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GABELLI EQUITY TRUST INC

Form N-Q

November 28, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-04700

The Gabelli Equity Trust Inc.
(Exact name of registrant as specified in charter)

One Corporate Center
Rye, New York 10580-1422
(Address of principal executive offices) (Zip code)

Bruce N. Alpert
Gabelli Funds, LLC
One Corporate Center
Rye, New York 10580-1422
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-422-3554

Date of fiscal year end: December 31

Date of reporting period: September 30, 2008

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. SCHEDULE OF INVESTMENTS.

The Schedule(s) of Investments is attached herewith.

(THE GABELLI LOGO)

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EQUITY TRUST INC.

THE GABELLI EQUITY TRUST INC.

Third Quarter Report September 30, 2008

TO OUR SHAREHOLDERS,

During the third quarter of 2008, The Gabelli Equity Trust's (the "Fund") total return was down 15.37% on a net asset value ("NAV") basis while the Standard & Poor's ("S&P") 500 Index and the Dow Jones Industrial Average declined 8.36% and 3.72%, respectively. The Fund's NAV fell 29.22% for the past twelve months, underperforming the benchmark S&P 500 Index for this period. The Fund's market price on September 30, 2008 was \$6.89, which equates to a 12.40% premium to its NAV of \$6.13 at the end of the quarter. The Fund's market price, adjusted for distributions, declined 12.98% during the third quarter and was down 19.25% for the twelve month period ended September 30, 2008.

Enclosed is the investment portfolio as of September 30, 2008.

COMPARATIVE RESULTS

AVERAGE ANNUAL RETURNS THROUGH SEPTEMBER 30, 2008 (a)

| | Quarter | 1 Year | 3 Year | 5 Year | 10 Year | 15 Year | 2 |
|------------------------------------|----------|----------|--------|--------|---------|---------|-------|
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| GABELLI EQUITY TRUST | | | | | | | |
| NAV TOTAL RETURN (b) | (15.37)% | (29.22)% | 0.14% | 9.10% | 7.46% | 8.52% | |
| INVESTMENT TOTAL RETURN (c) | (12.98) | (19.25) | 5.29 | 10.25 | 8.24 | 8.75 | |
| S&P 500 Index | (8.36) | (21.96) | 0.22 | 5.17 | 3.06 | 8.39 | |
| Dow Jones Industrial Average | (3.72) | (19.85) | 3.31 | 5.62 | 5.48 | 10.07 | |
| Nasdaq Composite Index | (8.77) | (22.57) | (0.94) | 3.20 | 2.13 | 6.96 | |

- (a) RETURNS REPRESENT PAST PERFORMANCE AND DO NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURNS AND THE PRINCIPAL VALUE OF AN INVESTMENT WILL FLUCTUATE. WHEN SHARES ARE SOLD, THEY MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA PRESENTED. VISIT WWW.GABELLI.COM 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 NEW YORK STOCK EXCHANGE, REINVESTMENT OF DISTRIBUTIONS, AND

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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 IS AVAILABLE.

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

THE GABELLI EQUITY TRUST INC.
PORTFOLIO CHANGES
QUARTER ENDED SEPTEMBER 30, 2008 (UNAUDITED)

| | SHARES | OWNERSHIP AT SEPTEMBER 30, 2008 |
|---|-----------|---------------------------------------|
| NET PURCHASES | ----- | ----- |
| COMMON STOCKS | ----- | ----- |
| Accor SA | 800 | 2,000 |
| Advanced Medical Optics Inc. | 15,000 | 145,000 |
| Alcoa Inc. | 6,000 | 28,000 |
| Alpharma Inc., Cl. A | 23,000 | 30,000 |
| American International Group Inc. | 40,000 | 100,000 |
| Anheuser-Busch Companies Inc. | 40,000 | 80,000 |
| Ascent Media Corp., Cl. A (a) | 15,450 | 15,450 |
| AutoNation Inc. | 10,000 | 210,000 |
| Avis Budget Group Inc. | 1,000 | 15,000 |
| Boeing Co. | 5,000 | 110,000 |
| British American Tobacco plc | 5,000 | 30,000 |
| Cable & Wireless Jamaica Ltd. | 1,727,420 | 6,168,256 |
| Cadbury plc | 20,000 | 90,400 |
| Cephalon Inc. | 2,000 | 3,000 |
| Champion Enterprises Inc. | 30,000 | 100,000 |
| Ciba Holding AG | 20,000 | 20,000 |
| Citigroup Inc. | 10,000 | 360,000 |
| Compania de Telecomunicaciones de Chile SA, ADR | 10,000 | 120,000 |
| Constellation Energy Group Inc. | 25,000 | 33,000 |
| Davide Campari-Milano SpA | 10,000 | 300,000 |
| Dean Foods Co. | 35,000 | 150,000 |
| Deutsche Telekom AG, ADR | 22,000 | 190,000 |
| Diamond Offshore Drilling Inc. | 1,000 | 3,000 |
| Discovery Communications Inc., Cl. A (a) | 134,500 | 134,500 |
| Discovery Communications Inc., Cl. C (a) | 134,500 | 134,500 |
| Dr. Pepper Snapple Group Inc. | 33,600 | 133,200 |
| Eastman Kodak Co. | 100,000 | 100,000 |
| El Paso Corp. | 30,000 | 300,000 |
| Federal National Mortgage Association | 10,000 | 50,000 |
| Fortune Brands Inc. | 2,000 | 60,000 |
| Frontier Communications Corp. | 80,000 | 80,000 |
| General Motors Corp. | 120,000 | 330,000 |

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| | | |
|--|---------|---------|
| Great Plains Energy Inc. (b) | 68,480 | 68,480 |
| Grupo TMM SA, Cl. A, ADR | 1,000 | 16,000 |
| Heineken NV | 20,000 | 45,000 |
| Hellenic Telecommunications Organization SA | 33,000 | 33,000 |
| Hellenic Telecommunications Organization SA, ADR | 8,500 | 8,500 |
| Hertz Global Holdings Inc. | 1,000 | 1,000 |
| HSN Inc. (c) | 35,000 | 35,000 |
| IAC/InterActiveCorp. (c) | 100,000 | 100,000 |

| | SHARES | OWNERSHIP AT SEPTEMBER 30, 2008 |
|---|---------|---------------------------------------|
| ----- | ----- | ----- |
| Impala Platinum Holdings Ltd. | 25,000 | 25,000 |
| Interactive Brokers Group Inc., Cl. A | 5,000 | 25,000 |
| Interval Leisure Group Inc. (c) | 45,000 | 45,000 |
| Legg Mason Inc. | 37,000 | 95,000 |
| Liberty Global Inc., Cl. A | 20,000 | 176,770 |
| MGM Mirage | 15,212 | 152,000 |
| Midas Inc. | 5,000 | 135,000 |
| Monsanto Co. | 1,000 | 31,000 |
| Monster Worldwide Inc. | 5,000 | 55,000 |
| Och-Ziff Capital Management Group LLC, Cl. A | 5,000 | 8,000 |
| O'Reilly Automotive Inc. | 5,000 | 160,000 |
| Orient-Express Hotels Ltd., Cl. A | 2,000 | 18,000 |
| Pernod-Ricard SA | 5,000 | 56,200 |
| Petroleo Brasileiro SA, ADR | 1,000 | 55,000 |
| Precision Castparts Corp. | 8,500 | 105,000 |
| Remy Cointreau SA | 7,000 | 33,000 |
| Republic Services Inc. | 1,300 | 98,800 |
| Rio Tinto plc | 2,000 | 25,000 |
| Scripps Networks Interactive Inc., Cl. A (d) | 125,000 | 125,000 |
| Skyline Corp. | 10,000 | 30,000 |
| Telephone & Data Systems Inc., Special | 5,000 | 360,000 |
| The DIRECTV Group Inc. | 10,000 | 460,000 |
| The E.W. Scripps Co., Cl. A (e) | 43,333 | 43,333 |
| The Great Atlantic & Pacific Tea Co. Inc. | 55,000 | 170,000 |
| The Interpublic Group of Companies Inc. | 17,800 | 252,800 |
| Ticketmaster (c) | 20,000 | 20,000 |
| Tokyo Broadcasting System Inc. | 10,000 | 120,000 |
| Tree.com Inc. (c) | 66 | 66 |
| Tyson Foods Inc., Cl. A | 99,000 | 99,000 |
| UnionBanCal Corp. | 250,000 | 250,000 |
| Wachovia Corp. | 100,000 | 100,000 |
| Walgreen Co. | 5,000 | 75,000 |
| Whole Foods Market Inc. | 19,000 | 44,000 |
| Wm. Wrigley Jr. Co. | 210,000 | 390,000 |
| CONVERTIBLE CORPORATE BOND | | |
| The Great Atlantic & Pacific Tea Co. Inc., Cv., 5.125%, 06/15/11 | 100,000 | 3,100,000 |
| U.S. GOVERNMENT OBLIGATIONS | | |
| U.S. Treasury Note, 4.500%, 04/30/09 | 125,000 | 125,000 |

See accompanying notes to schedule of investments.

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THE GABELLI EQUITY TRUST INC.
PORTFOLIO CHANGES (CONTINUED)
QUARTER ENDED SEPTEMBER 30, 2008 (UNAUDITED)

| | SHARES | OWNERSHIP AT SEPTEMBER 30, 2008 |
|---|-----------|---------------------------------------|
| NET SALES | | |
| COMMON STOCKS | | |
| Ameriprise Financial Inc. | (2,000) | 6,000 |
| Ampco-Pittsburgh Corp. | (1,000) | 161,000 |
| Aquila Inc. (b) | (800,000) | -- |
| ARIAKE JAPAN Co. Ltd. | (36,000) | -- |
| Ashland Inc. | (11,000) | 30,000 |
| Avon Products Inc. | (4,000) | 80,000 |
| BCE Inc. | (10,000) | 60,000 |
| Bouygues SA | (5,000) | 20,000 |
| CBS Corp., Cl. A | (8,000) | 425,000 |
| Cermaq ASA | (32,000) | -- |
| ChoicePoint Inc. (f) | (235,000) | -- |
| Church & Dwight Co. Inc. | (1,000) | 14,000 |
| Citizens Communications Co. | (90,000) | -- |
| Clear Channel Communications Inc., Cl. A (g) | (174,000) | -- |
| Constellation Brands Inc., Cl. A | (14,000) | 90,000 |
| Discovery Holding Co., Cl. A (a) | (269,000) | -- |
| Energy East Corp. (h) | (50,000) | -- |
| General Mills Inc. | (3,000) | 177,000 |
| Gray Television Inc., Cl. A | (1,000) | 26,000 |
| Greif Inc., Cl. A | (10,000) | 190,000 |
| Groupe Danone | (5,000) | 355,000 |
| Home Inns & Hotels Management Inc., ADR | (2,000) | 20,000 |
| IAC/InterActiveCorp (c) | (200,000) | -- |
| Il Sole 24 Ore | (20,000) | 1,960,000 |
| Kellogg Co. | (38,000) | 48,000 |
| Kraft Foods Inc., Cl. A | (65,000) | 135,000 |
| Ladbrokes plc | (97,058) | 1,150,058 |
| MasterCard Inc., Cl. A | (500) | 39,500 |
| McClatchy Co., Cl. A | (9,000) | -- |
| Modern Times Group MTG AB, Cl. B | (29,000) | -- |
| Nortel Networks Corp. | (20,000) | 160,000 |
| Pactiv Corp. | (12,000) | 100,000 |
| PepsiCo Inc. | (62,000) | 238,000 |
| | | |
| PRIMEDIA Inc. | (60,000) | -- |
| Procter & Gamble Co. | (5,000) | 295,000 |
| Prosperity REIT | (2,187) | -- |
| Rank Group plc | (330,000) | 150,000 |

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| | SHARES | MARKET VALUE |
|---------------------------------------|---------------|-----------------|
| Rollins Inc. | (10,000) | 1,100,000 |
| Rolls-Royce Group plc, Cl. B | (107,520,000) | -- |
| Six Flags Inc. | (30,000) | 45,000 |
| Standard Chartered plc | (5,000) | 40,000 |
| The E.W. Scripps Co., Cl. A (e) | (130,000) | -- |
| The Mosaic Co. | (500) | 10,000 |
| The New York Times Co., Cl. A | (5,000) | 50,000 |
| The Walt Disney Co. | (18,000) | 32,000 |
| Tronox Inc., Cl. B | (4,032) | -- |
| UnitedHealth Group Inc. | (5,000) | 125,000 |
| Viacom Inc., Cl. A | (15,000) | 355,000 |
| Young Broadcasting Inc., Cl. A | (20,000) | 80,000 |

- (a) Merger - 0.05 share of Ascent Media Corp., Cl. A, 0.5 share of Discovery Communications Inc., Cl. A, and 0.5 share of Discovery Communications Inc., Cl. B for every 1 share of Discovery Holding Co., Cl. A held.
- (b) Merger - \$1.80 in cash and 0.856 share of Great Plains Energy Inc. for every 1 share of Aquila Inc. held.
- (c) Exchange 1 share of IAC/InteractiveCorp held for 0.2 share of HSN Inc., 0.5 share of IAC/InteractiveCorp, 0.2 share of Interval Leisure Group Inc., 0.2 share of Ticketmaster, and 0.03333 share of Tree.com Inc.
- (d) Spin-off - 1 share of Scripps Networks Interactive Inc., Cl. A for every 1 share of The E.W. Scripps Co., Cl. A.
- (e) Split - 1 new share of The E.W. Scripps Co., Cl. A (811054402) for every 3 shares of The E.W. Scripps Co., Cl. A (811054204) held.
- (f) Cash merger - \$50.00 for every 1 share held.
- (g) Cash merger - \$36.00 for every 1 share held.
- (h) Cash merger - \$28.50 for every 1 share held.

See accompanying notes to schedule of investments.

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**THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2008 (UNAUDITED)**

| SHARES | | MARKET VALUE |
|---------|------------------------------------|-----------------|
| <hr/> | | |
| | COMMON STOCKS -- 99.4% | |
| | FOOD AND BEVERAGE -- 16.1% | |
| 85,000 | Ajinomoto Co. Inc. | \$ 798,411 |
| 80,000 | Anheuser-Busch Companies Inc. | 5,190,400 |
| 24,000 | Brown-Forman Corp., Cl. A | 1,704,000 |
| 90,400 | Cadbury plc | 908,854 |
| 115,200 | Cadbury plc, ADR | 4,716,288 |

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| SHARES | | MARKET VALUE |
|---------|--|-----------------|
| 80,000 | Campbell Soup Co. | 3,088,000 |
| 40,000 | China Mengniu Dairy Co. Ltd. | 40,799 |
| 20,000 | Coca-Cola Enterprises Inc. | 335,400 |
| 57,000 | Coca-Cola Hellenic Bottling Co. SA | 1,222,925 |
| 90,000 | Constellation Brands Inc., Cl. A+ | 1,931,400 |
| 50,000 | Corn Products International Inc. | 1,614,000 |
| 300,000 | Davide Campari-Milano SpA | 2,409,443 |
| 150,000 | Dean Foods Co.+ | 3,504,000 |
| 60,000 | Del Monte Foods Co. | 468,000 |
| 80,000 | Diageo plc | 1,344,048 |
| 224,000 | Diageo plc, ADR | 15,424,640 |
| 133,200 | Dr. Pepper Snapple Group Inc.+ | 3,527,136 |
| 90,000 | Flowers Foods Inc. | 2,642,400 |
| 97,000 | Fomento Economico Mexicano SAB de CV, ADR | 3,699,580 |
| 177,000 | General Mills Inc. | 12,163,440 |
| 355,000 | Groupe Danone | 24,988,386 |
| 980,000 | Grupo Bimbo SAB de CV, Cl. A | 6,165,044 |
| 100,000 | H.J. Heinz Co. | 4,997,000 |
| 20,000 | Hain Celestial Group Inc.+ | 550,600 |
| 45,000 | Heineken NV | 1,795,680 |
| 200,000 | ITO EN Ltd. | 2,555,592 |
| 60,000 | ITO EN Ltd., Preference | 618,307 |
| 48,000 | Kellogg Co. | 2,692,800 |
| 75,000 | Kerry Group plc, Cl. A | 2,196,158 |
| 135,000 | Kraft Foods Inc., Cl. A | 4,421,250 |
| 12,100 | LVMH Moet Hennessy Louis Vuitton SA | 1,051,870 |
| 10,000 | Meiji Seika Kaisha Ltd. | 44,944 |
| 70,000 | Morinaga Milk Industry Co. Ltd. | 197,452 |
| 55,000 | Nestle SA | 2,358,121 |
| 300,000 | Nissin Food Products Co. Ltd. | 10,605,989 |
| 600,000 | PepsiAmericas Inc. | 12,432,000 |
| 238,000 | PepsiCo Inc. | 16,962,260 |
| 56,200 | Pernod-Ricard SA | 4,887,919 |
| 68,200 | Ralcorp Holdings Inc.+ | 4,597,362 |
| 33,000 | Remy Cointreau SA | 1,541,453 |
| 330,000 | Sara Lee Corp. | 4,167,900 |
| 200,000 | The Coca-Cola Co. | 10,576,000 |
| 70,000 | The Hershey Co. | 2,767,800 |
| 2,000 | The J.M. Smucker Co. | 101,380 |
| 122,384 | Tootsie Roll Industries Inc. | 3,538,121 |
| 99,000 | Tyson Foods Inc., Cl. A | 1,182,060 |
| 390,000 | Wm. Wrigley Jr. Co. | 30,966,000 |

| SHARES | | MARKET VALUE |
|---------|--|-----------------|
| 42,500 | Wm. Wrigley Jr. Co., Cl. B | \$ 3,357,500 |
| 550,000 | YAKULT HONSHA Co. Ltd. | 16,910,347 |
| | | ----- |
| | | 245,960,459 |
| | | ----- |
| | FINANCIAL SERVICES -- 9.7% | |
| 2,800 | Allianz SE | 379,519 |
| 575,000 | American Express Co. | 20,372,250 |
| 100,000 | American International Group Inc. | 333,000 |
| 6,000 | Ameriprise Financial Inc. | 229,200 |
| 19,452 | Argo Group International Holdings Ltd.+ | 716,806 |
| 158,600 | AXA Asia Pacific Holdings Ltd. | 630,429 |

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| SHARES | | MARKET VALUE |
|---------|--|-----------------|
| 90,000 | Banco Santander SA, ADR | 1,351,800 |
| 142 | Berkshire Hathaway Inc., Cl. A+ | 18,545,200 |
| 7,500 | Calamos Asset Management Inc., Cl. A | 134,400 |
| 360,000 | Citigroup Inc. | 7,383,600 |
| 155,000 | Commerzbank AG, ADR | 2,353,566 |
| 148,000 | Deutsche Bank AG | 10,772,920 |
| 50,000 | Federal National Mortgage Association | 76,500 |
| 20,000 | Fortress Investment Group LLC, Cl. A | 210,000 |
| 20,000 | H&R Block Inc. | 455,000 |
| 25,000 | Interactive Brokers Group Inc., Cl. A+ | 554,250 |
| 180,000 | Janus Capital Group Inc. | 4,370,400 |
| 61,788 | JPMorgan Chase & Co. | 2,885,500 |
| 95,000 | Legg Mason Inc. | 3,615,700 |
| 133,000 | Leucadia National Corp. | 6,043,520 |
| 5,000 | Loews Corp. | 197,450 |
| 265,000 | Marsh & McLennan Companies Inc. | 8,416,400 |
| 65,000 | Moody's Corp. | 2,210,000 |
| 8,000 | Och-Ziff Capital Management Group LLC, Cl. A | 93,520 |
| 2,500 | Prudential Financial Inc. | 180,000 |
| 45,000 | Schroders plc | 810,429 |
| 40,000 | Standard Chartered plc | 956,478 |
| 80,000 | State Street Corp. | 4,550,400 |
| 20,000 | SunTrust Banks Inc. | 899,800 |
| 150,000 | T. Rowe Price Group Inc. | 8,056,500 |
| 5,000 | The Allstate Corp. | 230,600 |
| 146,038 | The Bank of New York Mellon Corp. | 4,757,918 |
| 5,000 | The Blackstone Group LP | 76,700 |
| 44,500 | The Charles Schwab Corp. | 1,157,000 |
| 18,000 | The Dun & Bradstreet Corp. | 1,698,480 |
| 135,000 | The Phoenix Companies Inc. | 1,247,400 |
| 3,000 | The Travelers Companies Inc. | 135,600 |
| 66 | Tree.com Inc.+ | 318 |
| 250,000 | UnionBanCal Corp. | 18,322,500 |
| 100,000 | Wachovia Corp. | 350,000 |
| 100,000 | Waddell & Reed Financial Inc., Cl. A | 2,475,000 |
| 280,000 | Wells Fargo & Co. | 10,508,400 |
| | | ----- |
| | | 148,744,453 |

See accompanying notes to schedule of investments.

**THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS (CONTINUED)
SEPTEMBER 30, 2008 (UNAUDITED)**

| SHARES | | MARKET VALUE |
|--------|------------------------------|-----------------|
| ----- | | |
| | COMMON STOCKS (CONTINUED) | |
| | ENERGY AND UTILITIES -- 7.7% | |
| 5,000 | AGL Resources Inc. | \$ 156,900 |
| 68,000 | Allegheny Energy Inc. | 2,500,360 |

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| SHARES | MARKET VALUE |
|---|-----------------|
| 70,000 Apache Corp. | 7,299,600 |
| 100,000 BP plc | 824,918 |
| 247,000 BP plc, ADR | 12,391,990 |
| 105,000 CH Energy Group Inc. | 4,574,850 |
| 65,000 CMS Energy Corp. | 810,550 |
| 315,000 ConocoPhillips | 23,073,750 |
| 33,000 Constellation Energy Group Inc. | 801,900 |
| 3,000 Diamond Offshore Drilling Inc. | 309,180 |
| 60,000 DPL Inc. | 1,488,000 |
| 14,000 DTE Energy Co. | 561,680 |
| 220,000 Duke Energy Corp. | 3,834,600 |
| 300,000 El Paso Corp. | 3,828,000 |
| 280,000 El Paso Electric Co.+ | 5,880,000 |
| 80,000 Exxon Mobil Corp. | 6,212,800 |
| 25,000 FPL Group Inc. | 1,257,500 |
| 45,000 Galp Energia SGPS SA, Cl. B | 737,404 |
| 68,480 Great Plains Energy Inc. | 1,521,626 |
| 210,000 Halliburton Co. | 6,801,900 |
| 32,000 Imperial Oil Ltd. | 1,370,505 |
| 20,000 Marathon Oil Corp. | 797,400 |
| 10,000 Mirant Corp.+ | 182,900 |
| 140,000 Mirant Corp., Escrow+ (a) | 0 |
| 2,000 Niko Resources Ltd., New York | 107,512 |
| 1,000 Niko Resources Ltd., Toronto | 53,756 |
| 10,000 NiSource Inc. | 147,600 |
| 240,000 Northeast Utilities | 6,156,000 |
| 19,000 Oceaneering International Inc.+ | 1,013,080 |
| 1,300 PetroChina Co. Ltd., ADR | 133,549 |
| 55,000 Petroleo Brasileiro SA, ADR | 2,417,250 |
| 100,000 Progress Energy Inc., CVO+ (a) | 33,000 |
| 200,000 Rowan Companies Inc. | 6,110,000 |
| 65,000 Saipem SpA | 1,913,406 |
| 5,000 SJW Corp. | 149,850 |
| 20,000 Southwest Gas Corp. | 605,200 |
| 120,000 Spectra Energy Corp. | 2,856,000 |
| 60,000 The AES Corp.+ | 701,400 |
| 24,128 Total SA | 1,446,328 |
| 3,000 Transocean Inc.+ | 329,520 |
| 270,000 Westar Energy Inc. | 6,220,800 |
| | <hr/> ----- |
| | 117,612,564 |

DIVERSIFIED INDUSTRIAL -- 6.4%

| SHARES | MARKET VALUE |
|-------------------------------------|-----------------|
| 9,000 Acuity Brands Inc. | 375,840 |
| 161,000 Ampco-Pittsburgh Corp. | 4,169,900 |
| 155,000 Baldor Electric Co. | 4,465,550 |
| 24,000 Bayer AG | 1,750,172 |
| 20,000 Bouygues SA | 893,951 |

| SHARES | MARKET VALUE |
|--|-----------------|
| 245,000 Cooper Industries Ltd., Cl. A | \$ 9,787,750 |
| 260,000 Crane Co. | 7,724,600 |
| 77,500 CRH plc | 1,636,563 |
| 300,000 Enodis plc | 1,677,393 |
| 150,000 General Electric Co. | 3,825,000 |
| 190,000 Greif Inc., Cl. A | 12,467,800 |

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| | | |
|---------|-----------------------------------|------------|
| 18,000 | Greif Inc., Cl. B | 939,240 |
| 450,000 | Honeywell International Inc. | 18,697,500 |
| 253,000 | ITT Corp. | 14,069,330 |
| 40,000 | Mitsui & Co. Ltd. | 480,654 |
| 100,000 | Park-Ohio Holdings Corp.+ | 1,789,000 |
| 1,000 | Pentair Inc. | 34,570 |
| 19,000 | Sulzer AG | 1,994,307 |
| 69,000 | Swire Pacific Ltd., Cl. A | 598,930 |
| 30,000 | Technip SA | 1,662,748 |
| 70,000 | Trinity Industries Inc. | 1,801,100 |
| 200,000 | Tyco International Ltd. | 7,004,000 |
| | | ----- |
| | | 97,845,898 |
| | | ----- |

CABLE AND SATELLITE -- 6.1%

| | | |
|-----------|---|------------|
| 1,550,000 | Cablevision Systems Corp., Cl. A | 38,998,000 |
| 52,000 | Comcast Corp., Cl. A | 1,020,760 |
| 120,000 | Comcast Corp., Cl. A, Special | 2,366,400 |
| 133,700 | DISH Network Corp., Cl. A+ | 2,807,700 |
| 26,740 | EchoStar Corp., Cl. A+ | 644,434 |
| 176,770 | Liberty Global Inc., Cl. A+ | 5,356,131 |
| 139,001 | Liberty Global Inc., Cl. C+ | 3,904,538 |
| 500,690 | Rogers Communications Inc., Cl. B, New York | 16,642,936 |
| 19,310 | Rogers Communications Inc., Cl. B, Toronto | 626,339 |
| 125,000 | Scripps Networks Interactive Inc., Cl. A | 4,538,750 |
| 160,000 | Shaw Communications Inc., Cl. B, New York | 3,252,800 |
| 40,000 | Shaw Communications Inc., Cl. B, Toronto | 809,584 |
| 460,000 | The DIRECTV Group Inc.+ | 12,038,200 |
| | | ----- |
| | | 93,006,572 |
| | | ----- |

CONSUMER PRODUCTS -- 5.2%

| | | |
|---------|--|-----------|
| 80,000 | Avon Products Inc. | 3,325,600 |
| 30,000 | British American Tobacco plc | 978,701 |
| 42,000 | Christian Dior SA | 3,137,894 |
| 14,000 | Church & Dwight Co. Inc. | 869,260 |
| 30,000 | Clorox Co. | 1,880,700 |
| 69,000 | Compagnie Financiere Richemont SA, Cl. A | 3,001,334 |
| 100,000 | Eastman Kodak Co. | 1,538,000 |
| 112,000 | Energizer Holdings Inc.+ | 9,021,600 |
| 60,000 | Fortune Brands Inc. | 3,441,600 |

See accompanying notes to schedule of investments.

THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS (CONTINUED)
SEPTEMBER 30, 2008 (UNAUDITED)

| SHARES/ UNITS | MARKET VALUE |
|-------------------------------|-----------------|
| | ----- |
| COMMON STOCKS (CONTINUED) | |
| CONSUMER PRODUCTS (CONTINUED) | |

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| | | |
|-----------|--|--------------|
| 2,000 | Givaudan SA | \$ 1,655,399 |
| 60,000 | Hanesbrands Inc.+ | 1,305,000 |
| 32,000 | Harley-Davidson Inc. | 1,193,600 |
| 200 | Japan Tobacco Inc. | 740,915 |
| 2,000 | Jarden Corp.+ | 46,900 |
| 15,000 | Matsushita Electric Industrial Co. Ltd., ADR | 259,950 |
| 15,000 | Mattel Inc. | 270,600 |
| 21,000 | National Presto Industries Inc. | 1,564,500 |
| 2,000 | Nintendo Co. Ltd. | 816,135 |
| 10,000 | Oil-Dri Corp. of America | 169,200 |
| 100,000 | Pactiv Corp.+ | 2,483,000 |
| 295,000 | Procter & Gamble Co. | 20,558,550 |
| 60,000 | Reckitt Benckiser Group plc | 2,891,836 |
| 30,000 | Svenska Cellulosa AB, Cl. B | 313,051 |
| 1,000,000 | Swedish Match AB | 17,331,523 |
| 37,500 | The Swatch Group AG | 1,232,543 |
| | | ----- |
| | | 80,027,391 |
| | | ----- |

TELECOMMUNICATIONS -- 5.2%

| | | |
|-----------|--|-----------|
| 60,000 | BCE Inc. | 2,082,600 |
| 1,000 | Bell Aliant Regional Communications Income Fund | 23,481 |
| 16,000 | Bell Aliant Regional Communications Income Fund (a) (b) | 399,840 |
| 30,000 | Brasil Telecom Participacoes SA, ADR | 1,465,800 |
| 1,700,000 | BT Group plc | 4,868,973 |
| 1,727,420 | Cable & Wireless Jamaica Ltd. | 19,077 |
| 4,440,836 | Cable & Wireless Jamaica Ltd. (c) | 49,043 |
| 908,300 | Cincinnati Bell Inc.+ | 2,806,647 |
| 120,000 | Compania de Telecomunicaciones de Chile SA, ADR | 817,200 |
| 190,000 | Deutsche Telekom AG, ADR | 2,893,700 |
| 3,394 | FairPoint Communications Inc. | 29,426 |
| 5,000 | France Telecom SA, ADR | 140,050 |
| 80,000 | Frontier Communications Corp. | 920,000 |
| 33,000 | Hellenic Telecommunications Organization SA | 586,291 |
| 8,500 | Hellenic Telecommunications Organization SA, ADR | 76,500 |
| 100,000 | Koninklijke KPN NV | 1,434,826 |
| 15,000 | Orascom Telecom Holding SAE, GDR | 552,632 |
| 540,000 | Qwest Communications International Inc. | 1,744,200 |
| 700,000 | Sprint Nextel Corp. | 4,270,000 |
| 186,554 | Tele Norte Leste Participacoes SA, ADR | 3,257,233 |
| 60,000 | Tele2 AB, Cl. B | 673,763 |
| 48,000 | Telecom Argentina SA, ADR+ | 588,000 |
| 1,440,000 | Telecom Italia SpA | 2,132,643 |

| SHARES | | MARKET VALUE |
|---------|---|-----------------|
| | | ----- |
| 225,000 | Telefonica SA, ADR | \$ 16,085,250 |
| 60,000 | Telefonos de Mexico SAB de CV, Cl. L, ADR | 1,545,000 |
| 265,000 | Telephone & Data Systems Inc. | 9,473,750 |
| 360,000 | Telephone & Data Systems Inc., Special | 12,924,000 |
| 60,000 | Telmex Internacional SAB de CV, ADR | 780,000 |
| 15,000 | TELUS Corp. | 547,851 |
| 180,000 | Verizon Communications Inc. | 5,776,200 |
| 5,169 | Windstream Corp. | 56,549 |
| | | ----- |
| | | 79,020,525 |

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| | | |
|---------|--------------------------------------|------------------------|
| | HEALTH CARE -- 4.8% | |
| 8,000 | Abbott Laboratories | 460,640 |
| 145,000 | Advanced Medical Optics Inc.+ | 2,578,100 |
| 14,046 | Allergan Inc. | 723,369 |
| 30,000 | Alpharma Inc., Cl. A+ | 1,106,700 |
| 52,000 | Amgen Inc.+ | 3,082,040 |
| 19,146 | AstraZeneca plc | 844,782 |
| 17,000 | Baxter International Inc. | 1,115,710 |
| 2,000 | Becton Dickinson & Co. | 160,520 |
| 35,000 | Biogen Idec Inc.+ | 1,760,150 |
| 155,000 | Boston Scientific Corp.+ | 1,901,850 |
| 135,000 | Bristol-Myers Squibb Co. | 2,814,750 |
| 3,000 | Cephalon Inc.+ | 232,470 |
| 12,000 | Cochlear Ltd. | 562,343 |
| 20,000 | Covidien Ltd. | 1,075,200 |
| 45,036 | GlaxoSmithKline plc | 969,610 |
| 4,000 | GlaxoSmithKline plc, ADR | 173,840 |
| 5,000 | Greatbatch Inc.+ | 122,700 |
| 30,000 | Henry Schein Inc.+ | 1,615,200 |
| 18,000 | Hospira Inc.+ | 687,600 |
| 80,000 | Invitrogen Corp.+ | 3,024,000 |
| 120,000 | Johnson & Johnson | 8,313,600 |
| 95,000 | Merck & Co. Inc. | 2,998,200 |
| 10,000 | Nobel Biocare Holding AG | 329,657 |
| 39,000 | Novartis AG | 2,031,178 |
| 102,000 | Novartis AG, ADR | 5,389,680 |
| 470,000 | Pfizer Inc. | 8,666,800 |
| 16,400 | Roche Holding AG | 2,545,632 |
| 10,000 | Sanofi-Aventis | 655,329 |
| 110,000 | Schering-Plough Corp. | 2,031,700 |
| 80,000 | Smith & Nephew plc | 840,563 |
| 50,000 | SSL International plc | 398,459 |
| 5,250 | Straumann Holding AG | 1,438,356 |
| 12,500 | Synthes Inc. | 1,712,329 |
| 19,000 | Takeda Pharmaceutical Co. Ltd. | 937,897 |
| 125,000 | UnitedHealth Group Inc. | 3,173,750 |
| 82,000 | William Demant Holding A/S+ | 3,635,849 |
| 100,000 | Wyeth | 3,694,000 |
| 3,000 | Zimmer Holdings Inc.+ | 193,680 |
| | | <hr/> 73,998,233 <hr/> |

See accompanying notes to schedule of investments.

THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS (CONTINUED)
SEPTEMBER 30, 2008 (UNAUDITED)

| SHARES | MARKET VALUE |
|--------|-----------------|
| | |

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| | | |
|---------|---|--------------|
| | COMMON STOCKS (CONTINUED) | |
| | ENTERTAINMENT -- 4.7% | |
| 100,000 | Aruze Corp. | \$ 2,129,660 |
| 32,000 | Canal+ Groupe | 279,307 |
| 2,002 | Chestnut Hill Ventures+ (a) | 56,356 |
| 134,500 | Discovery Communications Inc., Cl. A+ | 1,916,625 |
| 134,500 | Discovery Communications Inc., Cl. C+ | 1,904,520 |
| 3,000 | DreamWorks Animation SKG Inc., Cl. A+ | 94,350 |
| 695,000 | Grupo Televisa SA, ADR | 15,199,650 |
| 430,000 | Liberty Media Corp. - Entertainment, Cl. A+ | 10,737,100 |
| 125 | Live Nation Inc.+ | 2,034 |
| 65,341 | Macrovision Solutions Corp.+ | 1,004,945 |
| 50,000 | Pinnacle Entertainment Inc.+ | 378,000 |
| 150,000 | Rank Group plc+ | 188,673 |
| 12,000 | Regal Entertainment Group, Cl. A | 189,360 |
| 45,000 | Six Flags Inc.+ | 31,050 |
| 32,000 | The Walt Disney Co. | 982,080 |
| 920,000 | Time Warner Inc. | 12,061,200 |
| 120,000 | Tokyo Broadcasting System Inc. | 2,025,293 |
| 20,200 | Triple Crown Media Inc.+ | 343 |
| 355,000 | Viacom Inc., Cl. A+ | 8,825,300 |
| 453,900 | Vivendi | 14,070,753 |
| | | ----- |
| | | 72,076,599 |
| | | ----- |

| | | |
|---------|---|------------|
| | EQUIPMENT AND SUPPLIES -- 4.4% | |
| 257,000 | AMETEK Inc. | 10,477,890 |
| 4,000 | Amphenol Corp., Cl. A | 160,560 |
| 94,000 | CIRCOR International Inc. | 4,082,420 |
| 194,000 | Donaldson Co. Inc. | 8,130,540 |
| 50,000 | Fedders Corp.+ (a) | 0 |
| 150,000 | Flowserve Corp. | 13,315,500 |
| 23,000 | Franklin Electric Co. Inc. | 1,024,650 |
| 90,000 | Gerber Scientific Inc.+ | 822,600 |
| 75,000 | GrafTech International Ltd.+ | 1,133,250 |
| 320,000 | IDEX Corp. | 9,926,400 |
| 40,000 | Ingersoll-Rand Co. Ltd., Cl. A | 1,246,800 |
| 102,000 | Lufkin Industries Inc. | 8,093,700 |
| 11,000 | Mueller Industries Inc. | 253,110 |
| 2,000 | Sealed Air Corp. | 43,980 |
| 75,000 | Tenaris SA, ADR | 2,796,750 |
| 4,000 | The Manitowoc Co. Inc. | 62,200 |
| 95,000 | The Weir Group plc | 1,029,414 |
| 190,000 | Watts Water Technologies Inc., Cl. A | 5,196,500 |
| | | ----- |
| | | 67,796,264 |
| | | ----- |

| SHARES | | MARKET VALUE |
|--------|---|-----------------|
| | | ----- |
| | AUTOMOTIVE: PARTS AND ACCESSORIES -- 2.8% | |
| 2,000 | BERU AG | \$ 211,169 |
| 86,000 | BorgWarner Inc. | 2,818,220 |

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| | | |
|---------|---|------------|
| 181,000 | CLARCOR Inc. | 6,868,950 |
| 82,500 | Earl Scheib Inc.+ | 181,912 |
| 340,000 | Genuine Parts Co. | 13,671,400 |
| 200,000 | Johnson Controls Inc. | 6,066,000 |
| 135,000 | Midas Inc.+ | 1,857,600 |
| 330,000 | Modine Manufacturing Co. | 4,778,400 |
| 160,000 | O'Reilly Automotive Inc.+ | 4,283,200 |
| 160,000 | Propliance International Inc.+ | 120,000 |
| 175,000 | Standard Motor Products Inc. | 1,088,500 |
| 35,000 | Superior Industries International Inc. | 670,600 |
| | | ----- |
| | | 42,615,951 |
| | | ----- |

PUBLISHING -- 2.7%

| | | |
|-----------|-------------------------------------|------------|
| 4,000 | Idearc Inc. | 5,000 |
| 1,960,000 | Il Sole 24 Ore | 8,305,436 |
| 348,266 | Independent News & Media plc | 568,734 |
| 320,000 | Media General Inc., Cl. A | 3,977,600 |
| 122,000 | Meredith Corp. | 3,420,880 |
| 1,525,000 | News Corp., Cl. A | 18,284,750 |
| 20,000 | News Corp., Cl. B | 243,000 |
| 66,585 | Seat Pagine Gialle SpA+ | 6,440 |
| 43,333 | The E.W. Scripps Co., Cl. A | 306,364 |
| 182,000 | The McGraw-Hill Companies Inc. | 5,753,020 |
| 50,000 | The New York Times Co., Cl. A | 714,500 |
| | | ----- |
| | | 41,585,724 |
| | | ----- |

SPECIALTY CHEMICALS -- 2.1%

| | | |
|---------|--|------------|
| 30,000 | Ashland Inc. | 877,200 |
| 20,000 | Ciba Holding AG | 845,045 |
| 5,400 | Ciba Holding AG, ADR | 114,381 |
| 30,000 | E.I. du Pont de Nemours and Co. | 1,209,000 |
| 350,000 | Ferro Corp. | 7,035,000 |
| 4,000 | FMC Corp. | 205,560 |
| 45,000 | H.B. Fuller Co. | 939,150 |
| 175,000 | Hercules Inc. | 3,463,250 |
| 70,000 | International Flavors & Fragrances Inc. | 2,762,200 |
| 230,000 | Omnova Solutions Inc.+ | 457,700 |
| 40,000 | Rohm & Haas Co. | 2,800,000 |
| 275,000 | Sensient Technologies Corp. | 7,735,750 |
| 165,000 | Tokai Carbon Co. Ltd. | 1,165,107 |
| 100,000 | Zep Inc. | 1,764,000 |
| | | ----- |
| | | 31,373,343 |
| | | ----- |

BUSINESS SERVICES -- 2.0%

| | | |
|--------|---------------------------------|---------|
| 7,050 | ACCO Brands Corp.+ | 53,157 |
| 15,450 | Ascent Media Corp., Cl. A+ | 377,134 |
| 15,000 | Avis Budget Group Inc.+ | 86,100 |

See accompanying notes to schedule of investments.

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| SHARES/ UNITS | | MARKET VALUE |
|--------------------------------------|--|-----------------|
| <hr/> | | |
| COMMON STOCKS (CONTINUED) | | |
| BUSINESS SERVICES (CONTINUED) | | |
| 310,000 | BPW Acquisition Corp.+ | \$ 2,824,100 |
| 30,500 | Canon Inc. | 1,095,482 |
| 110,000 | Clear Channel Outdoor Holdings Inc., Cl. A+ | 1,504,800 |
| 186,554 | Contax Participacoes SA, ADR | 195,359 |
| 110,000 | Diebold Inc. | 3,642,100 |
| 200,000 | G4S plc | 720,026 |
| 1,000 | Hertz Global Holdings Inc.+ | 7,570 |
| 57,000 | Jardine Matheson Holdings Ltd. | 1,482,000 |
| 94,000 | Landauer Inc. | 6,838,500 |
| 39,500 | MasterCard Inc., Cl. A | 7,004,535 |
| 55,000 | Monster Worldwide Inc.+ | 820,050 |
| 72,500 | Nashua Corp.+ | 582,175 |
| 25,000 | Secom Co. Ltd. | 1,022,519 |
| 252,800 | The Interpublic Group of Companies Inc.+ | 1,959,200 |
| 8,000 | Visa Inc., Cl. A | 491,120 |
| <hr/> | | |
| | | 30,705,927 |
| <hr/> | | |
| AVIATION: PARTS AND SERVICES -- 1.7% | | |
| 350,000 | Curtiss-Wright Corp. | 15,907,500 |
| 200,000 | GenCorp Inc.+ | 1,348,000 |
| 105,000 | Precision Castparts Corp. | 8,271,900 |
| 160,000 | The Fairchild Corp., Cl. A+ | 416,000 |
| <hr/> | | |
| | | 25,943,400 |
| <hr/> | | |
| CONSUMER SERVICES -- 1.7% | | |
| 100,000 | IAC/InterActiveCorp.+ | 1,730,000 |
| 210,000 | Liberty Media Corp. - Interactive, Cl. A+ | 2,711,100 |
| 1,100,000 | Rollins Inc. | 20,878,000 |
| <hr/> | | |
| | | 25,319,100 |
| <hr/> | | |
| RETAIL -- 1.6% | | |
| 210,000 | AutoNation Inc.+ | 2,360,400 |
| 4,000 | AutoZone Inc.+ | 493,360 |
| 40,000 | Coldwater Creek Inc.+ | 231,600 |
| 40,000 | Costco Wholesale Corp. | 2,597,200 |
| 75,000 | CVS Caremark Corp. | 2,524,500 |
| 10,108 | Denny's Corp.+ | 26,079 |
| 21,500 | Hennes & Mauritz AB, Cl. B | 863,254 |
| 35,000 | HSN Inc.+ | 385,350 |
| 140,000 | Macy's Inc. | 2,517,200 |
| 50,000 | Sally Beauty Holdings Inc.+ | 430,000 |
| 50,000 | SUPERVALU Inc. | 1,085,000 |
| 110,000 | Tesco plc | 758,000 |
| 170,000 | The Great Atlantic & Pacific Tea Co. Inc.+ | 1,839,400 |

MARKET

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| SHARES | | VALUE |
|-----------|---|------------|
| <hr/> | | |
| 20,000 | Ticketmaster+ | \$ 214,600 |
| 50,000 | Wal-Mart Stores Inc. | 2,994,500 |
| 75,000 | Walgreen Co. | 2,322,000 |
| 44,000 | Whole Foods Market Inc. | 881,320 |
| 73,000 | Woolworths Ltd. | 1,569,122 |
| | | <hr/> |
| | | 24,092,885 |
| <hr/> | | |
| | MACHINERY -- 1.5% | |
| 20,000 | Caterpillar Inc. | 1,192,000 |
| 17,000 | CNH Global NV | 374,680 |
| 425,000 | Deere & Co. | 21,037,500 |
| 8,000 | SMC Corp. | 816,135 |
| | | <hr/> |
| | | 23,420,315 |
| <hr/> | | |
| | HOTELS AND GAMING -- 1.5% | |
| 2,000 | Accor SA | 105,233 |
| 190,000 | Gaylord Entertainment Co.+ | 5,580,300 |
| 20,000 | Home Inns & Hotels Management Inc., ADR+ | 279,000 |
| 46,160 | InterContinental Hotels Group plc | 564,608 |
| 45,000 | Interval Leisure Group Inc.+ | 468,000 |
| 1,150,058 | Ladbrokes plc | 3,813,217 |
| 6,000 | Las Vegas Sands Corp.+ | 216,660 |
| 3,811,000 | Mandarin Oriental International Ltd. | 5,830,830 |
| 152,000 | MGM Mirage+ | 4,332,000 |
| 18,000 | Orient-Express Hotels Ltd., Cl. A | 434,340 |
| 34,000 | Starwood Hotels & Resorts Worldwide Inc. | 956,760 |
| | | <hr/> |
| | | 22,580,948 |
| <hr/> | | |
| | AEROSPACE -- 1.4% | |
| 110,000 | Boeing Co. | 6,308,500 |
| 30,000 | Finmeccanica SpA | 643,645 |
| 25,899 | Kaman Corp. | 737,604 |
| 9,000 | Lockheed Martin Corp. | 987,030 |
| 102,600 | Northrop Grumman Corp. | 6,211,404 |
| 1,200,000 | Rolls-Royce Group plc+ | 7,178,922 |
| | | <hr/> |
| | | 22,067,105 |
| <hr/> | | |
| | ENVIRONMENTAL SERVICES -- 1.2% | |
| 98,800 | Republic Services Inc. | 2,962,024 |
| 500,000 | Waste Management Inc. | 15,745,000 |
| | | <hr/> |
| | | 18,707,024 |
| <hr/> | | |
| | COMMUNICATIONS EQUIPMENT -- 1.2% | |
| 480,000 | Corning Inc. | 7,507,200 |
| 90,000 | Motorola Inc. | 642,600 |
| 160,000 | Nortel Networks Corp.+ | 358,400 |
| 235,000 | Thomas & Betts Corp.+ | 9,181,450 |
| | | <hr/> |
| | | 17,689,650 |
| <hr/> | | |

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See accompanying notes to schedule of investments.

THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS (CONTINUED)
SEPTEMBER 30, 2008 (UNAUDITED)

| SHARES | | MARKET VALUE |
|---------------------------------|---|-----------------|
| <hr/> | | |
| COMMON STOCKS (CONTINUED) | | |
| METALS AND MINING -- 1.1% | | |
| 28,000 | Alcoa Inc. | \$ 632,240 |
| 30,030 | Anglo American plc | 990,358 |
| 89,148 | Barrick Gold Corp. | 3,275,298 |
| 20,000 | BHP Billiton Ltd. | 489,956 |
| 52,500 | Harmony Gold Mining Co. Ltd.+ | 524,430 |
| 35,000 | Harmony Gold Mining Co. Ltd., ADR+ | 338,800 |
| 25,000 | Impala Platinum Holdings Ltd. | 500,966 |
| 75,000 | Ivanhoe Mines Ltd.+ | 454,500 |
| 52,000 | New Hope Corp. Ltd. | 176,700 |
| 155,000 | Newmont Mining Corp. | 6,007,800 |
| 25,000 | Rio Tinto plc | 1,542,722 |
| 69,666 | Xstrata plc | 2,125,353 |
| <hr/> | | |
| | | 17,059,123 |
| <hr/> | | |
| WIRELESS COMMUNICATIONS -- 1.1% | | |
| 95,000 | America Movil SAB de CV, Cl. L, ADR | 4,404,200 |
| 65,000 | China Mobile Ltd. | 643,734 |
| 14,000 | Clearwire Corp., Cl. A+ | 166,320 |
| 2,000 | NTT DoCoMo Inc. | 3,157,350 |
| 3,340 | Tele Norte Celular Participacoes SA, ADR | 57,869 |
| 5,087 | Telemig Celular Participacoes SA, ADR | 188,270 |
| 32,165 | Tim Participacoes SA, ADR | 670,962 |
| 115,400 | United States Cellular Corp.+ | 5,414,568 |
| 170,010 | Vivo Participacoes SA, ADR | 703,841 |
| 50,000 | Vodafone Group plc, ADR | 1,105,000 |
| <hr/> | | |
| | | 16,512,114 |
| <hr/> | | |
| ELECTRONICS -- 1.0% | | |
| 6,000 | Advanced Micro Devices Inc.+ | 31,500 |
| 14,000 | Bel Fuse Inc., Cl. A | 385,000 |
| 14,000 | Fanuc Ltd. | 1,018,852 |
| 5,000 | Hitachi Ltd., ADR | 346,950 |
| 180,000 | Intel Corp. | 3,371,400 |
| 5,920 | Keyence Corp. | 1,157,783 |
| 80,000 | LSI Corp.+ | 428,800 |
| 20,000 | Molex Inc., Cl. A | 416,200 |
| 7,500 | NEC Corp., ADR | 33,938 |
| 38,000 | Royal Philips Electronics NV | 1,035,500 |

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| | | |
|---------|-----------------------------|------------|
| 265,000 | Texas Instruments Inc. | 5,697,500 |
| 62,000 | Tyco Electronics Ltd. | 1,714,920 |
| | | ----- |
| | | 15,638,343 |
| | | ----- |

| | | |
|---------|---------------------------------|-----------|
| | AGRICULTURE -- 0.9% | |
| 405,000 | Archer-Daniels-Midland Co. | 8,873,550 |
| 31,000 | Monsanto Co. | 3,068,380 |

| SHARES | | MARKET VALUE |
|------------------------|---|-----------------|
| <hr/> | | |
| 5,000 | Syngenta AG | \$ 1,054,972 |
| 15,000 | Syngenta AG, ADR | 634,800 |
| 10,000 | The Mosaic Co. | 680,200 |
| | | ----- |
| | | 14,311,902 |
| <hr/> | | |
| AUTOMOTIVE -- 0.9% | | |
| 330,000 | General Motors Corp. | 3,118,500 |
| 125,000 | Navistar International Corp.+ | 6,772,500 |
| 96,750 | PACCAR Inc. | 3,694,882 |
| | | ----- |
| | | 13,585,882 |
| <hr/> | | |
| BROADCASTING -- 0.6% | | |
| 95,000 | British Sky Broadcasting Group plc | 700,069 |
| 425,000 | CBS Corp., Cl. A | 6,217,750 |
| 10,343 | Citadel Broadcasting Corp.+ | 8,068 |
| 2,000 | Cogeco Inc. | 58,633 |
| 25,334 | Corus Entertainment Inc., Cl. B, New York | 440,812 |
| 6,666 | Corus Entertainment Inc., Cl. B, Toronto | 113,934 |
| 120,000 | Gray Television Inc. | 206,400 |
| 26,000 | Gray Television Inc., Cl. A | 89,700 |
| 77,000 | Liberty Media Corp. - Capital, Cl. A+ | 1,030,260 |
| 90,000 | LIN TV Corp., Cl. A+ | 464,400 |
| 100,000 | Television Broadcasts Ltd. | 421,129 |
| 80,000 | Young Broadcasting Inc., Cl. A+ | 4,200 |
| | | ----- |
| | | 9,755,355 |
| <hr/> | | |
| REAL ESTATE -- 0.6% | | |
| 2,000 | Brookfield Asset Management Inc., Cl. A | 54,880 |
| 70,000 | Cheung Kong (Holdings) Ltd. | 777,542 |
| 55,500 | Griffin Land & Nurseries Inc. | 2,057,940 |
| 145,000 | The St. Joe Co.+ | 5,668,050 |
| | | ----- |
| | | 8,558,412 |
| <hr/> | | |
| TRANSPORTATION -- 0.5% | | |
| 100,000 | AMR Corp.+ | 982,000 |
| 165,000 | GATX Corp. | 6,529,050 |
| 16,000 | Grupo TMM SA, Cl. A, ADR+ | 14,240 |
| 70,000 | Toll Holdings Ltd. | 383,904 |

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7,909,194

| | | |
|--------|--|-----------|
| | COMPUTER SOFTWARE AND SERVICES -- 0.4% | |
| 8,000 | Alibaba.com Ltd.+ | 7,233 |
| 10,000 | Check Point Software Technologies Ltd.+ | 227,400 |
| 50,000 | NCR Corp.+ | 1,102,500 |
| 24,000 | Rockwell Automation Inc. | 896,160 |
| 24,100 | Square Enix Co. Ltd. | 693,395 |

See accompanying notes to schedule of investments.

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THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS (CONTINUED)
SEPTEMBER 30, 2008 (UNAUDITED)

| SHARES | | MARKET VALUE |
|--|--|-----------------|
| <hr/> | | |
| COMMON STOCKS (CONTINUED) | | |
| COMPUTER SOFTWARE AND SERVICES (CONTINUED) | | |
| 25,256 | Telecom Italia Media SpA+ | \$ 3,559 |
| 190,000 | Yahoo! Inc.+ | 3,287,000 |
| 2,000 | Yahoo! Japan Corp. | 633,727 |
| | | <hr/> |
| | | 6,850,974 |
| <hr/> | | |
| CLOSED-END FUNDS -- 0.3% | | |
| 31,500 | Royce Value Trust Inc. | 419,580 |
| 104,000 | The Central Europe and Russia Fund Inc. | 3,191,760 |
| 70,000 | The New Germany Fund Inc. | 749,000 |
| | | <hr/> |
| | | 4,360,340 |
| <hr/> | | |
| MANUFACTURED HOUSING AND RECREATIONAL VEHICLES -- 0.2% | | |
| 100,000 | Champion Enterprises Inc.+ | 555,000 |
| 50,000 | Fleetwood Enterprises Inc.+ | 51,000 |
| 31,000 | Hutting Building Products Inc.+ | 64,790 |
| 7,000 | Martin Marietta Materials Inc. | 783,860 |
| 10,000 | Nobility Homes Inc. | 162,000 |
| 30,000 | Skyline Corp. | 792,900 |
| | | <hr/> |
| | | 2,409,550 |
| <hr/> | | |
| REAL ESTATE INVESTMENT TRUSTS -- 0.1% | | |
| 2,000 | Camden Property Trust | 91,720 |
| 24,984 | Rayonier Inc. | 1,182,992 |
| | | <hr/> |
| | | 1,274,712 |
| <hr/> | | |
| TOTAL COMMON STOCKS | | |
| <hr/> | | |
| CONVERTIBLE PREFERRED STOCKS -- 0.1% | | |
| <hr/> | | |

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| | | |
|-----------------------------|--|-----------------|
| | TELECOMMUNICATIONS -- 0.1% | |
| 25,000 | Cincinnati Bell Inc., 6.750% Cv. Pfd., Ser. B | 863,750 |
| | TOTAL CONVERTIBLE PREFERRED STOCKS | 863,750 |
| | WARRANTS -- 0.0% | |
| | ENERGY AND UTILITIES -- 0.0% | |
| 12,183 | Mirant Corp., Ser. A, expire 01/03/11+ | 48,732 |
| | ----- | ----- |
| | | |
| PRINCIPAL AMOUNT | | MARKET VALUE |
| ----- | | ----- |
| | CONVERTIBLE CORPORATE BONDS -- 0.2% | |
| | RETAIL -- 0.1% | |
| \$3,100,000 | The Great Atlantic & Pacific Tea Co. Inc., Cv., 5.125%, 06/15/11 | \$ 2,259,125 |
| | ----- | ----- |
| | AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.1% | |
| 1,000,000 | Standard Motor Products Inc., Sub. Deb. Cv., 6.750%, 07/15/09 | 957,500 |
| | ----- | ----- |
| | TOTAL CONVERTIBLE CORPORATE BONDS | 3,216,625 |
| | ----- | ----- |
| | CORPORATE BONDS -- 0.0% | |
| | CONSUMER PRODUCTS -- 0.0% | |
| 1,000,000 | Pillowtex Corp., Sub. Deb., 9.000%, 12/15/17+ (a) | 0 |
| | ----- | ----- |
| | TOTAL CORPORATE BONDS | 0 |
| | ----- | ----- |
| | U.S. GOVERNMENT OBLIGATIONS -- 0.3% | |
| | U.S. TREASURY BILLS -- 0.3% | |
| 3,776,000 | U.S. Treasury Bills, 0.284% to 1.685%++, 10/30/08 to 12/04/08 (d) | 3,772,096 |
| | ----- | ----- |
| | U.S. TREASURY NOTES -- 0.0% | |
| 125,000 | 4.500%, 04/30/09 | 127,061 |
| | ----- | ----- |
| | | 127,061 |
| | ----- | ----- |
| | | 3,899,157 |
| | ----- | ----- |
| TOTAL INVESTMENTS -- 100.0% | | |
| (Cost \$1,394,564,156) | | \$1,528,444,495 |
| | ===== | ===== |
| | Aggregate book cost | \$1,394,564,156 |
| | ===== | ===== |
| | Gross unrealized appreciation | \$ 358,773,437 |
| | Gross unrealized depreciation | (224,893,098) |
| | ===== | ===== |
| | Net unrealized appreciation/(depreciation) | \$ 133,880,339 |
| | ===== | ===== |

NUMBER OF

EXPIRATION

UNREALIZED

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| CONTRACTS | DATE | APPRECIATION |
|-------------------------------------|----------|--------------|
| FUTURES CONTRACTS -- SHORT POSITION | | |
| 40 S & P 500 Index Futures | 12/18/08 | \$ 448,000 |

See accompanying notes to schedule of investments.

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THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS (CONTINUED)
SEPTEMBER 30, 2008 (UNAUDITED)

-
- (a) Security fair valued under procedures established by the Board of Directors. The procedures may include reviewing available financial information about the company and reviewing the valuation of comparable securities and other factors on a regular basis. At September 30, 2008, the market value of fair valued securities amounted to \$489,196 or 0.03% of total investments.
- (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At September 30, 2008, the market value of the Rule 144A security amounted to \$399,840 or 0.03% of total investments.
- (c) At September 30, 2008, the Fund held an investment in a restricted security amounting to \$49,043 or 0.00% of total investments, which was valued under methods approved by the Board of Directors as follows:

| ACQUISITION SHARES | ISSUER | ACQUISITION DATE | ACQUISITION COST | CARRYING VALUE PER UNIT |
|-----------------------|--|---------------------|---------------------|----------------------------|
| 4,440,836 | Cable & Wireless Jamaica Ltd. | 03/29/01 | \$101,639 | \$0.0110 |

- (d) At September 30, 2008, \$2,900,000 of the principal amount was pledged as collateral for futures contracts.

+ Non-income producing security.

++ Represents annualized yield at date of purchase.

ADR American Depository Receipt

CVO Contingent Value Obligation

% OF

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| GEOGRAPHIC DIVERSIFICATION | MARKET VALUE | MARKET VALUE |
|----------------------------|-----------------|-----------------|
| North America | 75.7% | \$1,156,468,431 |
| Europe | 15.8 | 241,656,640 |
| Latin America | 4.2 | 64,398,847 |
| Japan | 3.3 | 50,262,783 |
| Asia/Pacific | 0.9 | 13,740,967 |
| South Africa | 0.1 | 1,916,827 |
| Total Investments | 100.0% | \$1,528,444,495 |

See accompanying notes to schedule of investments.

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THE GABELLI EQUITY TRUST INC. NOTES TO SCHEDULE OF INVESTMENTS (UNAUDITED)

1. 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 securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC, the Adviser.

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of 60 days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than 60 days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. Futures contracts are valued at the closing settlement price of the exchange or board of trade on which the applicable contract is traded.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board.

On January 1, 2008, the Fund adopted Statement of Financial Accounting Standard No. 157, "Fair Value Measurements" ("SFAS 157") that clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value

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measurements. The three levels of the fair value hierarchy under SFAS 157 are described below:

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used to value the Fund's net assets as of September 30, 2008 is as follows:

| VALUATION INPUTS | INVESTMENTS IN SECURITIES (MARKET VALUE) | OTHER FINANCIAL INSTRUMENTS (UNREALIZED APPRECIATION (DEPRECIATION)) * |
|---|--|---|
| Level 1 - Quoted Prices | \$1,522,196,857 | \$ 488,000 |
| Level 2 - Other Significant Observable Inputs | 6,158,282 | (180,747) |
| Level 3 - Significant Unobservable Inputs | 89,356 | -- |
| Total | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> |
| | \$1,528,444,495 | \$ 307,253 |
| | <hr/> <hr/> <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> <hr/> <hr/> |

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

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THE GABELLI EQUITY TRUST INC. NOTES TO SCHEDULE OF INVESTMENTS (CONTINUED) (UNAUDITED)

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

| BALANCE AS OF 12/31/07 | INVESTMENTS IN SECURITIES (MARKET VALUE) |
|--|--|
| BALANCE AS OF 12/31/07 | \$89,356 |
| Accrued discounts/(premiums) | -- |
| Realized gain/(loss) | -- |
| Change in unrealized appreciation/(depreciation) | 0 |
| Net purchases/(sales) | -- |
| Transfers in and/or out of Level 3 | 0 |

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| | |
|------------------------|----------|
| BALANCE AS OF 09/30/08 | \$89,356 |
| | ===== |

In March 2008, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standard No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161") that is effective for fiscal years beginning after November 15, 2008. SFAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position. Management is currently evaluating the implications of SFAS 161 on the Fund's financial statement disclosures.

2. SWAP AGREEMENTS. The Fund may enter into equity, contract for difference, and interest rate swap or cap transactions. The use of swaps and caps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. A swap agreement may involve, to varying degrees, elements of market and counterparty risk and exposure to loss in excess of the related amounts reflected in the Statement of Assets and Liabilities. In an interest rate swap, the Fund would agree to pay to the other party to the interest rate swap (which is known as the "counterparty") periodically a fixed rate payment in exchange for the counterparty agreeing to pay to the Fund periodically a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on Series C Preferred Stock and Series E Preferred Stock. In an interest rate cap, the Fund would pay a premium to the counterparty and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from that counterparty payments of the difference based on the notional amount of such cap. In a swap, a set of future cash flows are exchanged between two counterparties. One of these cash flow streams will typically be based on a reference interest rate combined with the performance of a notional value of shares of a stock. The other will be based on the performance of the shares of a stock. Swap and cap transactions introduce additional risk because the Fund would remain obligated to pay preferred stock dividends when due in accordance with the Articles Supplementary even if the counterparty defaulted. If there is a default by the counterparty to a swap contract, the Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that the swap contract counterparties will be able to meet their obligations pursuant to a swap contract or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to a swap contract. The creditworthiness of the swap contract counterparties is closely monitored in order to minimize this risk. Depending on the general state of short-term interest rates and the returns on the Fund's portfolio securities at that point in time, such a default could negatively affect the Fund's ability to make dividend payments. In addition, at the time a swap or cap transaction reaches its scheduled termination date, there is a risk that the Fund will not be able to obtain a replacement transaction or that the terms of the replacement will not be as favorable as on the expiring transaction.

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The use of derivative instruments involves, to varying degrees, elements of market and counterparty risk in excess of the amount recognized below.

At September 30, 2008, there were no open interest rate swap agreements.

The Fund has entered into a contract for difference swap agreement with Bear, Stearns International Limited. Details of the swap at September 30, 2008 as follows:

| NOTIONAL AMOUNT | EQUITY SECURITY RECEIVED | INTEREST RATE/ EQUITY SECURITY PAID | TERMINATION DATE | NET D |
|------------------------------|---|---|---------------------|----------|
| \$1,371,396 (200,000 Shares) | Market Value Appreciation on: Rolls-Royce Group plc | Overnight LIBOR plus 40 bps plus Market Value Depreciation on: Rolls-Royce Group plc | 09/15/09 | |

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

DIRECTORS

Mario J. Gabelli, CFA
CHAIRMAN & CHIEF EXECUTIVE OFFICER,
GAMCO INVESTORS, INC.

Dr. Thomas E. Bratter
PRESIDENT & FOUNDER, JOHN DEWEY ACADEMY

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

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

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

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

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

Salvatore J. Zizza
CHAIRMAN, ZIZZA & CO., LTD.

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OFFICERS

Bruce N. Alpert
PRESIDENT

Carter W. Austin
VICE PRESIDENT

Peter D. Goldstein
CHIEF COMPLIANCE OFFICER

Agnes Mullady
TREASURER AND SECRETARY

Marc C. Rinaldi
VICE PRESIDENT & OMBUDSMAN

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

CUSTODIAN
The Bank of New York Mellon

COUNSEL
Willkie Farr & Gallagher LLP

TRANSFER AGENT AND REGISTRAR
Computershare Trust Company, N.A.

STOCK EXCHANGE LISTING

| | 5.875% | 6.20% |
|---------------------|-------------|-----------|
| Common | Preferred | Preferred |
| NYSE-Symbol: | GAB | GAB PrD |
| Shares Outstanding: | 174,919,152 | 2,949,400 |
| | | 5,999,500 |

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.

For general information about the Gabelli Funds, call 800-GABELLI (800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: WWW.GABELLI.COM, or e-mail us at: closedend@gabelli.com

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may, from time to time, purchase 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 shares are trading at a discount to the liquidation value.

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THE GABELLI EQUITY TRUST INC.
ONE CORPORATE CENTER
RYE, NY 10580-1422
(914) 921-5070
WWW.GABELLI.COM

THIRD QUARTER REPORT
SEPTEMBER 30, 2008

GAB Q3/2008

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) The Gabelli Equity Trust Inc.

By (Signature and Title)* /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive Officer

Date

November 24, 2008

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Bruce N. Alpert

Bruce N. Alpert, Principal Executive Officer

Date

November 24, 2008

By (Signature and Title)* /s/ Agnes Mullady

Agnes Mullady,
Principal Financial Officer and Treasurer

Date

November 24, 2008

* Print the name and title of each signing officer under his or her signature.