dividends amounted to \$18,020.

## THE GABELLI UTILITY TRUST

### NOTES TO FINANCIAL STATEMENTS (Continued)

During the year ended December 31, 2008, the Fund repurchased and retired 10,676 shares of 5.625% Series A Cumulative Preferred Shares in the open market at a cost of \$212,716 and an average discount of approximately 20.34% from its liquidation preference.

On July 31, 2003, the Fund received net proceeds of \$24,590,026 (after underwriting discounts of \$250,000 and offering expenses of \$159,974) from the public offering of 1,000 shares of Series B Shares. The dividend rate, as set by the auction process, which is generally held every seven days, is expected to vary with short-term interest rates. The dividend rates of Series B Shares ranged from 1.461% to 1.696% for the year ended December 31, 2009. Since February 2008, the number of Series B Shares subject to bid orders by potential holders has been less than the number of Series B Shares subject to sell orders. Therefore, the weekly auctions have failed, and the dividend rate since then has been the maximum rate. Holders that have submitted sell orders have not been able to sell any or all of the Series B Shares for which they have submitted sell orders. The current maximum rate is 125% of the seven day Telerate/British Bankers Association LIBOR rate on the day of such auction. Existing shareholders may submit an order to hold, bid, or sell such shares on each auction date. Shareholders of the Series B Shares may also trade their shares in the secondary market. The Fund, at its option, may redeem the Series B Auction Market Cumulative Preferred Shares in whole or in part at the redemption price at any time. There were no redemptions of Series B Shares during the year ended December 31, 2009. At December 31, 2009, 900 shares of Series B Shares were outstanding with an annualized dividend rate of 1.467% per share and accrued dividends amounted to \$1,834.

During the year ended December 31, 2008, the Fund redeemed and retired 100 Series B Shares. Shareholders received the redemption price of \$25,000 per share, which was equal to the liquidation preference, together with any accumulated and unpaid dividends, for each share redeemed.

The holders of Cumulative Preferred Shares generally are entitled to one vote per share held on each matter submitted to a vote of shareholders of the Fund and will vote together with holders of common stock as a single class. The holders of Cumulative Preferred Shares voting together as a single class also have the right currently to elect two Trustees and under certain circumstances are entitled to elect a majority of the Board of Trustees. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the preferred shares, voting as a single class, will be required to approve any plan of reorganization adversely affecting the preferred shares, and the approval of two-thirds of each class, voting separately, of the Fund's outstanding voting stock must approve the conversion of the Fund from a closed-end to an open-end investment company. The approval of a majority (as defined in the 1940 Act) of the outstanding preferred shares and a majority (as defined in the 1940 Act) of the Fund's outstanding voting securities are required to approve certain other actions, including changes in the Fund's investment objectives or fundamental investment policies.

**6. Industry Concentration.** Because the Fund primarily invests in common stocks and other securities of foreign and domestic companies in the utility industry, its portfolio may be subject to greater risk and market fluctuations than a portfolio of securities representing a broad range of investments.

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

**8. Other Matters.** On April 24, 2008, the Adviser entered into an administrative settlement with the SEC to resolve the SEC's inquiry regarding prior frequent trading activity in shares of the GAMCO Global Growth Fund (the "Global Growth Fund") by one investor who was banned from the Global Growth Fund in August 2002. In the settlement, the SEC found that the Adviser had violated Section 206(2) of the Investment Advisers Act, Section 17(d) of the 1940 Act, and Rule 17d-1 thereunder, and had aided and abetted and caused violations of Section 12(d)(1)(B)(i) of the 1940 Act. Under the terms of the settlement, the Adviser, while neither admitting nor denying the SEC's findings and allegations, agreed, among other things, to pay the previously reserved total of \$16 million (including a \$5 million penalty), of which at least \$11 million will be distributed to shareholders of the Global Growth Fund in accordance with a plan developed by an independent distribution consultant and approved by the independent directors of the Global Growth Fund and the staff of the SEC, and to cease and desist from future violations of the above referenced federal securities laws. The settlement will not have a material adverse impact on the Adviser or its ability to fulfill its obligations under the Advisory Agreement. On the same day, the SEC filed a civil action against the Executive Vice President and Chief Operating Officer of the Adviser, alleging violations of certain federal securities laws arising from the same matter. The officer is also an officer of the Global Growth Fund and other funds in the Gabelli/GAMCO fund complex including the Fund. The officer denies the allegations and is continuing in his positions with the Adviser and the funds. The Adviser currently expects that any resolution of the action against the officer will not have a material adverse impact on the Fund or the Adviser or its ability to fulfill its obligations under the Advisory Agreement.

**9. Subsequent Events.** Management has evaluated the impact on the Fund of events occurring subsequent to December 31, 2009 through February 25, 2010, the date the financial statements were issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

**THE GABELLI UTILITY TRUST**  
**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Trustees and Shareholders of  
The Gabelli Utility Trust:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of The Gabelli Utility Trust (hereafter referred to as the “Trust”) at December 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Trust’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2009 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
New York, New York  
February 25, 2010

**THE GABELLI UTILITY TRUST**  
**ADDITIONAL FUND INFORMATION (Unaudited)**

The business and affairs of the Fund are managed under the direction of the Fund's Board of Trustees. Information pertaining to the Trustees and officers of the Fund is set forth below. The Fund's Statement of Additional Information includes additional information about the Fund's Trustees and is available without charge, upon request, by calling 800-GABELLI (800-422-3554) or by writing to The Gabelli Utility Trust at One Corporate Center, Rye, NY 10580-1422.

| Name, Position(s)<br>Address <sup>1</sup><br>and Age                          | Term of<br>Office and<br>Length of<br>Time Served <sup>2</sup> | Number of<br>Funds in Fund<br>Complex<br>Overseen by<br>Trustee | Principal Occupation(s)<br>During Past Five Years   | Other Directorships<br>Held by Trustee <sup>4</sup>   |
|---|--|---|---|---|
| <b><u>INTERESTED TRUSTEES<sup>3</sup>:</u></b>                                |  |   |   |   |
| <b>Mario J. Gabelli</b><br>Trustee and<br>Chief Investment Officer<br>Age: 67 | Since 1999*  | 26  | Chairman and Chief Executive Officer of GAMCO Investors, Inc. and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc.; Director/Trustee or Chief Investment Officer of other registered investment companies in the Gabelli/GAMCO Funds complex; Chairman and Chief Executive Officer of GGCP, Inc. | Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications) |
| <b>John D. Gabelli</b><br>Trustee<br>Age: 65                                  | Since 1999***  | 10  | Senior Vice President of Gabelli & Company, Inc.  | —   |
| <b><u>INDEPENDENT TRUSTEES<sup>5</sup>:</u></b>                               |  |   |   |   |
| <b>Thomas E. Bratter</b><br>Trustee<br>Age: 70                                | Since 1999*  | 4   | Director, President, and Founder of The John Dewey Academy (residential college preparatory therapeutic high school)  | —   |
| <b>Anthony J. Colavita</b><br>Trustee<br>Age: 74                              | Since 1999**   | 34  | President of the law firm of Anthony J. Colavita, P.C.  | —   |
| <b>James P. Conn</b><br>Trustee<br>Age: 71                                    | Since 1999***  | 18  | Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (insurance holding company) (1992-1998)   | —   |
| <b>Vincent D. Enright</b><br>Trustee<br>Age: 66                               | Since 1999*  | 16  | Former Senior Vice President and Chief Financial Officer of KeySpan Corporation (public utility) (1994-1998)  | Director of Echo Therapeutics, Inc. (therapeutics and diagnostics)  |
| <b>Frank J. Fahrenkopf Jr.</b><br>Trustee<br>Age: 70                          | Since 1999**   | 6   | President and Chief Executive Officer of the American Gaming Association; Co-Chairman of the Commission on Presidential Debates; Former Chairman of the Republican National Committee (1983-1989)   | —   |
| <b>Robert J. Morrissey</b><br>Trustee<br>Age: 70                              | Since 1999**   | 6   | Partner in the law firm of Morrissey, Hawkins & Lynch   | —   |
| <b>Anthony R. Pustorino</b><br>Trustee<br>Age: 84                             | Since 1999***  | 13  | Certified Public Accountant; Professor Emeritus, Pace University  | Director of The LGL Group, Inc. (diversified manufacturing)   |
| <b>Salvatore J. Zizza</b><br>Trustee<br>Age: 64                               | Since 1999**   | 28  | Chairman of Zizza & Co., Ltd. (consulting)  | Director of Hollis-Eden Pharmaceuticals (biotechnology); Director of Trans-Lux Corporation (business services)  |

**THE GABELLI UTILITY TRUST**  
**ADDITIONAL FUND INFORMATION (Continued) (Unaudited)**

| Name, Position(s)<br>Address <sup>1</sup><br>and Age             | Term of<br>Office and<br>Length of<br>Time Served <sup>2</sup> | Principal Occupation(s)<br>During Past Five Years   |
|--|--|---|
| <b>OFFICERS:</b>   |  |   |
| <b>Bruce N. Alpert</b><br>President<br>Age: 58                   | Since 2003   | Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988 and an officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex. Director and President of Teton Advisors, Inc. 1998 through 2008; Chairman of Teton Advisors, Inc. since 2008; Senior Vice President of GAMCO Investors, Inc. since 2008   |
| <b>David I. Schachter</b><br>Vice President<br>Age: 56           | Since 1999   | Vice President of The Gabelli Global Utility & Income Trust since 2004, The Gabelli Global Deal Fund since 2006, and The Gabelli Healthcare & Wellness <sup>Rx</sup> Trust since 2007; Vice President of Gabelli & Company, Inc. since 1999   |
| <b>Agnes Mullady</b><br>Treasurer and Secretary<br>Age: 51       | Since 2006   | Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex; Senior Vice President of U.S. Trust Company, N.A. and Treasurer and Chief Financial Officer of Excelsior Funds from 2004 through 2005; Chief Financial Officer of AMIC Distribution Partners from 2002 through 2004 |
| <b>Peter D. Goldstein</b><br>Chief Compliance Officer<br>Age: 56 | Since 2004   | Director of Regulatory Affairs at GAMCO Investors, Inc. since 2004; Chief Compliance Officer of all of the registered investment companies in the Gabelli/GAMCO Funds complex   |

<sup>1</sup> Address: One Corporate Center, Rye, NY 10580-1422, unless otherwise noted.

<sup>2</sup> The Fund's Board of Trustees is divided into three classes, each class having a term of three years. Each year the term of office of one class expires and the successor or successors elected to such class serve for a three year term. The three year term for each class expires as follows:

\* – Term expires at the Fund's 2010 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

\*\* – Term expires at the Fund's 2011 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

\*\*\* – Term expires at the Fund's 2012 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

Each officer will hold office for an indefinite term until the date he or she resigns or retires or until his or her successor is elected and qualified.

<sup>3</sup> "Interested person" of the Fund as defined in the 1940 Act. Messrs. Gabelli are each considered an "interested person" because of their affiliation with Gabelli Funds, LLC which acts as the Fund's investment adviser. Mario J. Gabelli and John D. Gabelli are brothers.

<sup>4</sup> This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (i.e. public companies) or other investment companies registered under the 1940 Act.

<sup>5</sup> Trustees who are not interested persons are considered "Independent" Trustees.

**Certifications**

The Fund's Chief Executive Officer has certified to the New York Stock Exchange ("NYSE") that, as of June 12, 2009, he was not aware of any violation by the Fund of applicable NYSE corporate governance listing standards. The Fund reports to the SEC on Form N-CSR which contains certifications by the Fund's principal executive officer and principal financial officer that relate to the Fund's disclosure in such reports and that are required by Rule 30a-2(a) under the 1940 Act.

**THE GABELLI UTILITY TRUST**  
**INCOME TAX INFORMATION (Unaudited)**

**December 31, 2009**

**Cash Dividends and Distributions**

| <u>Payable Date</u>                                | <u>Record Date</u> | <u>Total Amount Paid Per Share (a)</u> | <u>Ordinary Investment Income (a)</u> | <u>Long-Term Capital Gains (a)</u> | <u>Return of Capital (c)</u> | <u>Dividend Reinvestment Price</u> |
|--|--------------------|--|---------------------------------------|------------------------------------|------------------------------|------------------------------------|
| <b>Common Shares</b>                               |                    |  |                                       |                                    |                              |                                    |
| 01/23/09   | 01/15/09           | \$0.06000                              | \$0.00633                             | \$ —                               | \$0.05367                    | \$6.42200                          |
| 02/20/09   | 02/12/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 5.27250                            |
| 03/24/09   | 03/17/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 5.07300                            |
| 04/23/09   | 04/16/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 5.80450                            |
| 05/21/09   | 05/14/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 6.08950                            |
| 06/23/09   | 06/16/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 6.34600                            |
| 07/24/09   | 07/17/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 6.55500                            |
| 08/24/09   | 08/17/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 6.70700                            |
| 09/23/09   | 09/16/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 7.01100                            |
| 10/23/09   | 10/16/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 7.71400                            |
| 11/20/09   | 11/13/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 7.65700                            |
| 12/17/09   | 12/14/09           | 0.06000                                | 0.00633                               | —                                  | 0.05367                      | 8.13200                            |
|  |                    | \$0.72000                              | \$0.07596                             | \$ —                               | \$0.64404                    |                                    |
| <b>5.625% Series A Cumulative Preferred Shares</b> |                    |  |                                       |                                    |                              |                                    |
| 03/26/09   | 03/19/09           | \$0.35156                              | \$0.35156                             | \$ —                               |                              |                                    |
| 06/26/09   | 06/19/09           | 0.35156                                | 0.35156                               | —                                  |                              |                                    |
| 09/28/09   | 09/21/09           | 0.35156                                | 0.35156                               | —                                  |                              |                                    |
| 12/28/09   | 12/18/09           | 0.35156                                | 0.35156                               | —                                  |                              |                                    |
|  |                    | \$1.40624                              | \$1.40624                             | \$ —                               |                              |                                    |

**Series B Auction Market Cumulative Preferred Shares**

Series B Auction Market Cumulative Preferred Shares pay dividends weekly based on rates set at auction, usually held every seven days.

A Form 1099-DIV has been mailed to all shareholders of record for the distributions mentioned above, setting forth specific amounts to be included in the 2009 tax returns. Ordinary income distributions include net investment income and realized net short-term capital gains. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV.

**THE GABELLI UTILITY TRUST**  
**INCOME TAX INFORMATION (Continued) (Unaudited)**  
**December 31, 2009**

**Corporate Dividends Received Deduction, Qualified Dividend Income, and U.S. Government Securities Income**

The Fund paid to common and 5.625% Series A Cumulative Preferred shareholders ordinary income dividends of \$0.07596 and \$1.40625 per share, respectively, in 2009. The Fund paid to Series B Auction Market Cumulative Preferred shareholders an ordinary income dividend totaling \$388.12 per share in 2009. For the year ended December 31, 2009, 100.0% of the ordinary income dividend qualified for the dividend received deduction available to corporations, 100.0% of the ordinary income distribution was deemed qualified dividend income and 0.64% of the ordinary income distribution was qualified interest income. The percentage of the ordinary income dividends paid by the Fund during 2009 derived from U.S. Government securities was 0.10%. Such income is exempt from state and local tax in all states. However, many states, including New York and California, allow a tax exemption for a portion of the income earned only if a mutual fund has invested at least 50% of its assets at the end of each quarter of the Fund's fiscal year in U.S. Government securities. The Fund did not meet this strict requirement in 2009. The percentage of U.S. Government securities held as of December 31, 2009 was 0.69%.

**Historical Distribution Summary**

|  | Investment<br>Income (b) | Short-Term<br>Capital<br>Gains (b) | Long-Term<br>Capital<br>Gains | Return of<br>Capital (c) | Total<br>Distributions (a) | Adjustment<br>to Cost<br>Basis (d) |
|--|--------------------------|------------------------------------|-------------------------------|--------------------------|----------------------------|------------------------------------|
| <b>Common Shares</b>                                       |                          |                                    |                               |                          |                            |                                    |
| 2009 .....   | \$0.07596                | —                                  | —                             | \$0.64404                | \$0.72000                  | \$0.64404                          |
| 2008 .....   | 0.10716                  | \$0.00360                          | \$0.04212                     | 0.56712                  | 0.72000                    | 0.56712                            |
| 2007 .....   | 0.15458                  | 0.03985                            | 0.28795                       | 0.23762                  | 0.72000                    | 0.23762                            |
| 2006 .....   | 0.15750                  | 0.03900                            | 0.52350                       | —                        | 0.72000                    | —                                  |
| 2005 .....   | 0.15240                  | 0.02280                            | 0.54480                       | —                        | 0.72000                    | —                                  |
| 2004 (g) .....   | 0.09348                  | 0.02958                            | 0.00229                       | 0.59465                  | 0.72000                    | 0.59465                            |
| 2003 (f) .....   | 0.08544                  | 0.01128                            | 0.21240                       | 0.41088                  | 0.72000                    | 0.41088                            |
| 2002 (e) .....   | 0.11175                  | 0.00210                            | 0.35900                       | 0.24690                  | 0.72000                    | 0.24690                            |
| 2001 .....   | 0.20835                  | 0.33142                            | 0.16023                       | —                        | 0.70000                    | —                                  |
| 2000 .....   | 0.05620                  | 0.14020                            | 0.80360                       | —                        | 1.00000                    | —                                  |
| 1999 .....   | 0.08049                  | 0.00090                            | 0.06861                       | —                        | 0.15000                    | —                                  |
| <b>5.625% Series A Cumulative Preferred Shares</b>         |                          |                                    |                               |                          |                            |                                    |
| 2009 .....   | \$1.40625                | —                                  | —                             | —                        | \$1.40625                  | —                                  |
| 2008 .....   | 0.98590                  | \$0.03309                          | \$0.38726                     | —                        | 1.40625                    | —                                  |
| 2007 .....   | 0.44768                  | 0.11663                            | 0.84194                       | —                        | 1.40625                    | —                                  |
| 2006 .....   | 0.30694                  | 0.07589                            | 1.02342                       | —                        | 1.40625                    | —                                  |
| 2005 .....   | 0.29785                  | 0.04494                            | 1.06346                       | —                        | 1.40625                    | —                                  |
| 2004 .....   | 1.04873                  | 0.33179                            | 0.02572                       | —                        | 1.40625                    | —                                  |
| <b>Series B Auction Market Cumulative Preferred Shares</b> |                          |                                    |                               |                          |                            |                                    |
| 2009 .....   | \$388.12000              | —                                  | —                             | —                        | \$ 388.12000               | —                                  |
| 2008 .....   | 663.22018                | \$ 22.26115                        | \$260.50866                   | —                        | 945.99000                  | —                                  |
| 2007 .....   | 426.72648                | 111.17336                          | 802.52016                     | —                        | 1340.42000                 | —                                  |
| 2006 .....   | 266.52830                | 65.89950                           | 888.68220                     | —                        | 1221.11000                 | —                                  |
| 2005 .....   | 177.88970                | 26.83920                           | 635.15100                     | —                        | 839.88000                  | —                                  |
| 2004 .....   | 280.59420                | 88.77260                           | 6.88340                       | —                        | 376.20000                  | —                                  |

(a) Total amounts may differ due to rounding.

(b) Taxable as ordinary income.

(c) Non-taxable.

(d) Decrease in cost basis.

(e) On May 22, 2002, the Fund distributed Rights equivalent to \$0.09 per share based upon full subscription of all issued shares.

(f) On August 20, 2003, the Fund also distributed Rights equivalent to \$0.18 per share based upon full subscription of all issued shares.

(g) On October 20, 2004, the Fund also distributed Rights equivalent to \$0.03 per share based upon full subscription of all issued shares.

All designations are based on financial information available as of the date of this annual report and, accordingly, are subject to change. For each item, it is the intention of the Fund to designate the maximum amount permitted under the Internal Revenue Code and the regulations thereunder.

|  |
|--|
| <p>The Annual Meeting of The Gabelli Utility Trust's shareholders will be held on Monday, May 17, 2010 at the Greenwich Library in Greenwich, Connecticut.</p> |
|--|

**TRUSTEES AND OFFICERS**  
**THE GABELLI UTILITY TRUST**  
**One Corporate Center, Rye, NY 10580-1422**

**Trustees**

Mario J. Gabelli, CFA  
*Chairman & Chief Executive Officer,*  
*GAMCO Investors, Inc.*

Dr. Thomas E. Bratter  
*President & Founder, John Dewey Academy*

Anthony J. Colavita  
*President,*  
*Anthony J. Colavita, P.C.*

James P. Conn  
*Former Managing Director &*  
*Chief Investment Officer,*  
*Financial Security Assurance Holdings Ltd.*

Vincent D. Enright  
*Former Senior Vice President &*  
*Chief Financial Officer,*  
*KeySpan Corp.*

Frank J. Fahrenkopf, Jr.  
*President & Chief Executive Officer,*  
*American Gaming Association*

John D. Gabelli  
*Senior Vice President,*  
*Gabelli & Company, Inc.*

Robert J. Morrissey  
*Attorney-at-Law,*  
*Morrissey, Hawkins & Lynch*

Anthony R. Pustorino  
*Certified Public Accountant,*  
*Professor Emeritus, Pace University*

Salvatore J. Zizza  
*Chairman, Zizza & Co., Ltd.*

**Officers**

Bruce N. Alpert  
*President*

Peter D. Goldstein  
*Chief Compliance Officer*

Agnes Mullady  
*Treasurer & Secretary*

David I. Schachter  
*Vice President & Ombudsman*

**Investment Adviser**

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

**Custodian**

The Bank of New York Mellon

**Counsel**

Willkie Farr & Gallagher LLP

**Transfer Agent and Registrar**

Computershare Trust Company, N.A.

**Stock Exchange Listing**

|                     |               |                  |
|---------------------|---------------|------------------|
|                     | <u>Common</u> | <u>Preferred</u> |
| NYSE-Symbol:        | GUT           | GUT PrA          |
| Shares Outstanding: | 30,945,908    | 1,153,288        |
|                     |               | 5.625%           |

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading “Specialized Equity Funds,” in Monday’s The Wall Street Journal. It is also listed in Barron’s Mutual Funds/Closed End Funds section under the heading “Specialized Equity Funds.”

The Net Asset Value per share may be obtained each day by calling (914) 921-5070 or visiting [www.gabelli.com](http://www.gabelli.com).

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](http://www.gabelli.com), or e-mail us at: [closedend@gabelli.com](mailto:closedend@gabelli.com)

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase its common shares in the open market when the Fund’s shares are trading at a discount of 10% or more from the net asset value of the shares. The Fund may also, from time to time, purchase its preferred shares in the open market when the preferred shares are trading at a discount to the liquidation value.

# THE GABELLI UTILITY TRUST

One Corporate Center, Rye, NY 10580-1422

Phone: 800-GABELLI (800-422-3554)

Fax: 914-921-5118 Internet: [www.gabelli.com](http://www.gabelli.com)

e-mail: [closedend@gabelli.com](mailto:closedend@gabelli.com)

GUT Q4/2009