

**ATTENTION: IMPORTANT TAX INFORMATION!**  
**2005 DISTRIBUTION ALLOCATIONS**  
**5.875% Cumulative Preferred Shares**

To All Shareholders:

Set forth below is the allocation of net investment income, short-term capital gains and long-term capital gains for the 2005 distributions of the 5.875% Series D Cumulative Preferred Shares of **The Gabelli Equity Trust Inc.**

Please contact Carter Austin at (914) 921-5070 with any inquiries.

**\$ PER SHARE**

	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
Record Date	03/18/05	06/20/05	09/19/05	12/19/05	
Payment Date	03/28/05	06/27/05	09/26/05	12/27/05	
<b>SOURCE</b>					
Net Investment Income (a)	\$0.0475514	\$0.0321680	\$0.0321680	\$0.0321680	\$0.1440554
Short-Term Capital Gains (a)	\$0.0028208	\$0.0029566	\$0.0029566	\$0.0029566	\$0.0116906
Long-Term Capital Gains (b)	\$0.3168153	\$0.3320629	\$0.3320629	\$0.3320629	\$1.3130040
<b>TOTAL</b>	<b>\$0.3671875</b>	<b>\$0.3671875</b>	<b>\$0.3671875</b>	<b>\$0.3671875</b>	<b>\$1.4687500</b>

**PERCENTAGES**

	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>SOURCE</b>					
Net Investment Income (a)	12.9502%	8.7606%	8.7606%	8.7606%	9.8080%
Short-Term Capital Gains (a)	0.7682%	0.8052%	0.8052%	0.8052%	0.7960%
Long-Term Capital Gains (b)	86.2816%	90.4342%	90.4342%	90.4342%	89.3960%
<b>TOTAL</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>	<b>100.0000%</b>

Ordinary Dividends and Capital Gains:

100% of the ordinary income (net investment income and short-term capital gains) paid by the Gabelli Equity Trust in 2005 was classified as "Qualified Dividends" subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Ordinary income is reported in box 1a and qualified income is reported in box 1b of Form 1099-DIV. Capital gain distributions are subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Capital gain distributions are reported in box 2a 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 2005 that qualifies for the dividends received deduction available to corporations is 100%. The percentage of the ordinary income paid by the Gabelli Equity Trust in 2005 that was derived from U.S. Government Securities was 0.00%. The percentage of U.S. Government Securities held as of December 31, 2005 was 4.09%. (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 Form 1099-DIV under Total ordinary dividends in box 1a.
  - (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 2005, 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 2005.