

GABELLI EQUITY TRUST INC
Form N-CSRS
September 04, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT

INVESTMENT COMPANIES

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: June 30, 2014

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (OMB) control number. Please direct

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to 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. § 3507.

Item 1. Reports to Stockholders.

The Report to Shareholders is attached herewith.

The Gabelli Equity Trust Inc.

Semiannual Report June 30, 2014

(Y)our Portfolio Management Team

To Our Shareholders,

For the six months ended June 30, 2014, the net asset value (NAV) total return of The Gabelli Equity Trust Inc. (the Fund) was 5.4%, compared with total returns of 7.1% and 2.7% 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 1.2%. The Fund s NAV per share was \$7.31, while the price of the publicly traded shares closed at \$7.53 on the New York Stock Exchange (NYSE). See below for additional performance information.

Enclosed are the schedule of investments and financial statements as of June 30, 2014.

Comparative Results

Average Annual Returns through June 30, 2014 (a) (Unaudited)

	Year to Date	1 Year	5 Year	10 Year	20 Year	25 Year	Since Inception (08/21/86)
Gabelli Equity Trust							
NAV Total Return (b)	5.44%	26.98%	24.77%	11.15%	10.94%	10.19%	11.44%
Investment Total Return (c)	1.18	23.55	22.53	11.28	10.52	10.53	11.21
S&P 500 Index	7.14	24.61	18.83	7.78	9.79	9.89	10.13(d)
Dow Jones Industrial Average	2.66	15.46	17.76	7.62	10.49	10.75	11.01(d)
Nasdaq Composite Index	6.18	30.98	20.57	9.20	9.58	9.71	9.17(d)

- (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 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 is available.

Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of June 30, 2014:

The Gabelli Equity Trust Inc.

Food and Beverage	11.3%
Financial Services	8.4%
Cable and Satellite	8.0%
Entertainment	7.8%
Equipment and Supplies	6.7%
Diversified Industrial	5.6%
Energy and Utilities	5.6%
Health Care	4.3%
Automotive: Parts and Accessories	4.3%
Consumer Products	3.8%
Consumer Services	3.2%
Telecommunications	3.2%
Retail	3.1%
Aerospace and Defense	2.6%
Business Services	2.5%
Aviation: Parts and Services	2.5%
Machinery	2.4%
Specialty Chemicals	1.9%
Hotels and Gaming	1.8%
Broadcasting	1.7%
Publishing	1.4%
Electronics	1.1%
Environmental Services	0.9%
Wireless Communications	0.9%
Computer Software and Services	0.7%
Agriculture	0.7%
Communications Equipment	0.7%
Automotive	0.6%
Metals and Mining	0.6%
Transportation	0.5%
Real Estate	0.4%
Closed-End Funds	0.3%
Building and Construction	0.2%
Real Estate Investment Trusts	0.1%
Computer Hardware	0.1%
Manufactured Housing and Recreational Vehicles	0.1%
	100.0%

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

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

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.

The Gabelli Equity Trust Inc.**Portfolio Changes Quarter Ended June 30, 2014 (Unaudited)**

	Shares	Ownership at June 30, 2014
NET PURCHASES		
Common Stocks		
Alere Inc.	3,000	10,000
Aramark	7,500	20,500
Blyth Inc.	15,200	112,200
Cable & Wireless Communications plc	2,150,000	3,000,000
Chemtura Corp.	10,000	15,000
Chr Hansen Holding A/S	2,000	2,000
Cliffs Natural Resources Inc.	12,000	12,000
ConAgra Foods Inc.	20,000	80,000
Cullen/Frost Bankers Inc.	10,000	10,000
Danone SA(a)	5,975	210,475
DaVita HealthCare Partners Inc.	2,000	15,000
Deutsche Bank AG	2,777	12,777
Donaldson Co. Inc.	2,000	374,800
Energizer Holdings Inc.	5,500	95,500
Express Scripts Holding Co.	1,000	25,000
Forest City Enterprises Inc., Cl. A	3,000	35,000
General Mills Inc.	4,000	53,000
Hospira Inc.	200	30,000
Intelsat SA	3,000	15,000
International Flavors & Fragrances Inc.	4,000	69,000
International Game Technology	40,000	90,000
Janus Capital Group Inc.	1,000	266,000
Koninklijke Philips NV(b)	1,102	33,087
Layne Christensen Co.	3,000	23,000
Liberty Ventures, Cl. A(c)	15,451	30,902
Loews Corp.	4,000	14,000
Millicom International Cellular SA, SDR	5,000	22,000
Murphy USA Inc.	2,501	20,000
Pentair plc(d)	35,000	35,000
Rayonier Advanced Materials Inc.(e)	9,667	9,667
Rolls-Royce Holdings plc, Cl. C(f)	160,800,000	160,800,000
The Hillshire Brands Co.	92,800	330,000
The New Germany Fund Inc.	3,898	96,529
Time Inc.(g)	18,850	18,850
Time Warner Inc.	1,600	186,800
Trinity Industries Inc.(c)	28,200	56,400
Vodafone Group plc, ADR	3,300	41,482
Weatherford International plc(h)	35,000	35,000
Whole Foods Market Inc.	3,000	38,000
NET SALES		
Common Stocks		
AMC Networks Inc., Cl. A	(2,800)	270,200
	Shares	Ownership at June 30, 2014
American Express Co.	(3,000)	421,000
Argo Group International Holdings Ltd.	(700)	12,500
Barrick Gold Corp.	(600)	54,000

Edgar Filing: GABELLI EQUITY TRUST INC - Form N-CSRS

Beam Inc.(i)	(173,200)	
Becton, Dickinson and Co.	(300)	12,500
BorgWarner Inc.	(1,000)	116,600
BT Group plc, Cl. A	(11,600)	988,400
Cisco Systems Inc.	(1,400)	54,000
Citigroup Inc.	(8,500)	98,000
Covidien plc	(1,800)	47,200
Crane Co.	(3,500)	198,200
Curtiss-Wright Corp.	(8,000)	270,300
Deere & Co.	(2,000)	320,000
DIRECTV	(19,000)	374,200
Discovery Communications Inc., Cl. A	(1,000)	78,600
Flowerserve Corp.	(2,600)	274,600
Gray Television Inc.	(1,000)	25,000
Honeywell International Inc.	(4,000)	359,000
HSN Inc.	(800)	25,100
Huntsman Corp.	(16,000)	8,000
IAC/InterActiveCorp.	(1,000)	45,000
Ingredion Inc.	(800)	17,000
Intel Corp.	(19,000)	60,000
Leucadia National Corp.	(3,200)	95,900
Liberty Media Corp., Cl. A	(1,000)	89,000
LSI Corp.(j)	(45,000)	
Marathon Oil Corp.	(6,000)	4,000
Marathon Petroleum Corp.	(2,000)	4,000
MasterCard Inc., Cl. A	(5,000)	342,000
Modine Manufacturing Co.	(2,000)	198,000
Monster Worldwide Inc.	(10,000)	
Newmont Mining Corp.	(800)	143,600
Niko Resources Ltd.	(1,000)	1,000
Novartis AG, ADR	(1,600)	88,200
Oi SA, ADR	(20,000)	309,500
Palo Alto Networks Inc.	(1,500)	
Park-Ohio Holdings Corp.	(1,000)	89,000
Pentair Ltd.(d)	(37,400)	
Phillips 66	(35,000)	12,200
Post Holdings Inc.	(600)	42,300
Precision Castparts Corp.	(2,500)	78,500
Reckitt Benckiser Group plc	(4,100)	46,800
Rollins Inc.	(3,000)	1,210,000
Skyline Corp.	(2,000)	53,000
Spectra Energy Corp.	(2,200)	108,900
Swedish Match AB	(10,000)	813,800
The Charles Schwab Corp.	(5,000)	20,000

See accompanying notes to schedule of investments.

The Gabelli Equity Trust Inc.

Portfolio Changes (Continued) Quarter Ended June 30, 2014 (Unaudited)

	Shares	Ownership at June 30, 2014
The Coca-Cola Co.	(10,000)	122,600
The St. Joe Co.	(1,000)	188,500
The Timken Co.	(15,000)	85,000
The WhiteWave Foods Co.	(1,347)	