

The Gabelli Equity Trust Inc.

Shareholder Commentary – December 31, 2018

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To Our Shareholders,

For the quarter ended December 31, 2018, the net asset value (“NAV”) total return of The Gabelli Equity Trust (the “Fund”) was (16.8)%, compared with total returns of (13.5)% and (11.3)% for the Standard & Poor’s (“S&P”) 500 Index and the Dow Jones Industrial Average, respectively. The total return for the Fund’s publicly traded shares was (18.5)%. The Fund’s NAV per share was \$5.25, while the price of the publicly traded shares closed at \$5.10 on the New York Stock Exchange (“NYSE”).

Comparative Results

Average Annual Returns through December 31, 2018 (a)

	Quarter	1 Year	5 Year	10 Year	15 Year	20 Year	25 Year	Since Inception (08/21/86)
Gabelli Equity Trust								
NAV Total Return (b)	(16.80)%	(10.17)%	4.41%	14.40%	8.84%	8.22%	9.25%	10.33%
Investment Total Return (c)	(18.46)	(8.43)	2.55	15.40	8.61	7.85	8.65	9.97
S&P 500 Index	(13.52)	(4.38)	8.49	13.12	7.77	5.62	9.07	9.80 (d)
Dow Jones Industrial Average	(11.31)	(3.50)	9.65	13.11	8.17	7.25	10.11	10.89 (d)
Nasdaq Composite Index	(17.28)	(2.80)	11.05	16.85	9.56	6.70	9.85	10.24 (e)

- (a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund's use of leverage may magnify the volatility of net asset value changes versus funds that do not employ leverage. 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 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 Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. 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, adjustments for rights offerings, spin-offs, and taxes paid on undistributed long term capital gains and are net of expenses. Since inception return is based on an initial NAV of \$9.34.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings, spin-offs, and taxes paid on undistributed long term capital gains. Since inception return is based on an initial offering price of \$10.00.
- (d) From August 31, 1986, the date closest to the Fund's inception for which data are available.
- (e) From September 30, 1986, the date closest to the Fund's inception for which data are available.

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.

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 31 year history, the range fluctuated from a 27% discount in December 1987 to a 38% premium in June 2002. On December 31, 2018, the market price of the Fund was at a 2.9% discount to its NAV.

The Fund's long term investment goal is growth of capital, with income as a secondary objective. The Fund seeks to generate a real rate of return of 10%. We believe that our stock selection process adds to the investment equation. We have a successful history of investment, providing shareholders average annual returns of 10.3% since inception.

Barron's 2019 Roundtable

Mario J. Gabelli, our Chief Investment Officer, has appeared in the prestigious Barron's Roundtable discussion annually since 1980. Many of our readers enjoyed the inclusion of selected and edited comments from Barron's Roundtable in previous reports to shareholders. As is our custom, we are including selected comments of Mario Gabelli from Barron's 2019 Roundtable Part 1 and Part 2, published on January 12 and January 19, 2019, respectively.

The 2019 Roundtable BARRON'S

VOL. XCIX NO. 3 JANUARY 21, 2019

Mario, head of Gabelli Funds and its parent firm, is a Wall Street legend, for good reason. He's a shrewd thematic investor with a love of deals, an eye for steals, and an encyclopedic knowledge of multiple businesses and the people who built them.

Barron's: What is the stock market telling us now, and should we believe it? Mario, what are your thoughts?

Gabelli: A year ago, no one thought the economy could grow by 4% on a real [inflation adjusted] basis. This rate unfolded in the second and third quarters of last year. Forecasters missed the cyclical improvement. Now everyone expects the economy to slow, and some even forecast a

recession. I'm in the camp that says we'll see 4% to 4.2% nominal GDP growth this year. Plenty of Democrats and some Republicans are going to run for president in 2020, and everyone is going to ask, "How do we stimulate the economy?" Within that context, job growth is strong, wages are rising, and the consumer is feeling better. The only hiccup is that stock markets took \$10 trillion out of global wealth in the fourth quarter, of which \$5.4 trillion came out of the U.S. consumer.

In the industrial sector, housing is a challenge. As Bill discussed, student loans crimp the ability to buy houses. But there is latent demand for housing, based on cyclical and secular trends. Then, there is a

need to repair infrastructure. We have 614,000 bridges in this country. The American Society of Civil Engineers says 39% are over 50 years old and 9% are structurally deficient as of 2016. The first time a bridge collapses, how will legislators of either party be able to look constituents in the eye and say they voted against an infrastructure bill? I see action on infrastructure spending as a plus for the economy in the second half of 2019 and into 2020.

Meanwhile, stocks are discounting a lot. I'm able to buy companies again at six times EBITDA [earnings before interest, taxes, depreciation, and amortization], a sustainable multiple, whereas nine-times-plus EBITDA wasn't sustainable, especially if long

interest rates are going up. On tariffs, Bill got it right, except for Abby's comment that the Chinese haven't played fair. Then, there are interest rates. The 10-year Treasury note yield is down to 2.66% from a high of 3.23% in November. Last year, I thought rates would climb to 3%, and I'm still at 3%.

Corporate tax cuts are a game changer. The U.S. used to collect around \$300 billion of taxes from \$3.3 trillion of tax revenue. The tax cut has taken out less than \$100 billion of that. It isn't a big drop, relative to the benefits. You have to fasten your seat belt this year and keep it fastened, but at the end of the year, I expect the market to be up.

Barron's: Mario, it's your turn at bat.

Gabelli: Baseball! Sports, to me, is baseball, football and hockey, so I'm recommending Liberty Braves Group [ticker: BATRA], which I have mentioned here before. The stock is selling for \$25. There are 60 million shares, for a market cap of \$1.5 billion, and \$400 million of net debt. The company, a holding of John Malone's Liberty Media, owns the Atlanta Braves and related minor league franchises; SunTrust Park, where the Braves play; and real estate around the park. Everyone should own a baseball team, and this is a way to do it cheaply.

Two new developments are noteworthy about Liberty Braves. The Supreme Court effectively struck down the Professional and Amateur Sports Protection Act last year, which limited sports betting. This is a game changer for professional sports. The National Football League recently decided to allow franchise owners to buy another professional team in the same market. Liberty Braves could buy the Atlanta Falcons, or the Falcons could buy the Braves, which is more likely. We look for the stock to increase 50% over the next several years. Also, John Malone is likely to undertake a transaction involving Liberty Braves.

Next, a couple of people recommended Walt Disney [DIS] today. I'm going to recommend new Fox, the company that will be spun off after Twenty-First Century Fox [FOX] is bought by Disney. [Fox and Barron's parent, News Corp, share common ownership.]

Are you recommending the Class A or Class B shares?

Gabelli: I would buy the B. These are the voting shares, and they are cheaper than the A. Fox trades for \$48 a share and holders have the option of \$38 a share in cash or Disney shares when the deal closes, probably in the next 90 days. You're creating new Fox at \$10 a share. Multiply that by 1.8 billion shares outstanding and the market cap is \$18 billion, and add about \$4.7 billion of net debt. So



Photograph by ioulex; grooming by Gina Marie Picciotto

what do you get? The Fox television network, TV stations, Fox News, and Fox Business. The 2020 election is going to create a tsunami of advertising for broadcasters.

New Fox will generate about \$10 billion of revenue and \$2.9 billion of EBITDA for the fiscal year ending on June 30. I assume the new company will have about \$4.7 billion of net debt, and it has some additional assets, including a stake in Roku [ROKU] and some Los Angeles real estate. The spinoff is structured as a taxable transaction.

Will you elect to take cash or Disney paper?

Gabelli: I have no problem owning Disney, I expect new Fox to trade up to \$18 to \$20 a share two years from now.

Henry Ellenbogen: Are you valuing Fox based on EBITDA?

Gabelli: Yes. I am applying a multiple of what I think the TV stations and cable networks and news and sports assets are worth. You can't get all of this on Netflix. I expect Fox to be a sizable cash

generator over the next four or five years.

Next, equipment rental is a \$55 billion industry in the U.S. It is growing by 6% a year. Herc Holdings [HRI] was spun out of Hertz Global Holdings [HTZ] 2½ years ago at \$33 a share. I recommended the stock two years ago at about \$40. It rose to just over \$70. Last month, it dropped to \$24 and now it's around \$30, partly due to tax-selling pressure and liquidation by a major holder. The market cap is \$850 million. The management is terrific; CEO Lawrence Silber has transformed the fleet toward capital equipment that brings higher dollar utilization and infrastructure end market exposure. The knock on Herc is debt; the company inherited \$2 billion of debt when it was spun out of Hertz. Annual revenue is about \$2.1 billion. EBITDA in 2019 will be about \$750 million, and capital expenditure around \$500 million is still elevated for Herc's fleet refresh. We think the stock could double. The industry is highly fragmented and consolidation has been increasing, with United Rentals (URI) so far being the most acquisitive. Also, we expect incremental spending on infrastructure.

My next pick is MGM Resorts International [MGM]. I recommended it last year and the stock fell, partly due to concerns about gambling license renewals in Macau. They come up in two

years, and one question is what percentage of gross gambling revenues the Chinese government might take. That said, MGM has recently completed upgrades in Las Vegas. The stock trades for \$25, and there are 527 million shares outstanding. On a marked-to-market basis, the company's Macau properties are worth approximately \$6 a share. The real estate assets, or MGM Properties, are worth \$9, so I am creating the rest of the business for \$10. The debt on their U.S. operations is \$7 billion. EBITDA for the U.S. will be around \$1.8 billion this year. The company has 11 Las Vegas properties; it recently renovated the Monte Carlo into the NoMad and Park MGM. MGM opened a casino in Springfield, Massachusetts, last year, and is buying Yonkers Raceway in New York for \$850 million and the Hard Rock Rocksino near Cleveland. Now, why would they want to own

Yonkers Raceway and the Hard Rock Rocksino?

You tell us.

Gabelli: In anticipation of New York State and Ohio allowing online sports gambling. MGM also cut partnership deals with Major League Baseball, the National Hockey League, and the National Basketball Association that give it marketing rights and access to data. And it formed a joint venture with London-based GVC, the owner of Ladbrokes, to create a sports-betting and interactive gaming platform in the U.S. The key to sports gambling for MGM isn't making a bet on a pitch. It is making a bet on the eyeballs betting on pitches, so that the advertiser stays longer. That's the big money maker for some of these sports teams.

MGM management has said that for them, sports betting is about using the interactions that sports create to complement the other

MARIO GABELLI'S PICKS

Company	Ticker	Price 1/4/2019
Liberty Braves Group	BATRA	\$24.90
Twenty-First Century Fox	FOX	47.78
Herc Holdings	HRI	29.48
MGM International	MGM	25.77
Navistar International	NAV	27.16
Griffon	GFF	11.30
Energizer Holdings	ENR	46.53

Source: Bloomberg

gaming and entertainment elements of its business.

Next, we like Navistar International [NAV]. There are 98.9 million shares outstanding. The stock trades for \$27. Carl Icahn owns 16.7 million shares, Mark Rechesky owns 16.2 million, and Volkswagen [VOW3.Germany] owns 16.6 million. Volkswagen is spinning off its truck and bus business as Traton Group. Volkswagen, through Traton, controls 30% of the European 16-ton heavy truck market, selling MAN and Scania trucks. Volvo [VOLV.A.Sweden] has 24%. Volkswagen wants to own Navistar. Why? Because they have no commercial truck presence in the United States and want to leverage their engine technology on a global basis. The U.S. has 2.8 million Class 8 trucks on the road. The average age is six years, a little higher than it had been. This is partly because of tax rules; trucking companies can write off 100% of new and used purchased equipment. We expect Traton to buy Navistar within 18 months.

At what price?

Gabelli: I'll let Carl and the board negotiate that and we'd comment after. I'll note that cash flow is improving, and earnings are improving dramatically. Brazil and other Navistar markets are improving, and the company has cut an intriguing deal for buses with electric engines.

My next pick is a small-cap — Griffon [GFF], which makes home and building products. The stock is trading for \$11.30 a share, and there are 45.7 million shares outstanding. Net debt, unfortunately, is \$1 billion. Revenue for the fiscal year ending on Sept. 30 will be about \$2.1 billion, compared with \$1.98 billion in fiscal 2018. Next year, the company could do \$2.3 billion, even with a flattish housing market, in part because it is making acquisitions around the world. Over the next few years, EBITDA could total \$800 million, and capital spending about \$200 million. Griffon will be able to pay down about \$300 million of debt. Management has done OK, but not great, with deals. In addition to building products, Griffon has a defense electronics business that makes surveillance solutions for detection of submarines. If I ran the company, I would sell it.

Scott Black: Is this the same Griffon that made diaper linings?

Gabelli: Yes. The company sold that business to Berry Plastics for around \$410 million and used the proceeds to fund two acquisitions.

Abby Joseph Cohen: What is the catalyst for the stock?

Gabelli: There has been confusion about the changing nature of the business. The stock was dumped at year end for tax-selling concerns. It's a cheap stock, and we think it could double in the next two or three years as

earnings come through and debt is paid down.

Energizer Holdings [ENR] is my last name. The company bought Spectrum Brands' [SPB] battery and portable lighting business for \$2 billion, notably the Rayovac battery brand. Energizer is required to sell Rayovac's Varta operations as part of the acquisition. We think the operation will be sold for around \$550 million. The most intriguing part of the Rayovac deal is a rapidly growing \$200 million hearing-aid battery business. Energizer is also buying Spectrum's auto care business for cash and stock, which will increase shares outstanding to 74 million, pro forma. Debt is \$3 billion after the acquisitions. Spectrum Brands, which fell from \$100 a share to \$40, is also intriguing, but that's a discussion for another day.

We see enormous EBITDA growth for Energizer, and de minimis capital spending. Over the next three years, EBITDA could approach \$700 million and capex around \$50 million. Debt will be reduced at a significant rate. The stock trades for \$47 and eventually could fetch 18 times estimated earnings of \$3.95 a share, or around \$67. Management is excellent; they understand marketing and distribution. That's it.

Thanks, Mario.

A Fresh Look at the 2018 Barron's Roundtable's Worst Stock Picks

Mario Gabelli: GCP Applied Technologies [GCP] is a producer of cement, concrete additives, and weatherproofing, mostly for commercial construction. It still benefits from the overall construction environment. Furthermore, Swiss-

based Sika [SIKA. Switzerland] is acquiring France's Parex, and its CEO mentioned the company's intention to participate in the industry consolidation. As a small player, GCP is a potential target. The stock has fallen from \$33 to \$25 and I am a buyer.

I'm a buyer of Textron [TXT] at \$46. The long cycle in business jets will

continue with new models being introduced, and Textron is continuing to gradually take share. The Future Vertical Lift opportunity [to develop a family of military helicopters for the U.S. Armed Forces] could be worth well into the billions, although selection might not be until 2023. The company has excellent management.

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer – Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also the Executive Chairman of the Board of Directors of Associated Capital Group, Inc. The securities mentioned in the article are not representative of any portfolio, and the views expressed are subject to change at any time.

As of December 31, 2018, The Gabelli Equity Trust beneficially owned 1.6% of Madison Square Garden Company, 1.3% of Twenty-First Century Fox, 0.4% of Energizer Holdings, 0.3% of Navistar International Corp. 0.2% of MGM Resorts International, 0.2% of Herc Holdings, 0.2% of Liberty Braves, 0.2% of Textron, and less than 0.1% of Griffon Corp.

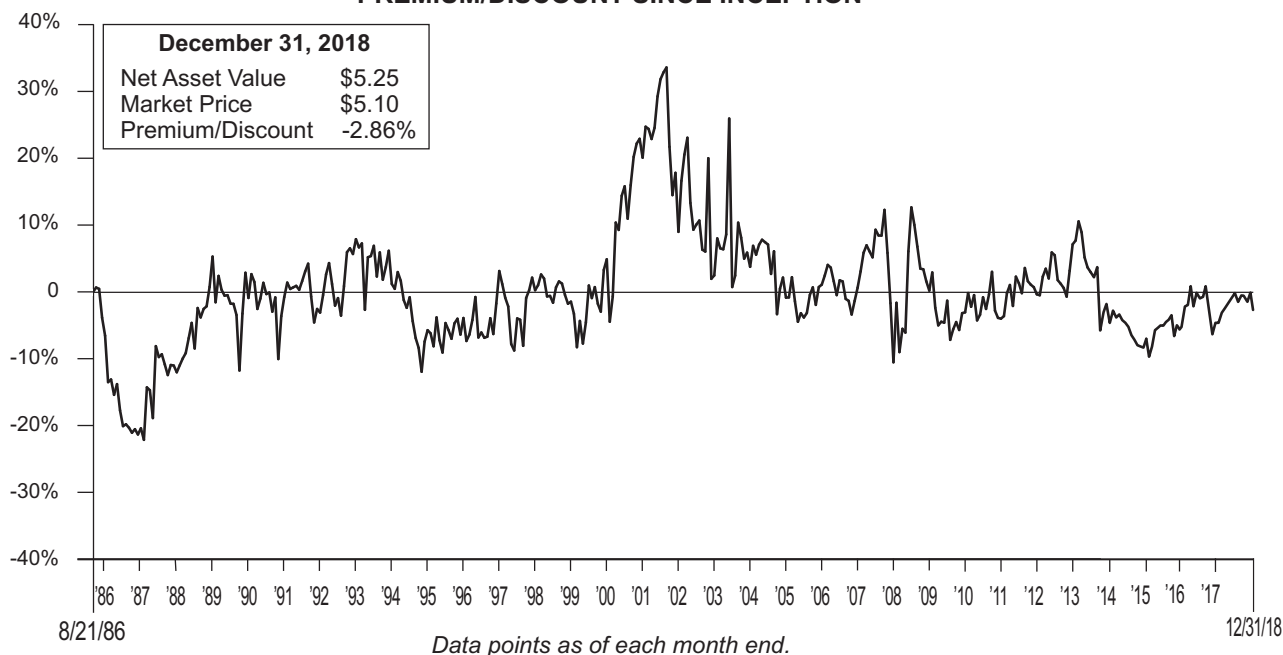
The views expressed in this article reflect those of the Chief Investment Officer only through the date of the interview. Minor edits were made. The Chief Investment Officer's views are subject to change at any time based on market and other conditions. Favorable earnings or EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization) growth prospects do not necessarily translate into higher stock prices, but they do express a positive trend which we believe will develop over time. The information contained in this article is not an offer to sell or a solicitation to buy any security. No security or other product is offered or will be sold in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, or other laws of the jurisdiction.

Stocks are subject to market, economic and business risks that cause their prices to fluctuate. Consequently, you can lose money by investing in the Fund.

Investors should carefully consider the investment objectives, risks, sales charges and expenses of the Fund before investing.

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PREMIUM/DISCOUNT SINCE INCEPTION



Arthur V. Ferrara, Gabelli Equity Trust Board Member

The Gabelli family is saddened to report the death of Arthur V. Ferrara, a long time member of the Board of Directors of the Equity Trust and other closed and open-end funds. Prior to his role at Gabelli Funds, Mr. Ferrara served with distinction as Chairman of the Board and Chief Executive Officer of the Guardian Life Insurance Company of America.

Introduction

For most of the last decade we have lived in what has often been termed a “Goldilocks economy.” Much as the fair-haired, home-invading subject of the children’s story found one bowl of porridge to be “just right,” economic growth and inflation has been neither too hot nor too cold¹. During this time, coordinated action by the world’s central banks kept interest rates near zero and the prices of nearly all asset classes high. The U.S. economy is in its 113th month of expansion, seven months short of the record. Until the fourth quarter stumble, U.S. equities were 119 months into the longest-ever bull market, led mostly by growth stocks riding a global wave of technological innovation and expanding prosperity. Except for growth scares in 2011, 2015, and perhaps one day in November 2016, market volatility has been low and its upward trajectory largely

¹“Goldilocks and the Three Bears” was a hoary tale first recorded by poet Robert Southey in 1837. Market commentator use of the analogy dates to at least the late-1990s expansion.

uninterrupted. There are signs, however, that the narrative may be changing, as a turn in the aging business cycle may be accompanied by a wholesale shift in socio-political regimes from globalism to nationalism and capital to labor. Populism is on the march around the world with long term effects that are unclear, but unlikely to be positive for equities. As in the story, the bears will eventually return home; their timing and mood is uncertain, as is how much of this eventuality the market has already discounted. Against this backdrop we believe bottom-up, fundamental stock selection of the type we have practiced for over forty years remains more important than ever.

The Political Economy of 2018

The most salient issue for the market is growth - with corporate tax cuts behind us and little slack left in the economy, real growth will almost certainly slow from the 3.4% posted in Q3 2018. That does not necessarily imply that a recession, defined as two consecutive quarters of contraction, is on the immediate horizon. How far above or below the approximately 2% real growth that population and productivity gains suggest is “just right” depends on many factors including what we have described variously as Three T’s: Trade, Treasuries, and Trump.

Trade

President Trump made “fair trade” the centerpiece of his election campaign, and he has thus far made good on his promise to challenge the prevailing post-war “free trade” orthodoxy (however illusory that reality might have been). Hope for a trade deal with China rose when the administration renegotiated NAFTA, now called USMCA (the initials of its U.S., Mexican and Canadian signatories), the market understandably zags with each hint that a China deal could emerge since China accounts for nearly half of the US’ \$600 billion trade deficit and remains our third largest export destination. The situation takes on even greater significance due to China’s role as an engine for global growth. China is slowing as it faces domestic structural imbalances. Pressure from President Trump exacerbates those issues, but a deal will not solve them nor heal the lasting damage done to the Sino-American symbiosis.

Treasuries

Also critical to the outlook for the economy and stocks are the level and trajectory of interest rates. Since the Federal Reserve began its taper four years ago in October 2014, the ten-year U.S. Treasury rate breached 3% this year for the first time since 2013, standing now just below that level. Higher interest rates have real world impacts – they make the purchases of new homes, cars, capital equipment, and companies more expensive to finance. All else equal, higher rates reduce the value of risk assets by making the alternative home for capital, “riskless” Treasuries, more attractive. The term structure of interest rates (aka the yield curve) has also been ascribed predictive powers. Inverted curves – situations in which the two-year yield exceeds the ten-year yield – have predicted all nine recessions since 1955, albeit with two false positives and a wide variation in timing. The virtually flat yield curve today thus worries some observers.

Trump

While there has always been a healthy interplay between markets and political figures, President Trump's Twitter habit, unpredictability and the potential legal challenges to his presidency have made him more of a focus than past leaders. Among the concerns for the next two years is how a Democratic Congress with no interest in helping Trump get reelected approves the USMCA, a debt ceiling extension and further fiscal stimulus, especially when the ask may be a tweak to the tax cuts. Interestingly, the War on Tech (i.e. privacy and anti-trust investigations of Facebook, Google, Amazon, and others) seems to be one of the few issues with bipartisan support and worth watching in 2019. Geopolitical disruption is not unique to the U.S: if and how the UK exits the European Union, the precarious positions of leaders in Germany, France, and Italy, not to mention the typical entanglements in the Middle East, also remain a focus.

Skeptics Could Be Wrong If Things Go Right

Not all news – whether real or fake – is bad, of course. In fact, many economic indicators are quite strong, with 3.7% unemployment the lowest since the tumult of 1969, record consumer net worth (\$109 trillion), and interest rates and inflation that, viewed over a longer time frame, remain quite tame. The Federal Reserve and the President are probably not past the point of no return and still have not lost policy control: President Trump, who possesses a keen sensitivity to the stock market, could resolve the trade war and the Fed could blink on 2019 rate hikes. That would leave reason to believe the expansion could continue and that the current state of the market is the pause, like the previous ones in this cycle, that refreshes.

Mr. Market

Causation, Correlation or Neither

The S&P 500 finished 2018 down (4.3%) and the small capitalization Russell 2000 Index was down (11%), with each off (13.4%) and (20.2%) in the fourth quarter, respectively. The performance of the S&P 500, dominated by six technology stocks (Facebook, Amazon, Netflix, Google, Apple, and Microsoft – the “FANGMA”) that comprise 15% of its weight, masked the more significant declines posted by a broader group of stocks. Approximately two-thirds of stocks in the S&P 500 are negative this year, with one-third down more than 20%. Even the vaunted FANGMA is now 25% off its highs, adding credence to the notion that the global growth trend may be broken. “Buy the Dip” has morphed to “Sell the Rip.”

Market declines of this magnitude could be expected to impart a negative wealth effect, i.e., consumers with slimmer brokerage statements feeling less inclined to make discretionary purchases, which could exacerbate an economic slowdown, but market declines are more often simply a precursor, not a trigger, of recessions. Since 1929, there have been sixteen bear markets with most, though not all, pacing a recession by approximately one year, with the recession-less crash of October 1987 a notable exception. It is also worth stating that the market does not equal the economy. Just as some have suggested Wall Street prospered without much of Main Street over the last decade, the reverse could conceivably prove true.

Valuation Today vs. Five Years Out

In any case, stocks are already pricing a slowdown and/or higher rates. A flat year-to-date equity market, compared with estimated EPS gains of 22% in 2018 and 8% in 2019, implies a contraction in forward multiples from 18x at the end of 2017 to roughly 15x today. That is at the low end of historical multiples during periods with inflation in the 0%-3% area. This suggests that the market as a whole does not appear expensive. We do not buy the “market,” but we are finding a lot of bargains in individual stocks recently.

Rx for Investors

What is an investor in a choppy environment, lacking a reliable crystal ball to do? Historically it has proven foolish to attempt to time the market, especially based on macroeconomic data. In 2009, for example, the market rallied 36% between its bottom in March and the June end to the recession. None of this is to suggest investors should ignore their positioning in an evolving environment.

Indeed, we believe we are poised to capitalize from change. Historically we have gravitated towards companies with characteristics such as pricing power, stable cash flows, solid managements and resilient balance sheets – factors which may not have been appreciated in a zero inflation, easy money world. Higher interest rates and greater market volatility substantially increase the cost of capital even for the large internet companies. Combined with a possible economic slowdown, this should flush excess capital from the system, eliminating many of the seemingly disruptive companies backed by venture capital and accommodative capital markets, to the benefit of those with truly sound business models and actual cash flow rather than the promise of future cash flow. Finally, a change in market structure over the last decade, with an estimated 15% of U.S. equities managed passively, could accentuate any downside as withdrawals from ETFs retrace what was relentlessly bought on the way up. Our portfolio, which tends not to resemble what is represented in the popular ETFs, should be less susceptible to those forces, and the volatility a rush to the exit could cause would present buying opportunities for active managers who conduct old fashioned research to uncover value.

Deals, Deals & More Deals

Deal activity slowed through the year as political uncertainty weighed, but the underpinnings for mergers (low interest rates and a lack of organic growth opportunities) remain, and the potentially waning days of the present administration may encourage activity sooner rather than later. Spin-offs rebounded in 2018 (26 by our count), including two by Honeywell and one pre-takeover spin-off by KLX. Notable upcoming announced separations include Madison Square Garden’s spin of its sports teams, Twenty-First Century Fox’s pre-deal spin of its news and broadcast assets, and three-way spins by DowDuPont and United Technologies. As discussed in the past, we like spin-offs because they not only tend to surface value but often serve as the source of new ideas for the portfolios.

Investment Scorecard

After strong performance in 2016 and 2017, 2018 was mostly forgettable from a stock perspective. On the positive side was the bidding war for large, long-time holding Twenty-First Century Fox (1.9% weighting, +41% return) where the Walt Disney Co. prevailed over Comcast for Fox's global entertainment assets. That deal was itself facilitated by judicial clearance of the acquisition by AT&T of former holding Time Warner. Also during the year, Dr. Pepper Snapple (0.4%, +49%) agreed to be acquired by coffee innovator Keurig Green Mountain. Outside of M&A, the Fund saw strong performance from sports/live entertainment investment Madison Square Garden (1.3%, +27%), financial technology provider Mastercard (2.5%, +25%), Japanese food products company Kikkoman (0.8%, +34%) and automotive parts retailer O'Reilly (1.1%, +43%). Less economically sensitive holdings, such as pest-control company Rollins (3.5%, +18%), waste disposal company Republic Services (0.8%, +9%) and health care holdings Boston Scientific (0.4%, +43%) and UnitedHealth Group (0.7%, +15%) added stability to the fund.

Detractors from performance were concentrated among industrial stocks with economic and trade sensitivity, including truck components company Dana (0.3%, -56%), diversified manufacturers Curtiss-Wright (1.5%, -16%) and Crane (0.8%, -18%), and equipment rental firm HERC Holdings (0.3%, -58%). With some exceptions, consumer staples stocks such as Edgewell Personal Care (0.5%, -37%), Conagra Brands (0.3%, -42%) and Kraft Heinz (0.2%, -42%) were weak as they faced changing consumer tastes, new competition, and headwinds from higher interest rates as former "bond proxies." Banks, including Wells Fargo (0.6%, -22%) and State Street (0.6%, -34%), were the victim of the aforementioned flattening yield curve and more recent concerns around deteriorating credit. Finally, Liberty Global, the largest cable operator in Europe, faced regulatory, economic and execution headwinds despite agreeing to sell its second-largest market (Germany) to Vodafone at a multiple more than twice where the company now trades.

Conclusion

In our Q4 2017 letter we expressed surprise that a strong market was overlooking what seemed to be mounting risks late in the economic cycle. As many of those challenges - trade disputes, higher interest rates, political discord - play out, we wonder if the market is now ignoring what continue to be decent corporate fundamentals. Ultimately, our job is to do the work on the microeconomic elements of each company and industry we cover, examine how the changing macroeconomic environment impacts those variables, and make buy and sell decisions that balance the resulting opportunities and risks. Since the bears inevitably come home in each cycle, we have always erred on the side of capital preservation, and that will especially be the case going forward. Children's stories don't always have happy endings, but they serve as cautionary examples that we have heeded well.

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. For the following holdings, the share prices are listed first in United States dollars (USD) and second in the local currency, where applicable, and are presented as of December 31, 2018.

AMETEK Inc. (AME – \$67.70 – NYSE) is a diversified supplier of highly engineered equipment used in a broad array of industrial end markets. The company offers a diverse product portfolio, including test and measurement, metrology, and precision motion control equipment, in addition to specialty materials and aftermarket services. Through November 2018, AMETEK has spent \$1.1 billion acquiring six businesses (following \$560 million spent on three acquisitions during full year 2017). The company still has approximately \$1.3 billion of cash and availability under its revolver to deploy on future acquisitions, a key part of AMETEK's growth strategy. Organic sales growth has also been strong, up 8% year-over-year during the first nine months of 2018, and the company finished the third quarter of 2018 with a solid backlog of \$1.6 billion (in line with the record level of the second quarter of 2018). The stock was weak during the fourth quarter, driven by concerns over the sustainability of global growth and a slowdown in China's industrial sector.

Berkshire Hathaway Inc. (BRK/A \$306,000 – NYSE), based in Omaha, Nebraska, is the holding company for a diverse group of operating subsidiaries, including insurance, freight rail transportation, utilities and energy, finance services, and retailing. The subsidiaries operate in an autonomous fashion, while investment and capital allocation decisions are managed by 88 year-old Warren Buffett in consultation with 94 year-old Charlie Munger. From 1965 through December 31, 2017, the firm had an annual compounded gain on book value of 19.1%.

Deere & Co. (DE – \$149.17 – NYSE), headquartered in Moline, Illinois, is a leading global manufacturer of machinery for agricultural, construction, and forestry usage. Its dominant position in North American agricultural equipment markets optimally positions the company for what is expected to be an increase in demand for agricultural equipment, both in the near term, given cycle dynamics, and for the long term, as global population and income growth drive crop demand in the coming decades.

Honeywell International Inc. (HON – \$132.12 – NYSE) operates as a diversified technology company with highly engineered products, including turbine propulsion engines, auxiliary power units, aircraft brake pads, environmental control systems, engine controls, communications and navigation systems, sensors, building automation, catalysts and absorbents, and process technology for the petrochemical and refining industries and warehouse automation equipment and software. One of the key drivers of HON's growth is acquisitions, which increase the company's growth profile globally, creating both organic and inorganic opportunities.

Madison Square Garden Co. (MSG – \$267.70 – NYSE) is an integrated sports and entertainment company that owns the New York Knicks, the New York Rangers, the Radio City Christmas Spectacular, The Forum, and that iconic New York venue, Madison Square Garden. These evergreen content and venue assets benefit from sustainable barriers to entry and long term secular growth. MSG completed the separation of its associated regional sports networks in September 2015, leaving a reliable cash flow stream for MSG to reinvest and

repurchase shares. The company announced that it would spin-off its teams in the middle of 2019, which we think could further surface value, especially as MSG expands its venue portfolio.

Mastercard Inc. (MA – \$188.65 – NYSE) is one of the largest electronic payments processing companies, providing services in more than 210 countries and territories. It continues to capitalize on the strong secular global trend of moving to electronic payments from traditional paper. For all of 2017, clients charged approximately \$5.2 trillion. At the end of December 2018, cards in force totaled over 1.8 billion. Longer term, Mastercard is well positioned to increase revenue due to global growth in personal incomes, rapid increase in commerce, and movement to electronic payment.

Textron Inc. (TXT – \$45.99 – NYSE), based in Providence, Rhode Island, manufactures Cessna light and medium business jets and Beechcraft turboprops in its Textron Aviation segment, Bell commercial and military helicopters, including the V-22 in its Bell segment, unmanned aircraft and other military equipment in its Textron systems segment, and specialized vehicles and auto parts in its industrial segment. The business jet market is gradually coming out of a ten-year trough, thanks to a strong economy and the benefits of tax reform, namely accelerated depreciation. Textron enjoys a near duopoly in light and medium business jets alongside Embraer and a now much smaller Bombardier. In its Bell business, Textron is introducing new commercial helicopters, and has the lead design for the next generation tiltrotor aircraft in its V-280, which could be a game changer for the company next decade. Textron's AT-6 aircraft is competing for a potential sizable Light Attack Contract with the U.S. Air Force. The company has recently experienced challenges in its industrial business, specifically its Arctic Cat acquisition within Specialty Vehicles, as it tries to improve the product portfolio and dealer relationships. Fortunately, Textron's adept management team has a history of fixing problems in existing and acquired businesses.

Twenty-First Century Fox Inc. (FOX/FOXA – \$47.78/\$48.12 – NASDAQ) is a diversified media company with operations in cable network television, television broadcasting, and filmed entertainment. We expect FOX to complete the transaction with Disney early in 2019. On November 19, 2018, Disney received an approval from Chinese regulators to acquire FOX's assets. Given ongoing trade tensions with the U.S., some investors were concerned the deal could be held up for political reasons. With Department of Justice and European approval obtained, Brazil is left as the final jurisdiction remaining to make a decision. Even prior to obtaining Chinese approval, Disney felt confident the deal would close "meaningfully earlier" than the original target of June 2019. New Fox, the collection of assets not sold to Disney, will consist of: 1) Fox News, the most watched cable news channel in the U.S.; 2) The Fox Broadcast Network, one of the Big Four broadcast networks with substantial portfolio of sports rights, including the NFL and MLB; 3) FS1, the national sports network launched in 2013 to compete with ESPN; and 4) other cable networks, such as the Big Ten Network. The company will be highly reliant on news and sports programming, which is watched live and not subject to the kind of ratings pressure seen in general entertainment networks. Given the "must carry" nature of both the Fox Broadcast Network and Fox News, we expect the company will be able to grow affiliate fees from distributors substantially faster than its peers.

Xylem Inc. (XYL – \$66.72 – NYSE) is a global leader in the design, manufacturing, and application of highly engineered technologies for the transportation, treatment, measurement, and testing of water. The company is expected to benefit from favorable long term fundamentals in the water industry, driven by scarcity, population

growth, aging of the infrastructure, and the need to improve water quality. Further, with a large installed base of pumps and systems, the company is well positioned to increase aftermarket revenue, which currently represents roughly 40% of total revenues. XYL expects to generate mid-teens earnings per share growth through 2020 as it accelerates its capital deployment strategy globally. The company is currently building out its infrastructure analytics capabilities as it integrates companies it has acquired in the past several years, such as Sensus, Hypack, and Pure Technologies.

January 24, 2019

Top Ten Holdings
December 31, 2018

Rollins Inc.	American Express Co.
Mastercard Inc.	Swedish Match AB
Twenty-First Century Fox Inc.	The Madison Square Garden Co.
Honeywell International Inc.	Ametek Inc.
Berkshire Hathaway Inc.	Deere & Co.

Note: The views expressed in this Shareholder Commentary reflect those of the Portfolio Managers only through the end of the period stated in this Shareholder Commentary. The Portfolio Managers' views are subject to change at any time based on market and other conditions. The information in this Shareholder Commentary represents the opinions of the individual Portfolio Managers 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 Managers 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. Beneficial ownership of shares held in the Fund by Mr. Gabelli and various entities he is deemed to control are disclosed in the Fund's annual proxy statement.

10% Distribution Policy for Common Stockholders

The Board of Directors of the Fund (the "Board") has reaffirmed the continuation of the Fund's 10% distribution policy. Pursuant to its distribution policy, the Fund paid a \$0.19 per share cash distribution on December 14, 2018, to common stockholders of record on December 07, 2018.

The Fund intends to pay a quarterly distribution of an amount determined each quarter by the Board. Under the Fund's current distribution policy, the Fund intends to pay a minimum annual distribution of 10% of the average net asset value of the Fund within a calendar year or an amount sufficient to satisfy the minimum distribution requirements of the Internal Revenue Code, whichever is greater. The average net asset value of the Fund is based on the average net asset values as of the last day of the four preceding calendar quarters.

Each quarter, the Board reviews the amount of any potential distribution from 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. The distribution rate should not be considered the dividend yield or total return on an investment in the Fund.

If the Fund does not generate sufficient earnings (dividends and interest income and realized net capital gain) 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 earnings would be deemed a return of capital. Since this would be considered a return of a portion of a shareholder's original investment, it is generally not taxable and is treated as a reduction in the shareholder's cost basis. Despite the challenges of the extra recordkeeping, a distribution that incorporates a return of capital serves as a smoothing mechanism resulting in a more stable and consistent cash flow available to shareholders.

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, 2018, the total distributions paid to common shareholders in 2018 represent approximately 9% from net investment income, 85% from net capital gains and 6% from paid-in capital. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

Series C and Series E Auction Rate Cumulative Preferred Stock

During the fourth quarter of 2018, the dividend rates for the Series C and Series E Auction Rate Cumulative Preferred Stock ranged from 3.764% to 4.184% and 3.764% to 4.149%, respectively. Dividend rates for the Series C and Series E Preferred Shares may be reset every seven days based on the results of an auction. Since February 2008, the number of Series C and Series E Preferred Shares subject to bid orders by potential holders has been less than the number of sell orders. Therefore the weekly auctions have failed, and the holders have not been able to sell any or all of the Series C and Series E Preferred Shares for which they submitted sell orders. The dividend rate since then has been the maximum rate. At December 31, 2018, the maximum rate was 175% of the "AA" Financial Composite Commercial Paper Rate and the Series C and Series E Preferred Shares are rated "A1" by Moody's Investors Service and "AA" by Fitch Ratings. The Series C and Series E Preferred Shares do not trade on an exchange. The Fund was authorized to issue 5,200 Series C Preferred Shares on June 27, 2002, and 2,000 Series E Preferred Shares on October 7, 2003 at \$25,000 per share. As of December 31, 2018, 2,880 and 1,120 Series C and Series E Preferred Shares, respectively, were outstanding.

5.875% Series D Cumulative Preferred Stock

The Fund's 5.875% Series D Cumulative Preferred Stock paid a \$0.3671875 per share cash distribution on December 26, 2018, to preferred shareholders of record on December 18, 2018. The Series D Preferred Shares, which trade on the NYSE under the symbol "GAB Pr D", are rated "A1" by Moody's Investors Service

and have an annual dividend rate of \$1.46875 per share. The Series D Preferred Shares were issued on October 7, 2003, at \$25.00 per share and pay distributions quarterly. After five years of call protection, the Series D 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 2019.

The Fund is authorized to purchase its Series D 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 per share. In total through December 31, 2018, the Fund has repurchased and retired 156,140 Series D Preferred Shares in the open market under this share repurchase authorization. No shares were repurchased during the fourth quarter of 2018.

Series G Cumulative Preferred Stock

The Fund's Series G Cumulative Preferred Stock paid a \$0.3125 per share cash distribution on December 26, 2018, to preferred shareholders of record on December 18, 2018. The Series G Preferred Shares, which trade on the NYSE under the symbol "GAB Pr G", were issued on August 1, 2012 at \$25.00 per share. The Series G Preferred Shares pay distributions quarterly and, for the first twelve months beginning from the date of issuance (August 1, 2012), had an annual dividend rate of 6.00%, and thereafter an annual dividend rate of 5.00% for all future dividend periods. After five years of call protection, the Series G 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 2019.

The Fund is authorized to purchase its Series G 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 per share. In total through December 31, 2018, the Fund has repurchased and retired 36,728 Series G Preferred Shares in the open market under this share repurchase authorization. No shares were repurchased during the fourth quarter of 2018.

Series H Cumulative Preferred Stock

The Fund's Series H Cumulative Preferred Stock paid a \$0.3125 per share cash distribution on December 26, 2018, to preferred shareholders of record on December 18, 2018. The Series H Preferred Shares, which trade on the NYSE under the symbol "GAB Pr H", are rated "A1" by Moody's Investors Service and have an annual dividend rate of \$1.25 per share. The Series H Preferred Shares were issued on September 28, 2012, at \$25.00 per share and pay distributions quarterly. After five years of call protection, the Series H 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 2019.

The Fund is authorized to purchase its Series H 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 per share. In total December 31, 2018, the Fund has repurchased and retired 27,127 Series H Preferred Shares in the open market under this share repurchase authorization. No shares were repurchased during the fourth quarter of 2018.

5.450% Series J Cumulative Preferred Stock

The Fund's Series J Cumulative Preferred Stock paid a \$0.340625 per share cash distribution on December 26, 2018, to preferred shareholders of record on December 18, 2018. The Series J Preferred Shares, which trade on the NYSE under the symbol "GAB Pr J", are rated "A1" by Moody's Investors Service and have an annual dividend rate of \$1.3625 per share. The Series J Preferred Shares were issued on March 31, 2016, at \$25.00 per share, and pay distributions quarterly. The Series J Preferred Shares will be callable at any time at the liquidation value of \$25.00 per share plus accrued dividends following the expiration of the five year call protection on March 31, 2021. The next distribution is scheduled for March 2019.

The Fund is authorized to purchase its Series J 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 per share. Through December 31, 2018, the Fund has not repurchased any Series J Preferred Shares in the open market under this share repurchase authorization.

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, 2018, the total distributions paid to preferred shareholders represent approximately 10% from net investment income and 90% from net capital gains. The estimated components of each distribution are updated and provided to shareholders of record in a notice accompanying the distribution and are available on our website (www.gabelli.com). All shareholders with taxable accounts will receive written notification regarding the components and tax treatment for all 2018 distributions in early 2019 via Form 1099-DIV.

Tax Treatment of Distributions to Common and Preferred Shareholders

All or part of the distributions may be treated as long term capital gain or qualified dividend income (or a combination of both) for individuals, each subject up to the maximum federal income tax rate. In addition, certain U.S. shareholders who are individuals, estates, or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surcharge on their "net investment income," which includes dividends received from the Fund and capital gains from the sale or other disposition of shares of the Fund.

www.gabelli.com

Please visit us on the Internet. Our homepage at www.gabelli.com contains information about GAMCO Investors, Inc., the Gabelli/GAMCO Closed-End Funds and 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.

You may sign up for our e-mail alerts at www.gabelli.com and receive 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. Tax Treatment of Distributions to Common and Preferred Shareholders.

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

It is the policy of The Gabelli Equity Trust Inc. (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 shares of common stock 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 stock certificates to Computershare Trust Company, N.A. (“Computershare”) to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Equity Trust Inc.
c/o Computershare Trust Company, N.A.
P.O. Box 505000
Louisville, KY 40233

Shareholders requesting this cash election must include the shareholder’s name and address as they appear on the Fund’s records. 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 dividends will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in “street name” at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of common stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund’s common stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of common stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund’s common stock. 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 stock at the time of valuation exceeds the market price of the common stock, participants will receive 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 stock 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 stock exceeds the then current net asset value.

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

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 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, c/o Computershare Trust Company, N.A., P.O. Box 505000, Louisville, KY 40233 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 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.

Overnight correspondence should be sent to:

c/o The Gabelli Equity Trust Inc.
Computershare Trust Company, N.A.
462 South 4th Street, Suite 1600
Louisville, KY 40202

We have separated the portfolio managers' 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 managers' 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.

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "General 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 "General Equity Funds."

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

The Nasdaq symbol for the Net Asset Value per share is "XGABX."

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 shares of its common stock 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 shares of its preferred stock in the open market when the preferred stock are trading at a discount to the liquidation value.

This report is printed on recycled paper.

THE GABELLI EQUITY TRUST INC.
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer –Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer – Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of the Board of Directors of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School, and Honorary Doctorates from Fordham University and Roger Williams University.

Christopher J. Marangi joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA with honors from Columbia Business School.

Kevin V. Dreyer joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he currently serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Funds Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA from Columbia Business School.

Robert D. Leininger, CFA, joined GAMCO Investors, Inc. in 1993 as an equity analyst. Subsequently, he was a partner and portfolio manager at Rorer Asset Management before rejoining GAMCO in 2010 where he currently serves as a portfolio manager of Gabelli Funds, LLC. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA from the Wharton School at the University of Pennsylvania.

Daniel M. Miller currently serves as a portfolio manager of Gabelli Funds, LLC. He is also a Managing Director of GAMCO Investors, Inc. Mr. Miller graduated magna cum laude with a degree in finance from the University of Miami in Coral Gables, Florida.

Jennie Tsai joined Gabelli in 2001 as a research analyst responsible for the healthcare and medical products industries. At Gabelli Funds, LLC, Ms. Tsai is focused on medical sectors, including orthopedics, dental, ophthalmology, general medical and others. She received her B.S. in Commerce at the University of Virginia and an MBA in Finance from Columbia Business School.

THE GABELLI EQUITY TRUST INC.

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GABELLI.COM

DIRECTORS

Mario J. Gabelli, CFA
Chairman &
Chief Executive Officer,
GAMCO Investors Inc.
Executive Chairman,
Associated Capital Group Inc.

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

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

Michael J. Ferrantino
Chief Executive Officer,
InterEx Inc.

William F. Heitmann
Former Senior Vice President
of Finance,
Verizon Communications, Inc.

Kuni Nakamura
President,
Advanced Polymer Inc.

Salvatore J. Zizza
Chairman,
Zizza & Associates Corp.

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Agnes Mullady
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Andrea R. Mango
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Carter W. Austin
Vice President

Molly A.F. Marion
Vice President & Ombudsman

David I. Schachter
Vice President

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.



GABELLI
FUNDS

THE GABELLI EQUITY TRUST INC.

GAB

Shareholder Commentary
December 31, 2018

The Gabelli Equity Trust Inc.

Annual Report — December 31, 2018

(Y)our Portfolio Management Team



Mario J. Gabelli, CFA
Chief Investment
Officer



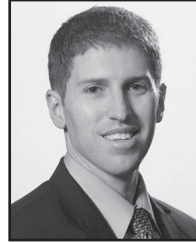
Christopher J. Marangi
Co-Chief
Investment Officer
BA, Williams College
MBA, Columbia
Business School



Kevin V. Dreyer
Co-Chief
Investment Officer
BSE, University of
Pennsylvania
MBA, Columbia
Business School



Robert D. Leininger, CFA
Portfolio Manager
BA, Amherst College
MBA, Wharton School,
University of Pennsylvania



Daniel M. Miller
Managing Director,
GAMCO Investors
BS, University of
Miami



Jennie Tsai
Portfolio Manager
BS, University of
Virginia
MBA, Columbia
Business School

To Our Shareholders,

For the year ended December 31, 2018, the net asset value (NAV) total return of The Gabelli Equity Trust Inc. (the Fund) was (10.2)%, compared with total returns of (4.4)% and (3.5)% for the Standard & Poor's (S&P) 500 Index and the Dow Jones Industrial Average, respectively. The total return for the Fund's publicly traded shares was (8.4)%. The Fund's NAV per share was \$5.25, while the price of the publicly traded shares closed at \$5.10 on the New York Stock Exchange (NYSE). See page 2 for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2018.

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's annual and semiannual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website (www.gabelli.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report. If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. To elect to receive all future reports in paper free of charge, please contact your financial intermediary, or, if you invest directly with the Fund, you may call 800-422-3554 or send an email request to info@gabelli.com.

Comparative Results

Average Annual Returns through December 31, 2018 (a) (Unaudited)

	1 Year	5 Year	10 Year	15 Year	20 Year	25 Year	Since Inception (08/21/86)
Gabelli Equity Trust							
NAV Total Return (b)	(10.17)%	4.41%	14.40%	8.84%	8.22%	9.25%	10.33%
Investment Total Return (c)	(8.43)	2.55	15.40	8.61	7.85	8.65	9.97
S&P 500 Index	(4.38)	8.49	13.12	7.77	5.62	9.07	9.80(d)
Dow Jones Industrial Average	(3.50)	9.65	13.11	8.17	7.25	10.11	10.89(d)
Nasdaq Composite Index	(2.80)	11.05	16.85	9.56	6.70	9.85	10.24(e)

- (a) Returns represent past performance and do not guarantee future results. Investment returns and the principal value of an investment will fluctuate. The Fund's use of leverage may magnify the volatility of net asset value changes versus funds that do not employ leverage. 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 for performance information as of the most recent month end. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. 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, adjustments for rights offerings, spin-offs, and taxes paid on undistributed long term capital gains and are net of expenses. Since inception return is based on an initial NAV of \$9.34.
- (c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings, spin-offs, and taxes paid on undistributed long term capital gains. Since inception return is based on an initial offering price of \$10.00.
- (d) From August 31, 1986, the date closest to the Fund's inception for which data are available.
- (e) From September 30, 1986, the date closest to the Fund's inception for which data are available.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2018:

The Gabelli Equity Trust Inc.

Food and Beverage	11.7%	U.S. Government Obligations	1.9%
Financial Services	9.8%	Environmental Services	1.8%
Entertainment	6.6%	Hotels and Gaming	1.8%
Equipment and Supplies	6.0%	Aviation: Parts and Services	1.4%
Health Care	5.7%	Wireless Communications	1.1%
Consumer Services	5.0%	Computer Software and Services	0.8%
Diversified Industrial	4.7%	Building and Construction	0.7%
Business Services	3.9%	Closed-End Funds	0.7%
Consumer Products	3.8%	Automotive	0.7%
Energy and Utilities	3.7%	Metals and Mining	0.6%
Automotive: Parts and Accessories	3.7%	Communications Equipment	0.5%
Cable and Satellite	3.6%	Transportation	0.5%
Telecommunications	3.3%	Publishing	0.5%
Machinery	2.7%	Agriculture	0.5%
Retail	2.5%	Real Estate	0.4%
Aerospace and Defense	2.5%	Manufactured Housing and Recreational Vehicles	0.1%
Broadcasting	2.4%		
Electronics	2.3%		
Specialty Chemicals	2.1%		
			<u>100.0%</u>

The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission (the SEC) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at 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 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 800-SEC-0330.

Proxy Voting

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 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.

We have separated the portfolio managers' 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 managers' commentary is unrestricted. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

The Gabelli Equity Trust Inc.

Portfolio Changes — Quarter Ended December 31, 2018 (Unaudited)

	Shares	Ownership at December 31, 2018		Shares	Ownership at December 31, 2018
NET PURCHASES					
Common Stocks					
Acorda Therapeutics Inc.	2,911	7,911	Liberty Media Corp.- Liberty Formula One, Cl. A	10,000	89,250
Acuity Brands Inc.	500	8,000	Liberty Media Corp.- Liberty SiriusXM, Cl. C	10,000	158,000
Aerie Pharmaceuticals Inc.	1,000	1,000	Loral Space & Communications Inc.	2,000	45,000
Akorn Inc.	12,500	20,000	Macquarie Infrastructure Corp.	7,000	100,000
Allergan plc	1,000	20,600	Marinus Pharmaceuticals Inc.	12,000	17,000
Alnylam Pharmaceuticals Inc.	1,500	2,000	Marriott Vacations Worldwide Corp.	300	3,600
AmerisourceBergen Corp.	1,500	24,700	Matthews International Corp., Cl. A	2,000	7,000
Arcosa Inc.(a)	28,333	28,333	McKesson Corp.	1,000	1,000
Armstrong Flooring Inc.	9,000	40,000	Meredith Corp.	5,000	87,700
Astec Industries Inc.	18,000	18,000	MGM Resorts International	5,000	150,000
Axalta Coating Systems Ltd.	2,000	22,000	Modine Manufacturing Co.	20,000	180,000
Banco Santander SA, ADR	585	72,585	Molson Coors Brewing Co., Cl. B	24,000	50,000
Bank of America Corp.	19,000	60,000	Mueller Water Products Inc., Cl. A	12,000	230,000
Bluebird Bio Inc.	1,500	1,500	Navistar International Corp.	22,000	180,000
Celgene Corp.	1,500	1,500	Nektar Therapeutics	1,500	5,000
Cigna Corp.(b)	4,868	4,868	Nevro Corp.	1,500	13,500
CIRCOR International Inc.	30,000	139,000	NextEra Energy Partners LP	1,000	8,000
Clovis Oncology Inc.	8,000	14,900	Nilfisk Holding A/S	2,000	6,000
CNH Industrial NV	30,000	255,010	Och-Ziff Capital Management Group LLC, Cl. A	45,000	45,000
Comcast Corp., Cl. A	9,000	174,000	Oi SA, Cl. C, ADR(e)	4,267	4,267
Conagra Brands Inc.	30,000	175,000	Patterson Cos. Inc.	1,359	9,859
ConforMIS Inc.	45,000	104,056	Patterson-UTI Energy Inc.	34,000	135,000
Corus Entertainment Inc., OTC, Cl. B	6,666	24,000	Penn National Gaming Inc.(f)	7,560	7,560
CRISPR Therapeutics AG	2,000	2,000	Perrigo Co. plc	1,000	1,000
Cutera Inc.	8,500	18,900	PetIQ Inc.	32,600	50,000
DowDuPont Inc.	23,000	105,000	PetMed Express Inc.	4,500	9,800
EchoStar Corp., Cl. A	8,000	39,933	Puma Biotechnology Inc.	3,500	7,000
Editas Medicine Inc.	1,000	1,000	Reading International Inc., Cl. A	4,000	14,000
Emerald Expositions Events Inc.	2,000	27,000	Replimune Group Inc.	5,000	5,000
Energy Transfer LP	62,000	62,000	Resideo Technologies Inc.(g)	75,334	75,334
Evolus Inc.	1,000	5,000	Rogers Communications Inc., New York, Cl. B	19,310	447,200
Facebook Inc., Cl. A	3,000	3,000	Rollins Inc.(h)	620,400	1,905,000
Fomento Economico Mexicano SAB de CV, ADR	1,600	77,800	Rolls-Royce Holdings plc, Cl. C	55,614,000	55,614,000
frontdoor Inc.(c)	2,500	2,500	Schultze Special Purpose Acquisition Corp.	50,000	50,000
Garrett Motion Inc.(d)	24,200	24,200	ServiceMaster Global Holdings Inc.(c)	6,000	31,000
Gogo Inc.	91,691	459,691	Shaw Communications Inc., New York, Cl. B	40,000	160,000
Graf Industrial Corp.	15,000	15,000	Sol-Gel Technologies Ltd.	5,000	5,500
Greif Inc., Cl. B	2,000	12,000	State Street Corp.	35,000	161,100
Groupon Inc.	200,000	350,000	Stericycle Inc.	1,000	3,000
Herc Holdings Inc.	67,400	156,559	T. Rowe Price Group Inc.	10,000	112,400
ICU Medical Inc.	500	500	Teva Pharmaceutical Industries Ltd., ADR	3,000	8,000
Intellia Therapeutics Inc.	2,000	2,000	Textron Inc.	12,000	73,400
Intelsat SA	6,000	25,000	The Blackstone Group LP	2,000	25,000
Intermap Corp.	175,000	250,875	The Hain Celestial Group Inc.	20,426	127,426
IntriCon Corp.	3,500	3,500	The Madison Square Garden Co., Cl. A	3,500	104,167
IRIDEX Corp.	5,000	5,000	The St. Joe Co.	5,000	325,000
KLX Energy Services Holdings Inc.	24,415	49,615	TimkenSteel Corp.	16,052	215,000
LeMaitre Vascular Inc.	1,500	1,600			

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Portfolio Changes (Continued) — Quarter Ended December 31, 2018 (Unaudited)

	Shares	Ownership at December 31, 2018		Shares	Ownership at December 31, 2018
Trinity Industries Inc.(a)	23,000	85,000	KLX Inc.	(15,500)	-
Twenty-First Century Fox Inc., Cl. B	3,000	405,000	Lamb Weston Holdings Inc.	(6,666)	50,000
United Technologies Corp.(i)	1,745	1,745	Liberty Global plc, Cl. C	(45,000)	342,893
Viacom Inc., Cl. A	32,900	313,615	Mastercard Inc., Cl. A	(1,000)	254,000
Vivendi SA	2,000	240,000	Mattel Inc.	(8,000)	25,000
Weight Watchers International Inc.	2,500	6,500	Melinta Therapeutics Inc.	(6,500)	-
Zimmer Biomet Holdings Inc.	1,000	19,000	Modern Times Group MTG AB, Cl. B	(1,419)	-
NET SALES			MSG Networks Inc., Cl. A	(10,000)	279,600
Common Stocks			NeoGenomics Inc.	(32,635)	8,602
Adient plc.	(1,500)	15,162	NextEra Energy Inc.	(1,000)	12,000
Alexion Pharmaceuticals Inc.	(100)	3,500	NuVasive Inc.	(1,000)	6,000
Alphabet Inc., Cl. C	(250)	3,500	Och-Ziff Capital Management Group LLC, Cl. A	(60,000)	-
Altice USA Inc., Cl. A	(15,000)	-	O'Reilly Automotive Inc.	(9,000)	70,000
American Express Co.	(2,000)	350,000	Pandora Media Inc.	(173,600)	-
AMETEK Inc.	(5,000)	403,000	Penske Automotive Group Inc.	(19,900)	10,000
Amgen Inc.	(2,000)	32,000	PG&E Corp.	(14,000)	-
Apple Inc.	(4,000)	5,000	Pinnacle Entertainment Inc.(f)	(18,000)	-
Arena Pharmaceuticals Inc.	(1,000)	1,500	Qurate Retail Inc.	(2,000)	251,265
AT&T Inc.	(4,960)	252,192	Ra Pharmaceuticals Inc.	(11,000)	1,037
AtriCure Inc.	(3,000)	2,200	Regeneron Pharmaceuticals Inc.	(400)	500
AutoNation Inc.	(10,000)	80,300	Rockwell Collins Inc.(i)	(4,651)	-
Bed Bath & Beyond Inc.	(25,000)	-	Rogers Communications Inc., Toronto, Cl. B	(19,310)	-
Berkshire Hathaway Inc., Cl. A	(1)	113	Roper Technologies Inc.	(2,250)	-
BioScrip Inc.	(761,586)	2,933,819	S&P Global Inc.	(13,300)	62,000
Cardinal Health Inc.	(1,500)	-	Sally Beauty Holdings Inc.	(2,700)	30,600
Corning Inc.	(5,000)	285,000	Shaw Communications Inc., Toronto, Cl. B	(40,000)	-
Corus Entertainment Inc., Toronto, Cl. B	(6,666)	-	Shire plc, ADR	(1,500)	-
Daseke Inc.	(15,000)	-	Standard Motor Products Inc.	(6,000)	105,000
Deere & Co.	(5,000)	180,000	Tenneco Inc., Cl. A	(42,013)	-
Dell Technologies Inc., Cl. V	(19,000)	-	Terex Corp.	(7,000)	-
Delphi Technologies plc.	(35,758)	-	TESARO Inc.	(5,900)	2,400
Diageo plc, ADR	(5,000)	127,000	Texas Instruments Inc.	(3,000)	233,000
Diebold Nixdorf Inc.	(57,000)	310,290	The J.M. Smucker Co.	(1,000)	18,500
Donnelley Financial Solutions, Inc.	(8,000)	25,000	The Manitowoc Co. Inc.	(1,000)	-
Edgewell Personal Care Co.	(9,000)	174,000	Tribune Media Co., Cl. A	(4,000)	30,000
Endo International plc	(8,800)	17,200	Twenty-First Century Fox Inc., Cl. A	(30,000)	485,200
Evergy Inc.	(68,000)	42,000	United Natural Foods Inc.	(9,000)	-
Express Scripts Holding Co.(b)	(20,000)	-	UnitedHealth Group Inc.	(5,000)	49,000
First Data Corp., Cl. A	(1,761)	60,000	Varian Medical Systems Inc.	(1,500)	-
Forest City Realty Trust Inc., Cl. A, REIT	(25,000)	-	Weatherford International plc	(235,000)	262,300
Forum Energy Technologies Inc.	(20,000)	-	Xylem Inc.	(20,000)	232,000
General Electric Co.	(169,000)	240,000			
Glaukos Corp.	(2,767)	-			
Globus Medical Inc., Cl. A	(10,000)	-	(a)		Spin-off - 1 New Arcosa Inc. (039653100) share for every 3 shares of Trinity Industries Inc. (896522109) held. 23,000 shares of Trinity Industries Inc. were purchased before spin-off.
Henry Schein Inc.	(1,500)	61,000	(b)		Merger - 0.2434 Cigna Corp.(125523100) shares plus cash dividend of \$48.75 for every 1 share of Express Scripts Holding Co. (30219G108) held.
Honeywell International Inc.(d)(g)	(5,000)	298,000	(c)		Spin-off - 1 New Front Door Inc. (35905A109) share for every 2 shares of ServiceMaster Global Holdings Inc. (81761R109) held. 10,000 shares of Front Door Inc. were sold after the spin-off and 6,000 shares of ServiceMaster Global Holdings Inc. were purchased after spin-off.
Hostess Brands Inc.	(8,000)	-			
IDEX Corp.	(500)	210,000			
Incyte Corp.	(1,000)	8,400			
International Flavors & Fragrances Inc.	(10,000)	55,000			
K2M Group Holdings Inc.	(55,287)	-			
Kerry Group plc, Cl. A	(500)	63,500			

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Portfolio Changes (Continued) — Quarter Ended December 31, 2018 (Unaudited)

- (d) Spin-off - 1 Garrett Motion Inc. (366505105) share for every 10 shares of Honeywell International Inc. (438516106) held. 6,100 shares of Garrett Motion Inc. were sold after spin-off and 5,000 shares of Honeywell International Inc. were sold after spin-off.
- (e) Rights Offering - 0.266726 OI SA, Cl. C, ADR (670851500) Right for every 1 preferred ADR (670851401) held.
- (f) Merger - 0.42 Penn National Gaming (707569109) shares plus cash dividend of \$20.00 for every 1 share of Pinnacle Entertainment Inc. (72348Y105) held.
- (g) Spin-off - 1 Resideo Technologies Inc. (76118Y104) share for every 6 shares of Honeywell International Inc. (438516106) held. 26,500 shares of Resideo Technologies Inc. were purchased and 1,666 shares were sold after the spin-off.
- (h) Stock Split - 3 New shares of Rollins Inc. (775711104) for every 2 old shares held. 8,600 shares were sold prior to the split and 9,000 shares were sold after the split.
- (i) Merger - 0.37525 New United Technologies Corp. (913017109) shares plus cash dividend of \$93.33 for every 1 share of Rockwell Collins Inc. (774341101) held.

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Schedule of Investments — December 31, 2018

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS — 97.4%				Financial Services — 9.8%		
	Food and Beverage — 11.7%				American Express Co.(a)	\$ 29,113,626	\$ 33,362,000
3,000	Ajinomoto Co. Inc.	\$ 52,866	\$ 53,565	25,000	American International Group Inc.	1,374,505	985,250
105,200	Brown-Forman Corp., Cl. A	1,456,472	4,988,584	16,698	Argo Group International Holdings Ltd.	389,834	1,122,941
49,300	Brown-Forman Corp., Cl. B	1,130,138	2,345,694	72,585	Banco Santander SA, ADR	548,401	325,181
63,800	Campbell Soup Co.	1,781,130	2,104,762	60,000	Bank of America Corp.	1,855,091	1,478,400
65,000	Chr. Hansen Holding A/S	2,725,303	5,751,400	113	Berkshire Hathaway Inc., Cl. A†	332,448	34,578,000
15,000	Coca-Cola European Partners plc.	275,290	687,750	11,000	CIT Group Inc.	479,878	420,970
175,000	Conagra Brands Inc.	5,511,447	3,738,000	99,000	Citigroup Inc.	4,911,936	5,153,940
30,000	Constellation Brands Inc., Cl. A	376,266	4,824,600	9,000	Cullen/Frost Bankers Inc.	665,261	791,460
18,000	Crimson Wine Group Ltd.†	91,848	140,850	30,000	Deutsche Bank AG	778,621	244,500
201,500	Danone SA	9,779,634	14,200,741	30,000	Fidelity National Financial Inc. .	1,064,754	943,200
1,277,600	Davide Campari-Milano SpA. . .	3,498,059	10,810,248	20,000	GAM Holding AG	187,747	78,462
127,000	Diageo plc, ADR	11,895,752	18,008,600	63,000	H&R Block Inc.	1,483,396	1,598,310
80,000	Flowers Foods Inc.	263,976	1,477,600	5,000	I3 Verticals Inc., Cl. A†	75,042	120,500
77,800	Fomento Economico Mexicano SAB de CV, ADR	3,108,750	6,694,690	40,000	Interactive Brokers Group Inc., Cl. A	643,310	2,186,000
40,000	General Mills Inc.	1,885,325	1,557,600	100,000	Janus Henderson Group plc. . .	3,032,331	2,072,000
1,848,400	Grupo Bimbo SAB de CV, Cl. A	2,624,248	3,687,065	88,000	Jefferies Financial Group Inc. . .	1,259,355	1,527,680
41,300	Heineken NV	1,962,995	3,653,067	61,400	JPMorgan Chase & Co.	3,250,397	5,993,868
11,000	Ingredion Inc.	162,440	1,005,400	29,800	Kinnevik AB, Cl. A	494,015	709,448
105,000	ITO EN Ltd.	2,422,898	4,718,078	145,000	Legg Mason Inc.	4,109,572	3,698,950
27,000	Kellogg Co.	1,489,530	1,539,270	14,000	Loews Corp.	558,454	637,280
63,500	Kerry Group plc, Cl. A	729,927	6,238,757	100,000	Marsh & McLennan Companies Inc.	4,026,856	7,975,000
102,400	Keurig Dr Pepper Inc.	2,442,598	2,625,536	9,000	Moody's Corp.	312,150	1,260,360
50,000	Lamb Weston Holdings Inc. . . .	1,785,039	3,678,000	45,000	Och-Ziff Capital Management Group LLC, Cl. A	91,150	41,400
9,700	LVMH Moët Hennessy Louis Vuitton SE	335,341	2,869,579	20,000	PayPal Holdings Inc.†	651,955	1,681,800
20,000	Maple Leaf Foods Inc.	365,417	400,381	62,000	S&P Global Inc.	3,545,109	10,536,280
50,000	Molson Coors Brewing Co., Cl. B	3,131,847	2,808,000	161,100	State Street Corp.	8,115,787	10,160,577
365,000	Mondelēz International Inc., Cl. A	13,315,052	14,610,950	17,000	SunTrust Banks Inc.	358,050	857,480
14,000	Morinaga Milk Industry Co. Ltd.	299,202	393,413	112,400	T. Rowe Price Group Inc.	6,592,342	10,376,768
41,000	Nestlé SA	1,791,828	3,328,721	212,500	The Bank of New York Mellon Corp.	6,816,744	10,002,375
160,000	PepsiCo Inc.	13,485,743	17,676,800	25,000	The Blackstone Group LP	876,470	745,250
39,200	Pernod Ricard SA	3,228,300	6,436,096	20,000	The Charles Schwab Corp.	292,250	830,600
31,000	Post Holdings Inc.†	2,232,792	2,763,030	12,300	The Dun & Bradstreet Corp. . . .	292,691	1,755,702
41,500	Remy Cointreau SA	2,589,709	4,704,940	10,000	The PNC Financial Services Group Inc.	956,448	1,169,100
99,600	The Coca-Cola Co.	3,092,328	4,716,060	3,000	TransUnion	128,898	170,400
127,426	The Hain Celestial Group Inc.†	2,697,833	2,020,976	13,000	W. R. Berkley Corp.	476,775	960,830
18,500	The J.M. Smucker Co.	1,791,781	1,729,565	170,000	Waddell & Reed Financial Inc., Cl. A	3,871,168	3,073,600
85,000	The Kraft Heinz Co.	4,069,470	3,658,400	230,000	Wells Fargo & Co.	7,227,021	10,598,400
134,930	Tootsie Roll Industries Inc.	1,755,700	4,506,662				
48,000	Tyson Foods Inc., Cl. A	397,211	2,563,200				
341,000	Yakult Honsha Co. Ltd.	9,700,538	24,018,247				
		<u>121,732,023</u>	<u>203,734,877</u>			<u>101,239,838</u>	<u>170,224,262</u>

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.
Schedule of Investments (Continued) — December 31, 2018

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>	<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>
	COMMON STOCKS (Continued)				Health Care — 5.7%		
	Entertainment — 6.6%			9,500	ACADIA Pharmaceuticals Inc.†	\$ 149,937	\$ 153,615
29,358	Charter Communications Inc., Cl. A†	\$ 7,181,151	\$ 8,366,149	191,000	Achaogen Inc.†	1,055,967	234,930
41,600	Discovery Inc., Cl. A†	1,391,742	1,029,184	7,911	Acorda Therapeutics Inc.†	155,564	123,253
309,800	Discovery Inc., Cl. C†	5,276,607	7,150,184	1,000	Aerie Pharmaceuticals Inc.†	34,020	36,100
50,000	Entertainment One Ltd.	140,629	227,261	20,000	Akorn Inc.†	170,180	67,800
90,000	Genting Singapore Ltd.	74,910	64,382	3,500	Alexion Pharmaceuticals Inc.†	386,547	340,760
516,000	Grupo Televisa SAB, ADR	8,157,920	6,491,280	20,600	Allergan plc.	3,700,110	2,753,396
21,500	Liberty Media Corp.- Liberty Braves, Cl. A†	479,343	536,210	2,000	Alnylam Pharmaceuticals Inc.†	137,040	145,820
95,758	Liberty Media Corp.- Liberty Braves, Cl. C†	1,739,854	2,383,417	24,700	AmerisourceBergan Corp.	2,203,697	1,837,680
48,641	Lions Gate Entertainment Corp., Cl. B	1,269,530	723,778	32,000	Amgen Inc.	2,587,279	6,229,440
10,000	Live Nation Entertainment Inc.†	274,451	492,500	1,000	AngioDynamics Inc.†	19,005	20,130
14,000	Reading International Inc., Cl. A†	219,493	203,560	6,000	Anika Therapeutics Inc.†	207,117	201,660
104,167	The Madison Square Garden Co., Cl. A†	9,232,584	27,885,506	1,500	Arena Pharmaceuticals Inc.†	50,630	58,425
40,000	Tokyo Broadcasting System Holdings Inc.	796,181	635,007	2,200	AtriCure Inc.†	36,243	67,320
485,200	Twenty-First Century Fox Inc., Cl. A	12,196,123	23,347,824	20,771	Axovant Sciences Ltd.†	46,536	20,688
405,000	Twenty-First Century Fox Inc., Cl. B	12,243,465	19,350,900	5,000	Bausch Health Cos. Inc.†	95,850	92,350
65,000	Universal Entertainment Corp.	931,984	1,891,793	13,000	Baxter International Inc.	400,407	855,660
313,615	Viacom Inc., Cl. A	14,075,873	8,721,633	9,200	Biogen Inc.†	1,702,446	2,768,464
240,000	Vivendi SA	5,803,696	5,851,579	1,500	BioMarin Pharmaceutical Inc.†	118,526	127,725
		<u>81,485,536</u>	<u>115,352,147</u>	2,933,819	BioScrip Inc.†	6,047,839	10,473,734
	Equipment and Supplies — 6.0%			1,500	Bluebird Bio Inc.†	141,515	148,800
403,000	AMETEK Inc.	15,448,290	27,283,100	250,000	Boston Scientific Corp.†	6,370,239	8,835,000
7,000	Amphenol Corp., Cl. A	12,928	567,140	146,300	Bristol-Myers Squibb Co.	7,608,977	7,604,674
139,000	CIRCOR International Inc.†	4,674,655	2,960,700	3,000	Cardiovascular Systems Inc.†	64,060	85,470
325,800	Donaldson Co. Inc.	7,692,826	14,136,462	1,500	Celgene Corp.†	98,030	96,135
222,000	Flowserve Corp.	6,124,697	8,440,440	4,868	Cigna Corp.	937,667	924,530
37,400	Franklin Electric Co. Inc.	215,706	1,603,712	14,900	Clovis Oncology Inc.†	501,536	267,604
210,000	IDEX Corp.	16,319,641	26,514,600	104,056	ConforMIS Inc.†	142,681	37,252
43,000	Ingersoll-Rand plc	928,418	3,922,890	2,000	CRISPR Therapeutics AG†	51,640	57,140
100,000	Mueller Industries Inc.	2,565,501	2,336,000	18,900	Cutera Inc.†	582,137	321,678
230,000	Mueller Water Products Inc., Cl. A	2,560,103	2,093,000	6,000	Dermira Inc.†	56,600	43,140
13,000	Sealed Air Corp.	208,280	452,920	1,000	Editas Medicine Inc.†	19,720	22,750
45,000	Tenaris SA, ADR	1,981,220	959,400	2,000	ElectroCore Inc.†	28,040	12,520
80,000	The Timken Co.	3,018,718	2,985,600	25,267	Electromed Inc.†	128,953	128,609
59,600	The Weir Group plc	250,790	986,041	17,200	Endo International plc†	127,782	125,560
131,000	Watts Water Technologies Inc., Cl. A	5,739,663	8,453,430	5,000	Evolus Inc.†	89,134	59,500
4,000	Welbilt Inc.†	19,596	44,440	10,370	GenMark Diagnostics Inc.†	44,815	50,398
		<u>67,761,032</u>	<u>103,739,875</u>	61,000	Henry Schein Inc.†	2,112,787	4,789,720
				500	ICU Medical Inc.†	107,502	114,815
				8,400	Incyte Corp.†	843,615	534,156
				46,800	Indivior plc†	28,408	67,018
				2,000	Intellia Therapeutics Inc.†	25,140	27,300
				5,000	IRIDEX Corp.†	24,000	23,500
				37,000	Johnson & Johnson	2,596,768	4,774,850
				7,000	Jounce Therapeutics Inc.†	54,040	23,590
				28,323	Lannett Co. Inc.†	264,804	140,482
				1,600	LeMaitre Vascular Inc.	46,532	37,824
				9,500	Mallinckrodt plc†	140,990	150,100

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.
Schedule of Investments (Continued) — December 31, 2018

<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>	<u>Shares</u>		<u>Cost</u>	<u>Market Value</u>
	COMMON STOCKS (Continued)						
	Health Care (Continued)			1,905,000	Rollins Inc.	\$ 43,936,533	\$ 68,770,500
17,000	Marinus Pharmaceuticals Inc.†	\$ 89,153	\$ 48,790			<u>56,224,556</u>	<u>87,550,873</u>
1,000	McKesson Corp.	110,030	110,470	8,000	Diversified Industrial — 4.7%	1,045,758	919,600
105,200	Merck & Co. Inc.	5,251,624	8,038,332	163,227	Acuity Brands Inc.	2,160,416	506,004
4,000	Meridian Bioscience Inc.	59,880	69,440	170,100	Ampco-Pittsburgh Corp.†	8,699,432	12,277,818
1,000	Myriad Genetics Inc.†	27,520	29,070	240,000	Crane Co.	2,842,090	1,816,800
17,559	Nabriva Therapeutics plc†	47,240	25,636	15,000	General Electric Co.	150,000	150,000
3,000	Natus Medical Inc.†	97,570	102,090	127,000	Graf Industrial Corp.†	2,692,735	4,712,970
5,000	Nektar Therapeutics†	236,762	164,350	12,000	Greif Inc., Cl. A	727,946	532,800
8,602	NeoGenomics Inc.†	63,376	108,471	79,942	Greif Inc., Cl. B	1,492,268	835,394
13,500	Nevro Corp.†	767,239	525,015	298,000	Griffon Corp.	28,181,121	39,371,760
84,000	Novartis AG, ADR	4,880,280	7,208,040	3,500	Honeywell International Inc.	88,555	92,330
6,000	NuVasive Inc.†	312,889	297,360	97,000	IntriCon Corp.†	2,136,880	4,682,190
2,000	Orthofix Medical Inc.†	107,164	104,980	11,000	ITT Inc.		
9,859	Patterson Cos. Inc.	231,487	193,828		Jardine Strategic Holdings Ltd.	222,951	403,810
1,000	Perrigo Co. plc	38,520	38,750	40,000	Kennametal Inc.	895,654	1,331,200
7,000	Puma Biotechnology Inc.†	237,498	142,450	50,000	Myers Industries Inc.	818,952	755,500
1,037	Ra Pharmaceuticals Inc.†	6,200	18,873	35,000	nVent Electric plc	381,839	786,100
500	Regeneron Pharmaceuticals Inc.†	159,786	186,750	85,000	Park-Ohio Holdings Corp.	892,930	2,608,650
5,000	Replimune Group Inc.†	71,818	50,000	9,666	Rayonier Advanced Materials Inc.	160,768	102,943
3,000	Sangamo Therapeutics Inc.†	39,060	34,440	30,000	Rexnord Corp.†	630,867	688,500
5,500	Sol-Gel Technologies Ltd.†	33,500	33,000	50,000	Schultze Special Purpose Acquisition Corp.†	500,000	498,750
8,135	Tandem Diabetes Care Inc.†	21,798	308,886	31,000	ServiceMaster Global Holdings Inc.†	959,380	1,138,940
2,400	TESARO Inc.†	130,088	178,200	11,500	Sulzer AG	592,231	913,190
8,000	Teva Pharmaceutical Industries Ltd., ADR†	144,760	123,360	73,400	Textron Inc.	4,321,725	3,375,666
3,700	United Therapeutics Corp.†	439,066	402,930	100,000	Toray Industries Inc.	771,663	704,347
49,000	UnitedHealth Group Inc.	8,302,505	12,206,880	12,000	Tredegar Corp.	171,530	190,320
4,000	Waters Corp.†	285,470	754,600	85,000	Trinity Industries Inc.	1,397,210	1,750,150
250,000	William Demant Holding A/S†	2,276,453	7,093,532			<u>62,934,901</u>	<u>81,145,732</u>
19,000	Zimmer Biomet Holdings Inc.	1,752,876	1,970,680				
35,000	Zoetis Inc.	1,122,327	2,993,900				
21,297	Zosano Pharma Corp.†	87,283	45,150	14,334	Business Services — 3.9%	232,677	1,142,563
		<u>69,974,274</u>	<u>99,721,318</u>	180,035	Allegion plc		
	Consumer Services — 5.0%			310,290	Clear Channel Outdoor Holdings Inc., Cl. A	1,006,693	934,382
20,000	eBay Inc.†	416,823	561,400	25,000	Diebold Nixdorf Inc.	3,473,278	772,622
83,935	GCI Liberty Inc., Cl. A†	2,664,064	3,454,765		Donnelley Financial Solutions, Inc.†	522,103	350,750
350,000	Groupon Inc.†	1,242,492	1,120,000	3,000	Edenred	38,786	110,370
39,000	IAC/InterActiveCorp.†	2,406,941	7,138,560	27,000	Emerald Expositions Events Inc.	457,360	333,180
18,642	Liberty Expedia Holdings Inc., Cl. A†	411,913	729,089	60,000	First Data Corp., Cl. A†	938,966	1,014,600
21,000	Liberty TripAdvisor Holdings Inc., Cl. A†	247,059	333,690	160,000	G4S plc	0	401,652
3,600	Marriott Vacations Worldwide Corp.	355,909	253,836	16,000	Jardine Matheson Holdings Ltd.	534,478	1,113,280
7,000	Matthews International Corp., Cl. A	354,476	284,340	100,000	Macquarie Infrastructure Corp.	4,483,173	3,656,000
251,265	Qurate Retail Inc.†	4,188,346	4,904,693	254,000	Mastercard Inc., Cl. A	25,757,229	47,917,100
				75,334	Resideo Technologies Inc.†	1,371,348	1,548,114

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Schedule of Investments (Continued) — December 31, 2018

Shares		Cost	Market Value	Shares		Cost	Market Value
	COMMON STOCKS (Continued)						
	Cable and Satellite (Continued)						
160,000	Shaw Communications Inc., New York, Cl. B.....	\$ 407,615	\$ 2,894,400	104,000	CVS Health Corp.	\$ 8,883,441	\$ 6,814,080
		<u>47,668,845</u>	<u>62,571,470</u>	30,000	GNC Holdings Inc., Cl. A†	92,299	71,100
				220,000	Hertz Global Holdings Inc.† ...	2,909,589	3,003,000
				100,000	J.C. Penney Co. Inc.†	969,807	104,000
				29,000	Lowe's Companies Inc.	2,547,148	2,678,440
				302,000	Macy's Inc.	5,786,947	8,993,560
				10,000	Penske Automotive Group Inc.	446,474	403,200
252,192	Telecommunications — 3.3%			50,000	PetIQ Inc.†	1,395,096	1,173,500
55,400	AT&T Inc.	7,748,048	7,197,560	9,800	PetMed Express Inc.	293,386	227,948
914,200	BCE Inc.	1,851,178	2,189,962	50,000	Rite Aid Corp.†	116,990	35,415
7,040,836	BT Group plc, Cl. A	3,780,313	2,774,434	30,600	Sally Beauty Holdings Inc.† ...	242,911	521,730
	Cable & Wireless Jamaica Ltd.†(b)	128,658	80,135	16,000	The Cheesecake Factory Inc. ...	523,436	696,160
35,250	CenturyLink Inc.	527,046	534,037	2,500	Tiffany & Co.	142,575	201,275
93,000	Cincinnati Bell Inc.†	1,541,415	723,540	10,000	Vitamin Shoppe, Inc.†	37,250	47,400
100,000	Deutsche Telekom AG, ADR ...	1,656,300	1,698,000	62,000	Walgreens Boots Alliance Inc..	2,261,145	4,236,460
459,691	Gogo Inc.†	2,251,466	1,374,476	32,000	Walmart Inc.	<u>1,618,504</u>	<u>2,980,800</u>
32,001	Harris Corp.	2,556,439	4,308,935			<u>35,485,458</u>	<u>44,047,588</u>
36,000	Hellenic Telecommunications Organization SA	452,922	392,672				
15,000	Hellenic Telecommunications Organization SA, ADR	91,062	80,700		Aerospace and Defense — 2.5%		
25,000	Intelsat SA†	540,229	534,750	275,000	Aerojet Rocketdyne Holdings Inc.†	4,615,399	9,688,250
264,732	Koninklijke KPN NV	448,166	776,491	1,246,553	BBA Aviation plc	2,811,697	3,466,884
45,000	Loral Space & Communi- cations Inc.†	1,762,430	1,676,250	35,800	Kaman Corp.	881,634	2,008,022
16,000	Oi SA, ADR	620,984	4,150	17,500	Northrop Grumman Corp.	2,151,104	4,285,750
4,267	Oi SA, Cl. C, ADR	118,940	6,827	1,209,000	Rolls-Royce Holdings plc† ...	9,301,551	12,790,226
40,053	Sprint Corp.†	224,220	233,108	55,614,000	Rolls-Royce Holdings plc, Cl. C†(b)	71,661	70,886
21,000	Telecom Argentina SA, ADR ...	127,554	326,760	35,000	The Boeing Co.	6,617,390	11,287,500
535,000	Telecom Italia SpA†	2,073,015	296,252	1,745	United Technologies Corp.	<u>215,804</u>	<u>185,808</u>
70,000	Telefonica Brasil SA, ADR	726,827	835,100			<u>26,666,240</u>	<u>43,783,326</u>
560,739	Telefonica SA, ADR	8,069,428	4,743,852				
563,700	Telephone & Data Systems Inc.	23,634,535	18,342,798		Broadcasting — 2.4%		
105,000	Telesites SAB de CV†	79,714	62,460	240,300	CBS Corp., Cl. A, Voting	7,190,946	10,537,155
25,000	TELUS Corp.	233,734	828,633	10,000	CBS Corp., Cl. B, Non-Voting ..	576,806	437,200
119,000	Verizon Communications Inc. .	4,950,353	6,690,180	2,000	Cogeco Inc.	39,014	85,321
48,027	Vodafone Group plc, ADR	2,096,997	925,961	24,000	Corus Entertainment Inc., OTC, Cl. B	42,622	84,000
20,000	Zayo Group Holdings Inc.†	646,738	456,800	430,000	Entercom Communications Corp., Cl. A	4,051,872	2,455,300
		<u>68,938,711</u>	<u>58,094,823</u>	16,000	Gray Television Inc.†	14,422	235,840
				19,250	Liberty Broadband Corp., Cl. A†	608,060	1,382,343
18,000	Machinery — 2.7%			63,192	Liberty Broadband Corp., Cl. C†	2,222,510	4,551,720
12,800	Astec Industries Inc.	647,768	543,420	89,250	Liberty Media Corp.- Liberty Formula One, Cl. A† ..	2,645,063	2,652,510
255,010	Caterpillar Inc.	86,323	1,626,496	52,250	Liberty Media Corp.- Liberty Formula One, Cl. C† ..	1,197,836	1,604,075
180,000	CNH Industrial NV	2,881,999	2,348,642	75,000	Liberty Media Corp.- Liberty SiriusXM, Cl. A†	1,647,568	2,760,000
232,000	Deere & Co.(a)	10,767,852	26,850,600	158,000	Liberty Media Corp.- Liberty SiriusXM, Cl. C†	4,150,046	5,842,840
	Xylem Inc.	<u>10,981,493</u>	<u>15,479,040</u>				
		<u>25,365,435</u>	<u>46,848,198</u>				
	Retail — 2.5%						
80,300	AutoNation Inc.†	2,916,937	2,866,710				
5,000	Casey's General Stores Inc. ...	531,212	640,700				
41,000	Costco Wholesale Corp.	3,770,311	8,352,110				

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Schedule of Investments (Continued) — December 31, 2018

Shares	Cost	Market Value	Shares	Cost	Market Value		
COMMON STOCKS (Continued)							
Broadcasting (Continued)							
279,600	MSG Networks Inc., Cl. A†	\$ 2,667,778	\$ 6,587,376	15,000	Marriott International, Inc., Cl. A	\$ 1,229,670	\$ 1,628,400
15,000	Nexstar Media Group Inc., Cl. A	920,250	1,179,600	70,000	MGM China Holdings Ltd.	137,917	117,464
85,200	Television Broadcasts Ltd.	339,712	161,249	150,000	MGM Resorts International	4,380,500	3,639,000
30,000	Tribune Media Co., Cl. A	1,195,568	1,361,400	7,560	Penn National Gaming Inc.†	216,367	142,355
		<u>29,510,073</u>	<u>41,917,929</u>	168,800	Ryman Hospitality Properties Inc., REIT	5,450,970	11,257,272
Electronics — 2.3%							
20,000	Bel Fuse Inc., Cl. A	547,758	275,000	200,000	The Hongkong & Shanghai Hotels Ltd.	155,450	283,507
4,000	Hitachi Ltd., ADR	287,076	211,840	4,000	Wyndham Destinations Inc.	130,024	143,360
50,000	Intel Corp.	1,074,470	2,346,500	4,000	Wyndham Hotels & Resorts Inc.	152,872	181,480
328,342	Johnson Controls International plc	12,153,028	9,735,340	6,000	Wynn Resorts Ltd.	469,634	593,460
34,170	Koninklijke Philips NV	180,354	1,199,709			<u>22,795,044</u>	<u>31,655,917</u>
2,400	Mettler-Toledo International Inc.†	337,270	1,357,392	Aviation: Parts and Services — 1.4%			
40,000	TE Connectivity Ltd.	1,553,958	3,025,200	41,666	Arconic Inc.	805,593	702,489
233,000	Texas Instruments Inc.	12,290,034	22,018,500	224,800	Curtiss-Wright Corp.	15,453,441	22,956,576
		<u>28,423,948</u>	<u>40,169,481</u>			<u>16,259,034</u>	<u>23,659,065</u>
Specialty Chemicals — 2.1%							
11,000	AdvanSix Inc.†	134,544	267,740	105,000	America Movil SAB de CV, Cl. L, ADR	735,232	1,496,250
12,000	Air Products & Chemicals Inc.	2,000,681	1,920,600	99,000	Millicom International Cellular SA, SDR	6,382,128	6,272,009
11,000	Ashland Global Holdings Inc.	541,523	780,560	150,000	NTT DoCoMo Inc.	2,980,751	3,383,742
22,000	Axalta Coating Systems Ltd.†	688,995	515,240	46,075	Tim Participacoes SA, ADR	352,294	706,791
105,000	DowDuPont Inc.	6,158,190	5,615,400	25,000	T-Mobile US Inc.†	1,098,124	1,590,250
390,000	Ferro Corp.†	4,400,557	6,115,200	104,600	United States Cellular Corp.†	4,965,942	5,436,062
10,000	FMC Corp.	302,919	739,600			<u>16,514,471</u>	<u>18,885,104</u>
31,000	H.B. Fuller Co.	992,607	1,322,770	Computer Software and Services — 0.8%			
55,000	International Flavors & Fragrances Inc.	3,955,127	7,384,850	3,500	Alphabet Inc., Cl. C†	3,511,591	3,624,635
250,000	OMNOVA Solutions Inc.†	1,510,742	1,832,500	15,000	Blucora Inc.†	74,987	399,600
165,800	Sensient Technologies Corp.	7,324,418	9,259,930	6,000	Check Point Software Technologies Ltd.†	101,862	615,900
18,000	SGL Carbon SE†	252,978	125,700	3,000	Facebook Inc., Cl. A†	466,804	393,270
2,000	The Chemours Co.	22,594	56,440	250,000	Hewlett Packard Enterprise Co.	3,607,039	3,302,500
20,000	Valvoline Inc.	393,398	387,000	250,875	Internap Corp.†	1,607,055	1,041,131
		<u>28,679,273</u>	<u>36,323,530</u>	23,000	InterXion Holding NV†	338,737	1,245,680
Environmental Services — 1.8%							
35,000	Pentair plc	815,625	1,322,300	2,000	Liq Participacoes SA†	1,103	433
237,100	Republic Services Inc.	12,196,681	17,092,539	20,900	Rockwell Automation Inc.	648,748	3,145,032
153,600	Waste Management Inc.	9,099,929	13,668,864			<u>10,357,926</u>	<u>13,768,181</u>
		<u>22,112,235</u>	<u>32,083,703</u>	Building and Construction — 0.7%			
Hotels and Gaming — 1.8%							
16,000	Accor SA	549,282	680,301	28,333	Arcosa Inc.†	485,186	784,541
49,000	Belmond Ltd., Cl. A†	668,085	1,226,470	40,000	Armstrong Flooring Inc.†	672,825	473,600
41,557	GVC Holdings plc	538,448	357,008	18,000	Assa Abloy AB, Cl. B	310,378	321,191
8,000	Hyatt Hotels Corp., Cl. A	263,258	540,800	80,000	Fortune Brands Home & Security Inc.	2,239,525	3,039,200
34,000	Las Vegas Sands Corp.	632,350	1,769,700	2,500	frontdoor Inc.†	92,509	66,525
4,458,500	Mandarin Oriental International Ltd.	7,820,217	9,095,340	12,150	Granite Construction Inc.	573,982	489,402

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.
Schedule of Investments (Continued) — December 31, 2018

Shares		Cost	Market Value	Shares		Cost	Market Value
COMMON STOCKS (Continued)							
Building and Construction (Continued)				20,000	Weyerhaeuser Co., REIT	\$ 711,588	\$ 437,200
156,559	Herc Holdings Inc.†	\$ 5,441,949	\$ 4,068,968			<u>7,796,281</u>	<u>7,791,510</u>
37,500	Lennar Corp., Cl. A	2,048,836	1,468,125	Manufactured Housing and Recreational Vehicles — 0.1%			
12,000	Sika AG	1,556,815	1,521,213	5,000	Martin Marietta Materials Inc. .	106,125	859,350
		<u>13,422,005</u>	<u>12,232,765</u>	30,000	Nobility Homes Inc.	349,956	600,000
				42,000	Skyline Champion Corp.	256,482	616,980
						<u>712,563</u>	<u>2,076,330</u>
Automotive — 0.7%				TOTAL COMMON STOCKS			
80,000	General Motors Co.	3,044,272	2,676,000			<u>1,205,877,765</u>	<u>1,698,998,272</u>
180,000	Navistar International Corp.† ..	4,569,128	4,671,000	CLOSED-END FUNDS — 0.7%			
70,000	PACCAR Inc.	1,294,774	3,999,800	122,000	Altaba Inc.†	4,042,811	7,068,680
		<u>8,908,174</u>	<u>11,346,800</u>	4,285	Royce Global Value Trust Inc. .	37,280	38,051
				45,000	Royce Value Trust Inc.	598,747	531,000
				92,106	The Central Europe, Russia, and Turkey Fund Inc.	2,648,248	2,024,490
Metals and Mining — 0.6%				154,038	The New Germany Fund Inc. . .	<u>2,077,654</u>	<u>1,802,245</u>
37,400	Agnico Eagle Mines Ltd.	1,530,570	1,510,960			<u>9,404,740</u>	<u>11,464,466</u>
54,000	Barrick Gold Corp.	1,581,120	731,160	TOTAL CLOSED-END FUNDS . .			
30,000	Cleveland-Cliffs Inc.†	296,432	230,700			<u>9,404,740</u>	<u>11,464,466</u>
80,000	Freeport-McMoRan Inc.	1,408,020	824,800	CONVERTIBLE PREFERRED STOCKS — 0.0%			
4,300	Materion Corp.	97,512	193,457	Telecommunications — 0.0%			
50,000	New Hope Corp. Ltd.	67,580	120,092	21,000	Cincinnati Bell Inc., 6.750%, Ser. B	515,202	594,930
143,600	Newmont Mining Corp.	5,120,536	4,975,740	RIGHTS — 0.0%			
215,000	TimkenSteel Corp.†	3,581,583	1,879,100	Entertainment — 0.0%			
140,000	Turquoise Hill Resources Ltd.†	726,343	231,000	139,123	Media General Inc., CVR†(b) ..	0	0
15,000	Vale SA, ADR	171,892	197,850	579,400	Ladbrokes plc, CVR†(b)	1	0
		<u>14,581,588</u>	<u>10,894,859</u>	TOTAL RIGHTS			
						<u>1</u>	<u>0</u>
Communications Equipment — 0.5%				Principal Amount			
5,000	Apple Inc.	857,841	788,700	\$33,004,000	U.S. GOVERNMENT OBLIGATIONS — 1.9%		
285,000	Corning Inc.	7,373,801	8,609,850		U.S. Treasury Bills, 2.184% to 2.511%††, 01/31/19 to 06/13/19		
		<u>8,231,642</u>	<u>9,398,550</u>			<u>32,843,291</u>	<u>32,844,293</u>
Transportation — 0.5%				TOTAL INVESTMENTS — 100.0%			
131,200	GATX Corp.	4,730,843	9,290,272			<u>\$1,248,640,999</u>	<u>1,743,901,961</u>
Publishing — 0.5%							
1,100	Graham Holdings Co., Cl. B ...	588,093	704,638				
87,700	Meredith Corp.	4,424,244	4,555,138				
125,000	News Corp., Cl. A	1,939,129	1,418,750				
100,600	News Corp., Cl. B	1,289,652	1,161,930				
70,000	The E.W. Scripps Co., Cl. A	831,325	1,101,100				
		<u>9,072,443</u>	<u>8,941,556</u>				
Agriculture — 0.5%							
200,000	Archer-Daniels-Midland Co. ...	9,150,371	8,194,000				
10,000	The Mosaic Co.	428,085	292,100				
		<u>9,578,456</u>	<u>8,486,100</u>				
Real Estate — 0.4%							
15,000	Gaming and Leisure Properties Inc., REIT	186,426	484,650				
56,000	Griffin Industrial Realty Inc. ...	542,694	1,786,400				
29,000	Rayonier Inc., REIT	454,837	803,010				
325,000	The St. Joe Co.†	5,900,736	4,280,250				

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.
Schedule of Investments (Continued) — December 31, 2018

	Market Value	†† Represents annualized yields at dates of purchase.		
		ADR American Depositary Receipt		
		CVR Contingent Value Right		
		REIT Real Estate Investment Trust		
		SDR Swedish Depositary Receipt		
Other Assets and Liabilities (Net)	\$ (382,572)			
PREFERRED STOCK				
(12,520,529 preferred shares outstanding).....	<u>(412,913,225)</u>			
NET ASSETS — COMMON STOCK		Geographic Diversification	% of Total Investments	Market Value
(253,338,023 common shares outstanding).....	<u>\$1,330,606,164</u>	North America	83.5%	\$1,456,889,948
		Europe	12.5	217,327,044
		Japan	2.1	36,010,033
		Latin America	1.3	21,830,196
		Asia/Pacific	0.6	11,241,660
		South Africa	0.0*	603,080
		Total Investments	<u>100.0%</u>	<u>\$1,743,901,961</u>
NET ASSET VALUE PER COMMON SHARE				
(\$1,330,606,164 ÷ 253,338,023 shares outstanding)	<u>\$ 5.25</u>			
(a) Securities, or a portion thereof, with a value of \$39,947,000 were pledged as collateral for futures contracts.				
(b) Security is valued using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy.				
† Non-income producing security.				
		* Amount represents less than 0.05%.		

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Statement of Assets and Liabilities December 31, 2018

Assets:	
Investments, at value (cost \$1,248,640,999)	\$1,743,901,961
Foreign currency, at value (cost \$7)	7
Cash	4,684
Receivable for investments sold	104,280,959
Dividends receivable	3,495,928
Deferred offering expense	102,019
Prepaid expenses	12,459
Total Assets	<u>1,851,798,017</u>
Liabilities:	
Distributions payable	299,987
Payable for investments purchased	105,375,651
Payable for investment advisory fees	1,382,729
Payable for payroll expenses	98,812
Payable for accounting fees	7,500
Payable for auction agent fees (a)	873,578
Other accrued expenses	240,371
Total Liabilities	<u>108,278,628</u>
Cumulative Preferred Stock, \$0.001 par value:	
Series C (Auction Rate, \$25,000 liquidation value, 5,200 shares authorized with 2,880 shares issued and outstanding)	72,000,000
Series D (5.875%, \$25 liquidation value, 3,000,000 shares authorized with 2,363,860 shares issued and outstanding)	59,096,500
Series E (Auction Rate, \$25,000 liquidation value, 2,000 shares authorized with 1,120 shares issued and outstanding)	28,000,000
Series G (\$25 liquidation value, 3,280,477 shares authorized with 2,779,796 shares issued and outstanding) (b)	69,494,900
Series H (5.000%, \$25 liquidation value, 4,198,880 shares authorized with 4,172,873 shares issued and outstanding)	104,321,825
Series J (5.450%, \$25 liquidation value, 4,500,000 shares authorized with 3,200,000 shares issued and outstanding)	80,000,000
Total Preferred Stock	<u>412,913,225</u>
Net Assets Attributable to Common Shareholders	<u>\$1,330,606,164</u>
Net Assets Attributable to Common Shareholders Consist of:	
Paid-in capital	\$ 847,110,154
Total distributable earnings (c)	483,496,010
Net Assets	<u>\$1,330,606,164</u>
Net Asset Value per Common Share:	
(\$1,330,606,164 ÷ 253,338,023 shares outstanding at \$0.001 par value; 337,024,900 shares authorized)	<u>\$ 5.25</u>

- (a) This amount represents auction agent fees accrued for earlier fiscal periods, and not for the period covered by this report.
- (b) Effective August 1, 2013, the Series G Preferred has an annual dividend rate of 5.000%.
- (c) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X and discloses total distributable earnings. See Note 2 for further details.

Statement of Operations For the Year Ended December 31, 2018

Investment Income:	
Dividends (net of foreign withholding taxes of \$1,100,436)	\$ 35,547,627
Interest	1,749,773
Total Investment Income	<u>37,297,400</u>
Expenses:	
Investment advisory fees	20,079,329
Shareholder communications expenses	384,764
Custodian fees	263,268
Payroll expenses	221,098
Directors' fees	178,773
Legal and audit fees	134,320
Shareholder services fees	120,624
Accounting fees	45,000
Interest expense	78
Miscellaneous expenses	420,455
Total Expenses	<u>21,847,709</u>
Less:	
Advisory fee reduction (See Note 3)	(1,590,965)
Advisory fee reduction on unsupervised assets (See Note 3)	(3,886)
Expenses paid indirectly by broker (See Note 3)	(13,205)
Custodian fee credits	(5,528)
Total Reductions and Credits	<u>(1,613,584)</u>
Net Expenses	<u>20,234,125</u>
Net Investment Income	<u>17,063,275</u>
Net Realized and Unrealized Gain/(Loss) on Investments, Futures Contracts, and Foreign Currency:	
Net realized gain on investments	154,977,426
Net realized gain on futures contracts	1,143,857
Net realized loss on foreign currency transactions	(42,084)
Net realized gain on investments, futures contracts, and foreign currency transactions	<u>156,079,199</u>
Net change in unrealized appreciation/depreciation:	
on investments	(301,211,894)
on futures contracts	211,500
on foreign currency translations	(16,458)
Net change in unrealized appreciation/depreciation on investments, futures contracts, and foreign currency translations	<u>(301,016,852)</u>
Net Realized and Unrealized Gain/(Loss) on Investments, Futures Contracts, and Foreign Currency	<u>(144,937,653)</u>
Net Decrease in Net Assets Resulting from Operations	<u>(127,874,378)</u>
Total Distributions to Preferred Shareholders	<u>(19,766,096)</u>
Net Decrease in Net Assets Attributable to Common Shareholders Resulting from Operations	<u>\$ (147,640,474)</u>

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Statement of Changes in Net Assets Attributable to Common Shareholders

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operations:		
Net investment income.....	\$ 17,063,275	\$ 8,823,491
Net realized gain on investments, futures contracts, and foreign currency transactions.....	156,079,199	141,754,269
Net change in unrealized appreciation/depreciation on investments, futures contracts, and foreign currency translations.....	<u>(301,016,852)</u>	<u>172,675,187</u>
Net Increase/(Decrease) in Net Assets Resulting from Operations.....	<u>(127,874,378)</u>	<u>323,252,947</u>
Distributions to Preferred Shareholders(a).....	<u>(19,766,096)</u>	<u>(18,290,066)*</u>
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations.....	<u>(147,640,474)</u>	<u>304,962,881</u>
Distributions to Common Shareholders:		
Accumulated earnings.....	(152,700,630)	(133,073,393)**
Return of capital.....	<u>(8,979,028)</u>	<u>(965,800)</u>
Total Distributions to Common Shareholders(a).....	<u>(161,679,658)</u>	<u>(134,039,193)</u>
Fund Share Transactions:		
Net increase from common shares issued in rights offering.....	—	173,327,861
Net increase in net assets from common shares issued upon reinvestment of distributions.....	7,658,026	8,540,513
Net increase in net assets from repurchase of preferred shares.....	—	19,887
Rights offering costs for common shares charged to paid-in capital.....	<u>(58,709)</u>	<u>(600,000)</u>
Net Increase in Net Assets from Fund Share Transactions.....	<u>7,599,317</u>	<u>181,288,261</u>
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders....	<u>(301,720,815)</u>	<u>352,211,949</u>
Net Assets Attributable to Common Shareholders:		
Beginning of year.....	<u>1,632,326,979</u>	<u>1,280,115,030</u>
End of year.....	<u>\$1,330,606,164</u>	<u>\$1,632,326,979</u>

(a) Effective December 31, 2018, the Fund has adopted disclosure requirements conforming to SEC Rule 6-04.17 of Regulation S-X. See Note 2 for further details.

* For the year ended December 31, 2017, the distributions to Preferred shareholders from net investment income and net realized gain were \$1,122,792 and \$17,167,274, respectively.

** For the year ended December 31, 2017, the distributions to Common shareholders from net investment income and net realized gain were \$8,169,123 and \$124,904,270, respectively.

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Financial Highlights

Selected data for a common share outstanding throughout each year:

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Operating Performance:					
Net asset value, beginning of year	\$ 6.47	\$ 5.84	\$ 5.70	\$ 6.78	\$ 7.23
Net investment income	0.07	0.04	0.07	0.06	0.07
Net realized and unrealized gain/(loss) on investments, futures contracts, swap contracts, and foreign currency transactions	(0.57)	1.42	0.75	(0.44)	0.30
Total from investment operations	(0.50)	1.46	0.82	(0.38)	0.37
Distributions to Preferred Shareholders: (a)					
Net investment income	(0.01)	(0.00)(b)	(0.01)	(0.01)	(0.01)
Net realized gain	(0.07)	(0.08)	(0.06)	(0.05)	(0.05)
Total distributions to preferred shareholders	(0.08)	(0.08)	(0.07)	(0.06)	(0.06)
Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations					
	(0.58)	1.38	0.75	(0.44)	0.31
Distributions to Common Shareholders:					
Net investment income	(0.06)	(0.04)	(0.08)	(0.05)	(0.05)
Net realized gain	(0.54)	(0.57)	(0.52)	(0.44)	(0.49)
Return of capital	(0.04)	(0.00)(b)	(0.00)(b)	(0.15)	(0.10)
Total distributions to common shareholders	(0.64)	(0.61)	(0.60)	(0.64)	(0.64)
Fund Share Transactions:					
Increase/decrease in net asset value from common share transactions	—	(0.14)	—	—	(0.12)
Increase in net asset value from repurchase of preferred shares	—	0.00(b)	0.00(b)	0.00(b)	0.00(b)
Offering costs and adjustment to offering costs for preferred shares charged to paid-in capital	—	—	(0.01)	—	—
Offering costs and adjustment to offering costs for common shares charged to paid-in capital	(0.00)(b)	(0.00)(b)	—	—	—
Total Fund share transactions	(0.00)(b)	(0.14)	(0.01)	0.00(b)	(0.12)
Net Asset Value Attributable to Common Shareholders, End of Year					
	\$ 5.25	\$ 6.47	\$ 5.84	\$ 5.70	\$ 6.78
NAV total return †	(10.17)%	24.64%	13.66%	(6.85)%	4.68%
Market value, end of year	\$ 5.10	\$ 6.19	\$ 5.52	\$ 5.31	\$ 6.47
Investment total return ††	(8.43)%	24.65%	15.71%	(8.54)%	(6.08)%
Ratios to Average Net Assets and Supplemental Data:					
Net assets including liquidation value of preferred shares, end of year (in 000's)	\$1,743,519	\$2,045,240	\$1,693,448	\$1,582,823	\$1,820,361
Net assets attributable to common shares, end of year (in 000's)	\$1,330,606	\$1,632,327	\$1,280,115	\$1,249,157	\$1,486,491
Ratio of net investment income to average net assets attributable to common shares before preferred distributions	1.07%	0.64%	1.23%	0.91%	0.82%
Ratio of operating expenses to average net assets attributable to common shares: before fee reductions(c)	1.37%(d)	1.42%(d)	1.44%(d)	1.36%(d)	1.37%
net of fee reductions, if any(e)	1.27%(d)	1.42%(d)	1.44%(d)	1.25%(d)	1.33%
Portfolio turnover rate	17.1%	11.4%	12.7%	8.9%	10.9%

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Financial Highlights (Continued)

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Cumulative Preferred Stock:					
Auction Rate Series C Preferred					
Liquidation value, end of year (in 000's)	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000
Total shares outstanding (in 000's)	3	3	3	3	3
Liquidation preference per share	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Liquidation value(f)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share(g)	\$105,562	\$123,830	\$102,426	\$118,593	\$136,308
5.875% Series D Preferred					
Liquidation value, end of year (in 000's)	\$ 59,097	\$ 59,097	\$ 59,097	\$ 59,097	\$ 59,097
Total shares outstanding (in 000's)	2,364	2,364	2,364	2,364	2,364
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value(h)	\$ 25.62	\$ 26.16	\$ 26.22	\$ 25.69	\$ 25.21
Asset coverage per share(g)	\$ 105.56	\$ 123.83	\$ 102.43	\$ 118.59	\$ 136.31
Auction Rate Series E Preferred					
Liquidation value, end of year (in 000's)	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 28,000
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
Liquidation value(f)	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Asset coverage per share(g)	\$105,562	\$123,830	\$102,426	\$118,593	\$136,308
Series G Preferred					
Liquidation value, end of year (in 000's)	\$ 69,495	\$ 69,495	\$ 69,743	\$ 69,925	\$ 70,099
Total shares outstanding (in 000's)	2,780	2,780	2,791	2,797	2,804
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value(h)	\$ 23.92	\$ 24.50	\$ 24.67	\$ 23.78	\$ 23.32
Asset coverage per share(g)	\$ 105.56	\$ 123.83	\$ 102.43	\$ 118.59	\$ 136.31
5.000% Series H Preferred					
Liquidation value, end of year (in 000's)	\$104,322	\$104,322	\$104,494	\$104,644	\$104,674
Total shares outstanding (in 000's)	4,173	4,173	4,180	4,186	4,187
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Average market value(h)	\$ 24.18	\$ 24.64	\$ 25.00	\$ 24.33	\$ 22.82
Asset coverage per share(g)	\$ 105.56	\$ 123.83	\$ 102.43	\$ 118.59	\$ 136.31
5.450% Series J Preferred					
Liquidation value, end of period (in 000's)	\$ 80,000	\$ 80,000	\$ 80,000	—	—
Total shares outstanding (in 000's)	3,200	3,200	3,200	—	—
Liquidation preference per share	\$ 25.00	\$ 25.00	\$ 25.00	—	—
Average market value(h)	\$ 25.14	\$ 25.36	\$ 25.43	—	—
Asset coverage per share(g)	\$ 105.56	\$ 123.83	\$ 102.43	—	—
Asset Coverage(i)	422%	495%	410%	474%	545%

† Based on net asset value per share, adjusted for reinvestment of distributions at net asset value on the ex-dividend dates and adjustments for the rights offering.

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

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

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

(c) Ratio of operating expenses to average net assets including liquidation value of preferred shares before fee reductions for the years ended December 31, 2018, 2017, 2016, 2015, and 2014 would have been 1.09%, 1.10%, 1.10%, 1.10%, and 1.10%, respectively.

(d) The Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. For the years ended December 31, 2018, 2017, 2016, and 2015, there was no impact on the expense ratios.

(e) Ratio of operating expenses to average net assets including liquidation value of preferred shares net of fee reductions for the years ended December 31, 2018, 2017, 2016, 2015, and 2014 would have been 1.01%, 1.10%, 1.10%, 1.01%, and 1.07%, respectively.

(f) 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 auction.

(g) Asset coverage per share is calculated by combining all series of preferred stock.

(h) Based on weekly prices.

(i) Asset coverage is calculated by combining all series of preferred stock.

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.

Notes to Financial Statements

1. Organization. The Gabelli Equity Trust Inc. (the Fund) is a non-diversified closed-end management investment company organized as a Maryland corporation on May 20, 1986 and registered under the Investment Company Act of 1940, as amended (the 1940 Act), whose primary objective is long term growth of capital with income as a secondary objective. Investment operations commenced on August 21, 1986.

The Fund will invest at least 80% of its assets in equity securities under normal market conditions (the 80% Policy). The 80% Policy may be changed without shareholder approval. The Fund will provide shareholders with notice at least sixty days prior to the implementation of any changes in the 80% Policy.

2. Significant Accounting Policies. As an investment company, the Fund follows the investment company accounting and reporting guidance, which is part of U.S. generally accepted accounting principles (GAAP) that may require the use of management estimates and assumptions in the preparation of its financial statements. 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.

New Accounting Pronouncements. The SEC recently adopted changes to Regulation S-X to simplify the reporting of information by registered investment companies in financial statements. The amendments require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities and also require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, if any, on the Statement of Changes in Net Assets Attributable to Common Shareholders. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets Attributable to Common Shareholders. These Regulation S-X amendments are reflected in the Fund's financial statements for the year ended December 31, 2018. As a result of adopting these amendments, the distributions to shareholders in the December 31, 2017 Statement of Changes in Net Assets Attributable to Common Shareholders presented herein have been reclassified to conform to the current year presentation.

To improve the effectiveness of fair value disclosure requirements, the Financial Accounting Standards Board recently issued Accounting Standard Update (ASU) 2018-13, Fair Value Measurement Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13), which adds, removes, and modifies certain aspects relating to fair value disclosure. ASU 2018-13 is effective for interim and annual reporting periods beginning after December 15, 2019; early adoption of the additions relating to ASU 2018-13 is not required, even if early adoption is elected for the removals under ASU 2018-13. Management has early adopted the removals set forth in ASU 2018-13 in these financial statements and has not early adopted the additions set forth in ASU 2018-13.

Security Valuation. Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Directors (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

The Gabelli Equity Trust Inc.

Notes to Financial Statements (Continued)

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 obligations 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, 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. Certain securities are valued principally using dealer quotations. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded. OTC futures and options on futures for which market quotations are readily available will be valued by quotations received from a pricing service or, if no quotations are available from a pricing service, by quotations obtained from one or more dealers in the instrument in question by the Adviser.

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 American Depositary Receipt 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 Board's determinations as to the fair value of investments).

The Gabelli Equity Trust Inc. Notes to Financial Statements (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. 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 in securities by inputs used to value the Fund's investments as of December 31, 2018 is as follows:

	Valuation Inputs			Total Market Value at 12/31/18
	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
INVESTMENTS IN SECURITIES:				
ASSETS (Market Value):				
Common Stocks:				
Aerospace and Defense	\$ 43,712,440	—	\$ 70,886	\$ 43,783,326
Diversified Industrial	80,496,982	\$ 648,750	—	81,145,732
Energy and Utilities	65,194,280	—	0	65,194,280
Manufactured Housing and Recreational Vehicles	1,476,330	600,000	—	2,076,330
Telecommunications	58,014,688	—	80,135	58,094,823
Other Industries (a)	1,448,703,781	—	—	1,448,703,781
Total Common Stocks	1,697,598,501	1,248,750	151,021	1,698,998,272
Closed-End Funds	11,464,466	—	—	11,464,466
Convertible Preferred Stocks (a)	594,930	—	—	594,930
Rights (a)	—	—	0	0
U.S. Government Obligations	—	32,844,293	—	32,844,293
TOTAL INVESTMENTS IN SECURITIES – ASSETS	\$1,709,657,897	\$34,093,043	\$151,021	\$1,743,901,961

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

During the year ended December 31, 2018, the Fund did not have material transfers into or out of Level 3.

Additional Information to Evaluate Qualitative Information.

General. The Fund uses recognized industry pricing services – approved by the Board and unaffiliated with the Adviser – to value most of its securities, and uses broker quotes provided by market makers of securities not valued by these and other recognized pricing sources. Several different pricing feeds are received to value domestic equity securities, international equity securities, preferred equity securities, and fixed income securities. The data within these feeds are ultimately sourced from major stock exchanges and trading systems where these securities trade. The prices supplied by external sources are checked by obtaining quotations or actual transaction prices from market participants. If a price obtained from the pricing source is deemed unreliable, prices will be sought from another pricing service or from a broker/dealer that trades that security or similar securities.

Fair Valuation. Fair valued securities may be common or preferred equities, warrants, options, rights, or fixed income obligations. Where appropriate, Level 3 securities are those for which market quotations are not available, such as securities not traded for several days, or for which current bids are not available, or which are restricted as to transfer. When fair valuing a security, factors to consider include recent prices of comparable securities that are publicly traded, reliable prices of securities not publicly traded, the use of valuation models, current analyst reports, valuing the income or cash flow of the issuer, or cost if the preceding factors do not

The Gabelli Equity Trust Inc. Notes to Financial Statements (Continued)

apply. A significant change in the unobservable inputs could result in a lower or higher value in Level 3 securities. The circumstances of Level 3 securities are frequently monitored to determine if fair valuation measures continue to apply.

The Adviser reports quarterly to the Board the results of the application of fair valuation policies and procedures. These may include backtesting the prices realized in subsequent trades of these fair valued securities to fair values previously recognized.

Derivative Financial Instruments. The Fund may engage in various portfolio investment strategies by investing in derivative financial instruments for the purposes of increasing the income of the Fund, 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 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, 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.

Collateral requirements differ by type of derivative. Collateral requirements are set by the broker or exchange clearing house for exchange traded derivatives, while collateral terms are contract specific for derivatives traded over-the-counter. Securities pledged to cover obligations of the Fund under derivative contracts are noted in the Schedule of Investments. Cash collateral, if any, pledged for the same purpose will be reported separately as Deposit at brokers, in the Statement of Assets and Liabilities.

The Fund's policy with respect to offsetting is that, absent an event of default by the counterparty or a termination of the agreement, the master agreement does not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the Fund and the applicable counterparty. The enforceability of the right to offset may vary by jurisdiction.

The Fund's derivative contracts held at December 31, 2018, if any, are not accounted for as hedging instruments under GAAP and are disclosed in the Schedule of Investments together with the related counterparty.

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, and are included in unrealized appreciation/depreciation on futures contracts. The Fund recognizes a realized gain or loss when the contract is closed.

The Gabelli Equity Trust Inc. 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. At December 31, 2018, there were no futures contracts held.

During the year ended December 31, 2018, the Fund held an average monthly notional amount of equity futures contracts of approximately \$22,450,406, while outstanding.

For the year ended December 31, 2018, the effect of futures contracts with equity risk exposure can be found in the Statement of Operations, under Net Realized and Unrealized Gain/(Loss) on Investments, Futures Contracts, and Foreign Currency; Net realized gain on futures contracts; and Net change in unrealized appreciation/depreciation on futures contracts.

Limitations on the Purchase and Sale of Futures Contracts, Certain Options, and Swaps. Subject to the guidelines of the Board, the Fund may engage in “commodity interest” transactions (generally, transactions in futures, certain options, certain currency transactions, and certain types of swaps) only for bona fide hedging or other permissible transactions in accordance with the rules and regulations of the Commodity Futures Trading Commission (CFTC). Pursuant to amendments by the CFTC to Rule 4.5 under the Commodity Exchange Act (CEA), the Adviser has filed a notice of exemption from registration as a “commodity pool operator” with respect to the Fund. The Fund and the Adviser are therefore not subject to registration or regulation as a commodity pool operator under the CEA. In addition, certain trading restrictions are now applicable to the Fund which permit the Fund to engage in commodity interest transactions that include (i) “bona fide hedging” transactions, as that term is defined and interpreted by the CFTC and its staff, without regard to the percentage of the Fund’s assets committed to margin and options premiums and (ii) non-bona fide hedging transactions, provided that the Fund does not enter into such non-bona fide hedging transactions if, immediately thereafter, either (a) the sum of the amount of initial margin deposits on the Fund’s existing futures positions or swaps positions and option or swaption premiums would exceed 5% of the market value of the Fund’s liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions, or (b) the aggregate net notional value of the Fund’s commodity interest transactions would not exceed 100% of the market value of the Fund’s liquidating value, after taking into account unrealized profits and unrealized losses on any such transactions. Therefore, in order to claim the Rule 4.5 exemption, the Fund is limited in its ability to invest in commodity futures, options, and certain types of swaps (including securities futures, broad based stock index futures, and financial futures contracts). As a result, in the future the Fund will be more limited in its ability to use these instruments than in the past, and these limitations may have a negative impact on the ability of the Adviser to manage the Fund, and on the Fund’s performance.

Investments in Other Investment Companies. The Fund may invest, from time to time, in shares of other investment companies (or entities that would be considered investment companies but are excluded from the definition pursuant to certain exceptions under the 1940 Act) (the Acquired Funds) in accordance with the 1940 Act and related rules. Shareholders in the Fund would bear the pro rata portion of the periodic expenses of the Acquired Funds in addition to the Fund’s expenses. For the year ended December 31, 2018, the Fund’s pro rata portion of the periodic expenses charged by the Acquired Funds was less than 1 basis point.

The Gabelli Equity Trust Inc. Notes to Financial Statements (Continued)

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 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 purchase 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 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.

Restricted Securities. The Fund may invest up to 10% of its net assets in securities for which the markets are restricted. Restricted securities include securities whose disposition is subject to substantial legal or contractual restrictions. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Securities freely saleable among qualified institutional investors under special rules adopted by the SEC may be treated as liquid if they satisfy liquidity standards established by the Board. The continued liquidity of such securities is not as well assured as that of publicly traded securities, and, accordingly, the Board will monitor their liquidity. At December 31, 2018, the Fund held no restricted securities.

Securities Transactions and Investment Income. Securities transactions are accounted for on the trade date with realized gain/(loss) on investments determined by using the identified cost method. Interest income (including amortization of premium and accretion of discount) is recorded on an 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 from foreign securities that are recorded as soon after the ex-dividend date as the Fund becomes aware of such dividends.

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

The Gabelli Equity Trust Inc. Notes to Financial Statements (Continued)

overdraft fee of 110% of the 90 day U.S. Treasury Bill rate on outstanding balances. This amount, if any, would be included 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 GAAP. 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 tax treatment of currency gains and losses and investments in partnerships and real estate securities. These reclassifications have no impact on the NAV of the Fund. For the year ended December 31, 2018, reclassifications were made to decrease paid-in capital by \$24,536, with an offsetting adjustment to total distributable earnings.

Under the Fund's current common share distribution policy, the Fund declares and pays quarterly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. Pursuant to this policy, distributions during the year may be made in excess of required distributions. To the extent such distributions are made from current earnings and profits, they are considered ordinary income or long term capital gains. The Fund's current distribution policy may restrict the Fund's ability to pass through to shareholders all of its net realized long term capital gains as a Capital Gain Dividend and may cause such gains to be treated as ordinary income. Distributions sourced from paid-in capital should not be considered as dividend yield or the total return from an investment in the Fund. The Board will continue to monitor the Fund's distribution level, taking into consideration the Fund's NAV and the financial market environment. The Fund's distribution policy is subject to modification by the Board at any time.

Distributions to shareholders of the Fund's Series C Auction Rate Cumulative Preferred Stock, 5.875% Series D Cumulative Preferred Stock, Series E Auction Rate Cumulative Preferred Stock, Series G Cumulative Preferred Stock, 5.000% Series H Cumulative Preferred Stock, and 5.450% Series J Cumulative Preferred Stock (Preferred Stock) are recorded on a daily basis and are determined as described in Note 5.

The tax character of distributions paid during the years ended December 31, 2018 and 2017 was as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Common	Preferred	Common	Preferred
Distributions paid from:				
Ordinary income (inclusive of short term capital gains)	\$ 15,785,455	\$ 2,043,324	\$ 8,169,123	\$ 1,122,792
Net long term capital gains	136,915,175	17,722,772	124,904,270	17,167,274
Return of capital	8,979,028	—	965,800	—
Total distributions paid	<u>\$161,679,658</u>	<u>\$19,766,096</u>	<u>\$134,039,193</u>	<u>\$18,290,066</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

The Gabelli Equity Trust Inc. Notes to Financial Statements (Continued)

substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

As of December 31, 2018, the components of accumulated earnings/losses on a tax basis were as follows:

Net unrealized appreciation on investments and foreign currency translations ..	\$483,795,997
Other temporary differences*	<u>(299,987)</u>
Total	<u>\$483,496,010</u>

* Other temporary differences are due to preferred share class distribution payables.

At December 31, 2018, the temporary differences between book basis and tax basis unrealized appreciation were primarily due to deferral of losses from wash sales for tax purposes, adjustments on the sale of securities no longer deemed passive foreign investment companies, and basis adjustments on investments in partnerships.

The following summarizes the tax cost of investments and the related net unrealized appreciation at December 31, 2018:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation</u>
Investments	\$1,260,108,506	\$602,953,505	\$(119,160,050)	\$483,793,455

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 not to meet the more-likely-than-not threshold. During the year ended December 31, 2018, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2018, 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. The Fund's federal and state tax returns for the prior three fiscal years remain open, subject to examination. On an ongoing basis, the Adviser will monitor the Fund's tax positions to determine if adjustments to this conclusion are necessary.

3. Investment Advisory Agreement and Other Transactions. 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 the Fund's average weekly net assets including the liquidation value of 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.

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). During the year ended December 31, 2018, the Fund accrued \$221,098 in payroll expenses in the Statement of Operations.

The Adviser has agreed to reduce the management fee on the incremental assets attributable to the Series C, Series D, and Series E Preferred Stock (C, D, and E Preferred Stock) 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 Gabelli Equity Trust Inc.

Notes to Financial Statements (Continued)

the stated dividend rate of the C, D, and E Preferred Stock 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 of the C, D, and E Preferred Stock for the period. During the year ended December 31, 2018, the Fund's total return on the NAV of the common shares did not exceed the dividend rate of the outstanding C, D, and E Preferred Stock. Thus, advisory fees of the C, D, and E Preferred Stock were reduced by \$1,590,965.

During the year ended December 31, 2018, the Fund paid \$82,334 in brokerage commissions on security trades to G.research, LLC, an affiliate of the Adviser.

During the year ended December 31, 2018, the Fund received credits from a designated broker who agreed to pay certain Fund operating expenses. The amount of such expenses paid through this directed brokerage arrangement during this period was \$13,205.

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, 2018, the Fund accrued \$45,000 in accounting fees in the Statement of Operations.

There was a reduction in the advisory fee paid to the Adviser relating to certain portfolio holdings, i.e., unsupervised assets, of the Fund with respect to which the Adviser transferred dispositive and voting control to the Fund's Proxy Voting Committee. During the year ended December 31, 2018, the Fund's Proxy Voting Committee exercised control and discretion over all rights to vote or consent with respect to such securities, and the Adviser reduced its fee with respect to such securities by \$3,886.

The Fund pays each Director who is not considered an affiliated person an annual retainer of \$15,000 plus \$2,000 for each Board meeting attended. Each Director is reimbursed by the Fund for any out of pocket expenses incurred in attending meetings. All Board committee members receive \$1,000 per meeting attended. The Audit Committee Chairman receives an annual fee of \$3,000, and the Nominating Committee Chairman and the Lead Director each receives an annual fee of \$2,000. A Director may receive a single meeting fee, allocated among the participating funds, for participation in certain meetings held on behalf of multiple funds. Directors 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 during the year ended December 31, 2018, other than short term securities and U.S. Government obligations, aggregated \$326,495,483 and \$327,835,638, respectively.

5. Capital. The Fund's Articles of Incorporation, as amended, permit the Fund to issue 337,024,900 shares of common stock (par value \$0.001) and authorizes the Board to increase its authorized shares from time to time. The Board has authorized the repurchase of its shares on the open market when the shares are trading on the NYSE 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, 2018 and 2017, the Fund did not repurchase any shares of its common stock in the open market.

The Gabelli Equity Trust Inc. Notes to Financial Statements (Continued)

Transactions in shares of common stock were as follows:

	Year Ended December 31, 2018		Year Ended December 31, 2017	
	Shares	Amount	Shares	Amount
Increase from common shares issued in rights offering	—	—	31,514,058	\$173,327,861
Increase from common shares issued upon reinvestment of distributions	1,225,559	\$7,658,026	1,358,240	8,540,513
Net increase	<u>1,225,559</u>	<u>\$7,658,026</u>	<u>32,872,298</u>	<u>\$181,868,374</u>

The Fund has an effective shelf registration authorizing the offering of an additional \$500 million of common or preferred shares. As of December 31, 2018, after considering the November 2017 common share rights offering, the Fund has approximately \$327 million available for issuance under the current shelf registration.

On November 6, 2017, the Fund distributed one transferable right for each of the 220,598,406 common shares outstanding on that date. Seven rights were required to purchase one additional common share at the subscription price of \$5.50 per share. On December 19, 2017, the Fund issued 31,514,058 common shares receiving net proceeds of \$172,670,846, after the deduction of offering expenses of \$658,709. The NAV of the Fund was reduced by \$0.14 per share on the day the additional shares were issued due to the additional shares being issued below NAV.

The Fund's Articles of Incorporation, as amended, authorize the issuance of up to 18,000,000 shares of \$0.001 par value Preferred Stock. The Preferred Stock is senior to the common stock and results in the financial leveraging of the common stock. Such leveraging tends to magnify both the risks and opportunities to common shareholders. Dividends on shares of the Preferred Stock are cumulative. The Fund is required by the 1940 Act and by the Fund's Articles Supplementary to meet certain asset coverage tests with respect to the Preferred Stock. 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 Series C, Series D, Series E, Series G, Series H, and Series J Preferred Stock at redemption prices of \$25,000, \$25, \$25,000, \$25, \$25, and \$25, 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.

For Series C and Series E Preferred Stocks, the dividend rates, as set by the auction process that is generally held every seven days, are expected to vary with short term interest rates. Since February 2008, the number of shares of Series C and Series E Preferred Stock subject to bid orders by potential holders has been less than the number of shares of Series C and Series E Preferred Stock subject to sell orders. Holders that have submitted sell orders have not been able to sell any or all of the Series C and Series E Preferred Stock for which they have submitted sell orders. Therefore, the weekly auctions have failed, and the dividend rate has been the maximum rate. For Series C and Series E Preferred Stock, the maximum auction rate is 175% of the "AA" Financial Composite Commercial Paper Rate. Existing Series C and Series E shareholders may submit an order to hold, bid, or sell such shares on each auction date, or trade their shares in the secondary market.

The Gabelli Equity Trust Inc. Notes to Financial Statements (Continued)

The Fund may redeem at any time, in whole or in part, the Series C, Series D, Series E, Series G, and Series H Preferred Stock at their respective liquidation prices plus any accrued and unpaid dividends. In addition, the Board has authorized the repurchase of the Series J Preferred Stock in the open market at a price less than the \$25 liquidation value per share. During the years ended December 31, 2018 and 2017, the Fund did not repurchase or redeem any shares of Series C, Series D, Series E, and Series J Preferred Stock. During the year ended December 31, 2017, the Fund repurchased and retired 9,905 of the Series G Preferred in the open market at an investment of \$235,625 and an average discount of approximately 4.89%, and repurchased and retired 6,900 of the Series H Preferred in the open market at an investment of \$163,263 and an average discount of approximately 5.39%.

The Fund has the authority to purchase its auction rate Series C and Series E preferred shares through negotiated private transactions. The Fund is not obligated to purchase any dollar amount or number of auction rate preferred shares, and the timing and amount of any auction rate preferred shares purchased will depend on market conditions, share price, capital availability, and other factors. The Fund is not soliciting holders to sell these shares nor recommending that holders offer them to the Fund. Any offers can be accepted or rejected in the Fund's discretion.

The following table summarizes Cumulative Preferred Stock information:

Series	Issue Date	Authorized	Number of Shares Outstanding at 12/31/18	Net Proceeds	2018 Dividend Rate Range	Dividend Rate at 12/31/18	Accrued Dividends at 12/31/18
C Auction Rate	June 27, 2002	5,200	2,880	\$128,246,557	2.328% to 4.184%	4.184%	\$57,774
D 5.875%	October 7, 2003	3,000,000	2,363,860	\$ 72,375,842	Fixed Rate	5.875%	\$48,221
E Auction Rate	October 7, 2003	2,000	1,120	\$ 49,350,009	2.381% to 4.149%	4.149%	\$12,731
G	August 1, 2012	3,280,477	2,779,796	\$ 69,407,417	Fixed Rate	5.000%	\$48,260
H 5.000%	September 28, 2012	4,198,880	4,172,873	\$100,865,695	Fixed Rate	5.000%	\$72,446
J 5.450%	March 28, 2016	4,500,000	3,200,000	\$ 77,212,332	Fixed Rate	5.450%	\$60,555

The holders of Preferred Stock 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 Preferred Stock voting together as a single class also have the right currently to elect two Directors and, under certain circumstances, are entitled to elect a majority of the Board of Directors. In addition, the affirmative vote of a majority of the votes entitled to be cast by holders of all outstanding shares of the preferred stock, voting as a single class, will be required to approve any plan of reorganization adversely affecting the preferred stock, 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 stock 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. 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. Management has reviewed the Fund's existing contracts and expects the risk of loss to be remote.

The Gabelli Equity Trust Inc.
Notes to Financial Statements (Continued)

7. Subsequent Events. Management has evaluated the impact on the Fund of all subsequent events occurring through 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 Equity Trust Inc.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
The Gabelli Equity Trust Inc.:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The Gabelli Equity Trust Inc. (the “Fund”) as of December 31, 2018, the related statement of operations for the year ended December 31, 2018, the statement of changes in net assets attributable to common shareholders for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2018 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, the results of its operations for the year then ended, the changes in its net assets attributable to common shareholders for each of the two years in the period ended December 31, 2018 and the financial highlights for each of the five years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 28, 2019

We have served as the auditor of one or more investment companies in Gabelli/GAMCO Fund Complex since 1986.

The Gabelli Equity Trust Inc. Additional Fund Information (Unaudited)

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

Name, Position(s) Address¹ and Age	Term of Office and Length of Time Served²	Number of Funds in Fund Complex Overseen by Director	Principal Occupation(s) During Past Five Years	Other Directorships Held by Director³
INTERESTED DIRECTORS⁴:				
Mario J. Gabelli, CFA Chairman and Chief Investment Officer Age: 76	Since 1986*	35	Chairman, Chief Executive Officer, and Chief Investment Officer— Value Portfolios 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 within the Gabelli/GAMCO Fund Complex; Chief Executive Officer of GGCP, Inc.; Executive Chairman of Associated Capital Group, Inc.	Director of Morgan Group Holdings, Inc. (holding company); Chairman of the Board and Chief Executive Officer of LICT Corp. (multimedia and communication services company); Director of CIBL, Inc. (broadcasting and wireless communications); Director of ICTC Group Inc. (communications)
INDEPENDENT DIRECTORS⁵:				
James P. Conn⁶ Director Age: 80	Since 1989***	26	Former Managing Director and Chief Investment Officer of Financial Security Assurance Holdings Ltd. (1992-1998)	—
Frank J. Fahrenkopf, Jr.⁷ Director Age: 79	Since 1998**	14	Co-Chairman of the Commission on Presidential Debates; Former President and Chief Executive Officer of the American Gaming Association (1995-2013); Former Chairman of the Republican National Committee (1983-1989)	Director of First Republic Bank (banking); Director of Eldorado Resorts, Inc. (casino entertainment company)
Michael J. Ferrantino Director Age: 47	Since 2017***	2	Chief Executive Officer of InterEx Inc.	—
William F. Heitmann Director Age: 69	Since 2012*	4	Managing Director and Senior Advisor of Perlmutter Investment Company (real estate); Senior Vice President of Finance, Verizon Communications, and President, Verizon Investment Management (1971-2011)	Director and Audit Chair of Syncreon (contract logistics provider)
Kuni Nakamura⁷ Director Age: 50	Since 2018***	37	President of Advanced Polymer, Inc. (chemical manufacturing company); President of KEN Enterprises, Inc. (real estate)	—
Salvatore J. Zizza Director Age: 73	Since 1986**	32	President of Zizza & Associates Corp. (private holding company); Chairman of BAM (semiconductor and aerospace manufacturing); President of Bergen Cove Realty Inc.; Chairman of Metropolitan Paper Recycling Inc. (recycling) (2005-2014)	Director and Chairman of Trans-Lux Corporation (business services); Director and Chairman of Harbor Diversified Inc. (pharmaceuticals) (2009-2018)

The Gabelli Equity Trust Inc. Additional Fund Information (Continued) (Unaudited)

<u>Name, Position(s) Address¹ and Age</u>	<u>Term of Office and Length of Time Served²</u>	<u>Principal Occupation(s) During Past Five Years</u>
OFFICERS:		
Bruce N. Alpert President Age: 67	Since 1988	Executive Vice President and Chief Operating Officer of Gabelli Funds, LLC since 1988; Officer of registered investment companies within the Gabelli/GAMCO Fund Complex; Senior Vice President of GAMCO Investors, Inc. since 2008
John C. Ball Treasurer Age: 42	Since 2017	Treasurer of funds within the Gabelli/GAMCO Fund Complex since 2017; Vice President and Assistant Treasurer of AMG Funds, 2014-2017; Vice President of State Street Corporation, 2007-2014
Agnes Mullady Vice President Age: 60	Since 2006	Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2006; President and Chief Operating Officer of the Fund Division of Gabelli Funds, LLC since 2015; Chief Executive Officer of G.distributors, LLC since 2010; Senior Vice President of GAMCO Investors, Inc. since 2009; Vice President of Gabelli Funds, LLC since 2007; Executive Vice President of Associated Capital Group, Inc. since 2016
Andrea R. Mango Secretary and Vice President Age: 46	Since 2013	Vice President of GAMCO Investors, Inc. since 2016; Counsel of Gabelli Funds, LLC since 2013; Secretary of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Vice President of closed-end funds within the Gabelli/GAMCO Fund Complex since 2014; Corporate Vice President within the Corporate Compliance Department of New York Life Insurance Company, 2011-2013
Richard J. Walz Chief Compliance Officer Age: 59	Since 2013	Chief Compliance Officer of registered investment companies within the Gabelli/GAMCO Fund Complex since 2013; Chief Compliance Officer of AEGON USA Investment Management, 2011-2013
Molly A.F. Marion Vice President and Ombudsman Age: 64	Since 2009	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Vice President of GAMCO Investors, Inc. since 2012
Carter W. Austin Vice President Age: 52	Since 2000	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Senior Vice President (since 2015) and Vice President (1996-2015) of Gabelli Funds, LLC
David I. Schachter Vice President Age: 65	Since 2013	Vice President and/or Ombudsman of closed-end funds within the Gabelli/GAMCO Fund Complex; Vice President (since 2015) of GAMCO Investors, Inc. and Vice President (1999-2015) of G.research, LLC

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

² The Fund's Board of Directors 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 2019 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

** Term expires at the Fund's 2020 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

*** Term expires at the Fund's 2021 Annual Meeting of Shareholders or until their successors are duly elected and qualified.

For officers, includes time served in prior officer positions with the Fund. 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.

³ 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.

⁴ "Interested person" of the Fund as defined in the 1940 Act. Mr. Gabelli is considered an "interested person" because of his affiliation with Gabelli Funds, LLC, which acts as the Fund's investment adviser.

⁵ Directors who are not interested persons are considered "Independent" Directors.

⁶ This Director is elected solely by and represents the stockholders of the preferred stock issued by this Fund.

⁷ Mr. Fahrenkopf's daughter, Leslie F. Foley, serves as a director of other funds in the Fund Complex. Mr. Nakamura is a director of Gabelli Merger Plus+ Trust Plc, which may be deemed to be controlled by Mario J. Gabelli and/or affiliates and, in that event, would be deemed to be under common control with the Fund's Adviser.

THE GABELLI EQUITY TRUST INC.
INCOME TAX INFORMATION (Unaudited)
December 31, 2018

Cash Dividends and Distributions

	Payable Date	Record Date	Ordinary Investment Income (a)	Long Term Capital Gains	Return of Capital (b)	Total Amount Paid Per Share (c)	Dividend Reinvestment Price
Common Stock	03/22/18	03/15/18	\$0.01460	\$0.12700	\$0.00840	\$0.15000	\$6.14140
	06/22/18	06/15/18	0.01460	0.12700	0.00840	0.15000	6.33000
	09/21/18	09/14/18	0.01460	0.12700	0.00840	0.15000	6.53000
	12/14/18	12/07/18	0.01850	0.16080	0.01070	0.19000	5.28000
			\$0.06230	\$0.54180	\$0.03590	\$0.64000	
5.875% Series D Cumulative Preferred Stock	03/26/18	03/19/18	\$0.03786	\$0.32933	—	\$0.36719	
	06/26/18	06/19/18	0.03786	0.32933	—	0.36719	
	09/26/18	09/19/18	0.03786	0.32933	—	0.36719	
	12/26/18	12/18/18	0.03786	0.32933	—	0.36719	
			\$0.15144	\$1.31731	—	\$1.46875	
Series G Cumulative Preferred Stock	03/26/18	03/19/18	\$0.03220	\$0.28030	—	\$0.31250	
	06/26/18	06/19/18	0.03220	0.28030	—	0.31250	
	09/26/18	09/19/18	0.03220	0.28030	—	0.31250	
	12/26/18	12/18/18	0.03220	0.28030	—	0.31250	
			\$0.12880	\$1.12120	—	\$1.25000	
5.000% Series H Cumulative Preferred Stock	03/26/18	03/19/18	\$0.03220	\$0.28030	—	\$0.31250	
	06/26/18	06/19/18	0.03220	0.28030	—	0.31250	
	09/26/18	09/19/18	0.03220	0.28030	—	0.31250	
	12/26/18	12/18/18	0.03220	0.28030	—	0.31250	
			\$0.12880	\$1.12120	—	\$1.25000	
5.450% Series J Cumulative Preferred Stock	03/26/18	03/19/18	\$0.03512	\$0.30550	—	\$0.34062	
	06/26/18	06/19/18	0.03512	0.30550	—	0.34062	
	09/26/18	09/19/18	0.03512	0.30550	—	0.34062	
	12/26/18	12/18/18	0.03512	0.30550	—	0.34062	
			\$0.14048	\$1.22202	—	\$1.36250	

Auction Rate Series C and E Cumulative Preferred Stock

Auction Rate Preferred Stocks pay dividends weekly based on the maximum rate. The distributions derived from long term capital gains for the Auction Rate Series C and Series E Cumulative Preferred Stock were \$2,136,183 and \$812,013, respectively.

A Form 1099-DIV has been mailed to all shareholders of record which sets forth specific amounts to be included in the 2018 tax returns. Ordinary income distributions include net investment income and realized net short term capital gains, if any. Ordinary income is reported in box 1a of Form 1099-DIV. Capital gain distributions are reported in box 2a of Form 1099-DIV. The long term gain distributions for the year ended December 31, 2018 were \$154,637,947.

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

In 2018, the Fund paid to common, 5.875% Series D, 5.000% Series G, 5.000% Series H, and 5.450% Series J preferred shareholders ordinary income dividends totaling \$0.06230, \$0.15144, \$0.12880, \$0.12880, and \$0.14048 per share, respectively. The Fund paid weekly distributions to auction rate Series C and Series E preferred shareholders at varying rates throughout the year, including an ordinary income dividend totaling \$85.26993 and \$83.34800 per share, respectively, in 2018. For the year ended December 31, 2018, 100% of the ordinary income dividend qualified for the dividend received deduction available to corporations, 100% of the ordinary income distribution was deemed qualified dividend income and is reported in box 1b on Form 1099-DIV, 100% of the ordinary income distribution was qualified short term capital gain, and 4.79% of the ordinary income distribution was qualified interest income. The percentage of the ordinary income dividends paid by the Fund during 2018 derived from U.S. Government securities was 4.36%. 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 2018. The percentage of U.S. Government securities held as of December 31, 2018 was 1.88% of total investments.

THE GABELLI EQUITY TRUST INC.
INCOME TAX INFORMATION (Unaudited) (Continued)
December 31, 2018

Historical Distribution Summary

	Investment Income (a)	Short Term Capital Gains (a)	Long Term Capital Gains	Return of Capital (b)	Total Distributions(c)	Adjustment to Cost Basis (d)
Common Stock						
2018	\$0.05980	\$0.00250	\$0.54180	\$0.03590	\$0.64000	\$0.03590
2017(e)	0.03700	—	0.56850	0.00450	0.61000	0.00450
2016	0.06280	0.00960	0.52320	0.00440	0.60000	0.00440
2015	0.05210	0.01020	0.43270	0.14500	0.64000	0.14500
2014(f)	0.04848	0.01772	0.47238	0.10143	0.64000	0.10143
2013	0.05000	0.06250	0.50750	—	0.62000	—
2012(g)	0.05800	0.10800	—	0.39400	0.56000	0.39400
2011	0.01676	0.00430	—	0.54895	0.57000	0.54895
2010	—	—	—	0.51000	0.51000	0.51000
2009	0.00040	—	—	0.71960	0.72000	0.71960
5.875% Series D Cumulative Preferred Stock						
2018	\$0.14561	\$0.00583	\$1.31731	—	\$1.46875	—
2017	0.09005	—	1.37870	—	1.46875	—
2016	0.15523	0.02360	1.28992	—	1.46875	—
2015	0.15444	0.03023	1.28409	—	1.46876	—
2014	0.13222	0.04831	1.28822	—	1.46875	—
2013	0.11822	0.14819	1.20234	—	1.46875	—
2012	0.51428	0.95447	—	—	1.46875	—
2011	1.16910	0.29965	—	—	1.46875	—
2010	1.05723	—	—	\$0.41152	1.46875	\$0.41152
2009	1.46875	—	—	—	1.46875	—
Series G Cumulative Preferred Stock						
2018	\$0.12400	\$0.00480	\$1.12120	—	\$1.25000	—
2017	0.07680	—	1.17320	—	1.25000	—
2016	0.13200	0.02000	1.09800	—	1.25000	—
2015	0.13160	0.02560	1.09280	—	1.25000	—
2014	0.11240	0.04120	1.09640	—	1.25000	—
2013	0.11270	0.14110	1.14550	—	1.39930	—
2012	0.21155	0.39262	—	—	0.60417	—
5.000% Series H Cumulative Preferred Stock						
2018	\$0.12400	\$0.00480	\$1.12120	—	\$1.25000	—
2017	0.07680	—	1.17320	—	1.25000	—
2016	0.13200	0.02000	1.09800	—	1.25000	—
2015	0.13160	0.02560	1.09280	—	1.25000	—
2014	0.11240	0.04120	1.09640	—	1.25000	—
2013	0.10080	0.12600	1.02320	—	1.25000	—
2012	0.10700	0.19860	—	—	0.30560	—
5.450% Series J Cumulative Preferred Stock						
2018	\$0.13507	\$0.00541	\$1.22202	—	\$1.36250	—
2017	0.08353	—	1.27897	—	1.36250	—
2016	0.10640	0.01618	0.88416	—	1.00674	—

THE GABELLI EQUITY TRUST INC.
INCOME TAX INFORMATION (Unaudited) (Continued)
December 31, 2018

Historical Distribution Summary (Continued)

	Investment Income (a)	Short Term Capital Gains (a)	Long Term Capital Gains	Return of Capital (b)	Total Distributions(c)	Adjustment to Cost Basis (d)
Auction Rate Series C Cumulative Preferred Stock						
2018	\$81.98543	\$ 3.28450	\$741.73007	—	\$827.00000	—
2017	27.23682	—	417.02318	—	444.26000	—
2016	18.45541	2.80628	153.35831	—	174.62000	—
2015	4.58660	0.89764	38.13575	—	43.61999	—
2014	2.81131	1.02727	27.39142	—	31.23000	—
2013	2.49523	3.12766	25.37712	—	31.00000	—
2012	13.04312	24.20688	—	—	37.25000	—
2011	29.61842	7.59158	—	—	37.21000	—
2010	47.84624	—	—	\$18.62376	66.47000	\$18.62376
2009	70.60000	—	—	—	70.60000	—
Auction Rate Series E Cumulative Preferred Stock						
2018	\$80.13754	\$ 3.21047	\$725.01199	—	\$808.36000	—
2017	27.45447	—	420.35553	—	447.81000	—
2016	18.51566	2.81544	153.85890	—	175.19000	—
2015	4.84737	0.94868	40.30395	—	46.10000	—
2014	2.68709	0.98187	26.18104	—	29.85000	—
2013	2.56686	3.21745	26.10568	—	31.89000	—
2012	12.47587	23.15413	—	—	35.63000	—
2011	27.47723	7.04277	—	—	34.52000	—
2010	48.73162	—	—	\$18.96838	67.70000	\$18.96838
2009	65.24000	—	—	—	65.24000	—

(a) Taxable as ordinary income.

(b) Non-taxable.

(c) Total amounts may differ due to rounding.

(d) Decrease in cost basis.

(e) On November 6, 2017, the Fund also distributed Rights equivalent to \$0.14 per common share based upon full subscription of all issued shares.

(f) On September 19, 2014, the Fund also distributed Rights equivalent to \$0.12 per common share based upon full subscription of all issued shares.

(g) On June 29, 2012, the Fund also distributed Rights equivalent to \$0.12 per common 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.

AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS

Enrollment in the Plan

It is the policy of The Gabelli Equity Trust Inc. (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 shares of common stock 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 stock certificates to Computershare Trust Company, N.A. (Computershare) to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Equity Trust Inc.
c/o Computershare
P.O. Box 30170
College Station, TX 77842-3170

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 dividends will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in “street name” at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of common stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Fund’s common stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of common stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Fund’s common stock. 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 stock at the time of valuation exceeds the market price of the common stock, participants will receive 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 stock 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 stock exceeds the then current net asset value.

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

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 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 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 EQUITY TRUST INC. AND YOUR PERSONAL PRIVACY

Who are we?

The Gabelli Equity Trust Inc. (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., a publicly held company that has subsidiaries that provide investment advisory services for a variety of clients.

What kind of non-public information do we collect about you if you become a Fund 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.

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.

THE GABELLI EQUITY TRUST INC.
One Corporate Center
Rye, NY 10580-1422

Portfolio Management Team Biographies

Mario J. Gabelli, CFA, is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. that he founded in 1977, and Chief Investment Officer - Value Portfolios of Gabelli Funds, LLC and GAMCO Asset Management Inc. He is also Executive Chairman of Associated Capital Group, Inc. Mr. Gabelli is a summa cum laude graduate of Fordham University and holds an MBA degree from Columbia Business School and Honorary Doctorates from Fordham University and Roger Williams University.

Christopher J. Marangi joined Gabelli in 2003 as a research analyst. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Marangi graduated magna cum laude and Phi Beta Kappa with a BA in Political Economy from Williams College and holds an MBA degree with honors from Columbia Business School.

Kevin V. Dreyer joined Gabelli in 2005 as a research analyst covering companies within the consumer sector. Currently he is a Managing Director and Co-Chief Investment Officer for GAMCO Investors, Inc.'s Value team. In addition, he serves as a portfolio manager of Gabelli Funds, LLC and manages several funds within the Gabelli/GAMCO Fund Complex. Mr. Dreyer received a BSE from the University of Pennsylvania and an MBA degree from Columbia Business School.

Robert D. Leininger, CFA, joined GAMCO Investors, Inc. in 1993 as an equity analyst. Subsequently, he was a partner and portfolio manager at Rorer Asset Management before rejoining GAMCO in 2010 where he currently serves as a portfolio manager of Gabelli Funds, LLC. Mr. Leininger is a magna cum laude graduate of Amherst College with a degree in Economics and holds an MBA degree from the Wharton School at the University of Pennsylvania.

Daniel M. Miller has been the portfolio manager of The Gabelli Focus Five Fund since inception of the investment strategy on January 1, 2012. He is also a Managing Director of GAMCO Investors, Inc. Mr. Miller joined the Firm in 2002 and graduated magna cum laude with a degree in finance from the University of Miami in Coral Gables, Florida.

Jennie Tsai joined Gabelli in 2001 as a research analyst responsible for the healthcare and medical products industries. At Gabelli, Ms. Tsai is focused on medical sectors, including dental, orthopedics, diagnostics, dermatology, and ophthalmology. She received a BS in Commerce at the University of Virginia and an MBA from Columbia Business School.

The Net Asset Value per share appears in the Publicly Traded Funds column, under the heading "General 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 "General Equity Funds."

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

The NASDAQ symbol for the Net Asset Value is "XGABX."

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 EQUITY TRUST INC.

One Corporate Center
Rye, NY 10580-1422

t 800-GABELLI (800-422-3554)

f 914-921-5118

e info@gabelli.com
GABELLI.COM

DIRECTORS

Mario J. Gabelli, CFA
Chairman and
Chief Executive Officer,
GAMCO Investors, Inc.
Executive Chairman,
Associated Capital Group, Inc.

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

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

Michael J. Ferrantino
Chief Executive Officer,
InterEx, Inc.

William F. Heitmann
Former Senior Vice President
of Finance,
Verizon Communications, Inc.

Kuni Nakamura
President,
Advanced Polymer, Inc.

Salvatore J. Zizza
Chairman,
Zizza & Associates Corp.

OFFICERS

Bruce N. Alpert
President

John C. Ball
Treasurer

Agnes Mullady
Vice President

Andrea R. Mango
Secretary & Vice President

Richard J. Walz
Chief Compliance Officer

Molly A.F. Marion
Vice President & Ombudsman

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THE GABELLI EQUITY TRUST INC.

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