

GABELLI EQUITY TRUST INC
Form N-CSR
March 09, 2018

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

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Date of fiscal year end: December 31

Date of reporting period: December 31, 2017

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 comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. 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.**Annual Report December 31, 2017****(Y)our Portfolio Management Team**

Mario J. Gabelli, CFA	Christopher J. Marangi	Kevin V. Dreyer	Robert D. Leininger, CFA	Daniel M. Miller
<i>Chief Investment Officer</i>	<i>Co-Chief Investment Officer</i>	<i>Co-Chief Investment Officer</i>	<i>Portfolio Manager</i>	<i>Managing Director,</i>
	<i>BA, Williams College</i>	<i>BSE, University of Pennsylvania</i>	<i>BA, Amherst College</i>	<i>GAMCO Investors</i>
	<i>MBA, Columbia Business School</i>	<i>MBA, Columbia Business School</i>	<i>MBA, Wharton School, University of Pennsylvania</i>	<i>BS, University of Miami</i>

To Our Shareholders,

For the year ended December 31, 2017, the net asset value (NAV) total return of The Gabelli Equity Trust Inc. (the Fund) was 24.6%, compared with total returns of 21.8% and 28.1% 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 24.6%. The Fund s NAV per share was \$6.47, while the price of the publicly traded shares closed at \$6.19 on the New York Stock Exchange (NYSE). See below for additional performance information.

Enclosed are the financial statements, including the schedule of investments, as of December 31, 2017.

Comparative Results**Average Annual Returns through December 31, 2017 (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)	24.64%	14.41%	8.11%	12.19%	9.31%	10.61%	11.05%
Investment Total Return (c)	24.65	13.56	7.54	11.08	8.80	10.40	10.61
S&P 500 Index	21.83	15.79	8.50	9.92	7.20	9.69	10.29(d)
Dow Jones Industrial Average	28.07	16.31	9.24	10.24	8.35	10.96	11.38(d)
Nasdaq Composite Index	29.80	19.50	11.35	12.81	8.67	9.73	10.00(e)

(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. 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, 2017:

The Gabelli Equity Trust Inc.

Food and Beverage	11.2%
Financial Services	9.6%
U.S. Government Obligations	8.7%
Entertainment	5.6%
Equipment and Supplies	5.6%
Diversified Industrial	4.8%
Health Care	4.3%
Energy and Utilities	3.9%
Consumer Services	3.8%
Automotive: Parts and Accessories	3.6%
Consumer Products	3.6%
Cable and Satellite	3.1%
Business Services	2.9%
Telecommunications	2.9%
Machinery	2.5%
Electronics	2.3%
Aerospace and Defense	2.3%
Retail	2.2%
Broadcasting	2.2%
Specialty Chemicals	2.1%
Hotels and Gaming	1.7%
Aviation: Parts and Services	1.6%
Environmental Services	1.5%
Wireless Communications	0.9%
Telecommunication Services	0.9%
Building and Construction	0.8%
Automotive	0.8%
Computer Software and Services	0.7%
Closed-End Funds	0.7%
Metals and Mining	0.6%
Communications Equipment	0.6%
Publishing	0.5%
Agriculture	0.5%
Transportation	0.4%
Real Estate	0.4%
Manufactured Housing and Recreational Vehicles	0.1%
Real Estate Investment Trusts	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

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 December 31, 2017 (Unaudited)**

	Shares	Ownership at December 31, 2017
NET PURCHASES		
Common Stocks		
Altice USA Inc., Cl. A	5,000	25,000
Astec Industries Inc.	3,000	3,000
Axalta Coating Systems Ltd.	15,000	15,000
Baker Hughes, a GE Company	30,000	80,000
Bed Bath & Beyond Inc.	15,000	15,000
BioScrip Inc.	167,689	3,225,431
Blackhawk Network Holdings Inc.	46,523	79,123
Bristol-Myers Squibb Co.	40,000	136,300
CenturyLink Inc.	85,250	85,250
Charter Communications Inc., Cl. A	3,000	32,358
CNH Industrial NV	29,918	100,010
Costco Wholesale Corp.	2,000	40,000
Delphi Technologies plc(a)	15,000	15,000
Diebold Nixdorf Inc.	73,000	175,000
Discovery Communications Inc., Cl. A	10,000	245,800
DISH Network Corp., Cl. A	7,500	82,400
Donnelley Financial Solutions, Inc.	5,000	52,000
Dycom Industries Inc.	3,000	5,000
Entercom Communications Corp., Cl. A	93,900	150,000
Financial Engines Inc.	3,000	11,000
FlowsERVE Corp.	10,000	217,000
FNF Group	30,000	30,000
Forum Energy Technologies Inc.	15,000	15,000
General Electric Co.	57,000	210,000
Genuine Parts Co.	7,800	249,200
Gogo Inc.	70,000	175,000
Halliburton Co.	15,000	206,700
Hewlett Packard Enterprise Co.	56,500	206,500
Hostess Brands Inc.	8,000	8,000
Incyte Corp.	1,000	5,000
Internap Corp.(b)	50,375	50,375
K2M Group Holdings Inc.	52,460	52,460
Liberty Ventures, Cl. A	3,000	48,398
Loral Space & Communications Inc.	20,000	43,000
Macy's Inc.	5,000	331,000
Mattel Inc.	26,000	31,000
MBIA Inc.	55,000	55,000

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Mondelēz International Inc., Cl. A	30,000	360,000
Mueller Water Products Inc., Cl. A	3,000	12,000
Naspers Ltd., Cl. N	1,000	1,000
PACCAR Inc.	1,000	70,000
Pandora Media Inc.	129,000	165,000
PG&E Corp.	14,000	14,000
Phillips 66	8,000	32,100
Post Holdings Inc.	4,000	36,000
Reading International Inc., Cl. A	10,000	10,000
Rolls-Royce Holdings plc, Cl. C(c)	55,614,000	55,614,000
Sika AG, Cl. B	152	152
Sinclair Broadcast Group Inc., Cl. A	20,000	20,000
Stericycle Inc.	3,000	13,000
		Ownership at December 31,
	Shares	2017
Tenneco Inc.	29,513	29,513
Textron Inc.	17,000	17,000
The Manitowoc Co. Inc.(d)	1,000	1,000
The Bank of New York Mellon Corp.	2,000	212,500
Twenty-First Century Fox Inc., Cl. A	15,000	385,000
Viacom Inc., Cl. A	1,026	280,547
Weatherford International plc	187,300	222,300
Zimmer Biomet Holdings Inc.	2,000	11,600
NET SALES		
Common Stocks		
Adient plc	(2,672)	20,162
Advance Auto Parts Inc.	(7,500)	7,500
Agilent Technologies Inc.	(6,000)	
Akorn Inc.	(10,000)	
Alere Inc.	(4,000)	
Alphabet Inc., Cl. C	(750)	3,250
American Express Co.	(34,000)	362,000
AMETEK Inc.	(1,000)	413,000
Aptiv plc(a)	(3,000)	9,500
Armstrong Flooring Inc.	(32,400)	92,790
Ascent Capital Group Inc.	(3,000)	
AT&T Inc.	(15,000)	90,000
Becton, Dickinson and Co.	(7,500)	
Boston Scientific Corp.	(10,000)	250,000
Brown-Forman Corp., Cl. A	(15,950)	20,000
CBS Corp., Cl. A, Voting	(500)	241,800
Corning Inc.	(60,000)	310,000
Crane Co.	(1,000)	170,100
Curtiss-Wright Corp.	(5,500)	245,300
CVS Health Corp.	(12,900)	104,000
Dana Inc.	(10,000)	230,900
DaVita Inc.	(10,000)	
Deere & Co.	(36,000)	185,000
Diageo plc	(24,660)	136,340

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DigitalGlobe Inc.(e)	(13,000)	
Donaldson Co. Inc.	(4,000)	327,800
EchoStar Corp., Cl. A	(5,715)	36,985
Edgewell Personal Care Co.	(17,700)	182,000
Emerson Electric Co.	(4,000)	
Energizer Holdings Inc.	(5,000)	141,000
Entertainment One Ltd.	(25,000)	50,000
Exxon Mobil Corp.	(6,000)	51,600
Fortress Investment Group LLC	(50,000)	
Greif Inc., Cl. A	(5,000)	127,000
Grupo Televisa SAB	(2,000)	531,000
H.B. Fuller Co.	(1,000)	34,000
HD Supply Holdings Inc.	(10,000)	19,100
Herc Holdings Inc.	(10,900)	91,659
Hertz Global Holdings Inc.	(12,500)	207,500
Honeywell International Inc.	(6,000)	313,000
IDEX Corp.	(14,000)	215,000

See accompanying notes to financial statements.

The Gabelli Equity Trust Inc.**Portfolio Changes (Continued) Quarter Ended December 31, 2017 (Unaudited)**

	Shares	Ownership at December 31, 2017
Integrated Device Technology Inc.	(22,500)	
Intel Corp.	(4,000)	50,000
Internap Corp.(b)	(426,500)	
International Flavors & Fragrances Inc.	(1,000)	70,000
Inventure Foods Inc.	(323,793)	
ITT Inc.	(20,000)	97,000
Janus Henderson Group plc	(20,000)	100,000
Jason Industries Inc.	(29,795)	365,590
Landauer Inc.	(50,000)	
Liberty Broadband Corp., Cl. C	(2,000)	64,192
Liberty Expedia Holdings Inc., Cl. A	(5,000)	18,642
Liberty Global plc, Cl. A	(5,900)	145,605
Liberty Media Corp.-Liberty Braves, Cl. A	(1,200)	9,500
Mastercard Inc., Cl. A	(22,000)	267,000
Meredith Corp.	(600)	81,700
MGM Resorts International	(30,000)	66,595
Micro Focus International plc	(5,715)	12,000
NCR Corp.	(1,000)	20,000
Newell Brands Inc.	(43,000)	
News Corp., Cl. A	(13,000)	133,600