

**ATTENTION: IMPORTANT TAX INFORMATION!**  
**2002 DISTRIBUTION BREAKDOWN**  
**7.25% Tax Advantaged Cumulative Preferred Stock**

To All Shareholders:

Set forth below is the allocation of net investment income, short-term capital gains and long-term capital gains for the 2002 distributions of the 7.25% Cumulative Preferred Stock of **The Gabelli Equity Trust Inc.**

If there are any questions, please contact Carter Austin at (914) 921-5070.

		<b>\$ PER SHARE</b>				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
	Record Date	03/19/02	06/19/02	09/19/02	12/18/02	
	Payment Date	03/26/02	06/26/02	09/26/02	12/26/02	
<u>SOURCE</u>						
	Net Investment Income (a)	\$0.024640	\$0.024640	\$0.024640	\$0.024640	\$0.098560
	Short-Term Capital Gains (a)	\$0.007451	\$0.007451	\$0.007451	\$0.007451	\$0.029804
	Long-Term Capital Gains (b)	\$0.421034	\$0.421034	\$0.421034	\$0.421034	\$1.684136
	<b>TOTAL</b>	<b>\$0.453125</b>	<b>\$0.453125</b>	<b>\$0.453125</b>	<b>\$0.453125</b>	<b>\$1.812500</b>

		<b>PERCENTAGES</b>				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<u>SOURCE</u>						
	Net Investment Income (a)	5.4378%	5.4378%	5.4378%	5.4378%	5.4378%
	Short-Term Capital Gains (a)	1.6444%	1.6444%	1.6444%	1.6444%	1.6444%
	Long-Term Capital Gains (b)	92.9178%	92.9178%	92.9178%	92.9178%	92.9178%
	<b>TOTAL</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>

13.36% of the long-term capital gains paid by the Gabelli Equity Trust in 2002 was classified as "20% Rate Gains" subject to a maximum tax rate of 20% (or 10% depending on an individual's tax bracket). Capital gain distributions are reported in box 2a of Form 1099-DIV. 86.64% of the long-term capital gains paid by the Gabelli Equity Trust in 2002 was classified as "Qualified 5-Year Gains" reported in box 2c of Form 1099-DIV.

Corporate Dividends Received Deduction and U.S. Government Securities Income:

The percentage of the ordinary income paid by the Gabelli Equity Trust in 2002 that qualifies for the dividends received deduction available to corporations is 99.95%. The percentage of the ordinary income paid by the Gabelli Equity Trust in 2002 that was derived from U.S. Government Securities was 2.83%. The percentage of U.S. Government Securities held as of December 31, 2002 was 0.00%. (c)

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- (a) Distributions from net investment income and short-term capital gains are taxable as ordinary income and will appear on your Form 1099-DIV under Ordinary Dividends.
- (b) Taxable as long-term capital gains reportable in column (f), line 13 on Form 1040, Schedule D. Since there were no retained capital gains in 2002, Form 2439 will not be necessary.
- (c) Certain states require that 50% of the Fund's portfolio be invested in U.S. Government Securities at the end of each calendar quarter to allow "pass-through" treatment of income derived from U.S. Government Securities. The Trust did not meet this strict requirement in 2002.