

GABELLI EQUITY TRUST INC
Form N-CSR
March 09, 2011

**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: December 31, 2010

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, 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.

Annual Report
December 31, 2010

Mario J. Gabelli, CFA

To Our Shareholders,

The Sarbanes-Oxley Act requires a fund's principal executive and financial officers to certify the entire contents of the semi-annual and annual shareholder reports in a filing with the Securities and Exchange Commission (SEC) on Form N-CSR. This certification would cover the portfolio manager's commentary and subjective opinions if they are attached to or a part of the financial statements. Many of these comments and opinions would be difficult or impossible to certify.

Because we do not want our portfolio manager to eliminate his opinions and/or restrict his commentary to historical facts, we have separated his commentary from the financial statements and investment portfolio and have sent it to you separately. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at www.gabelli.com.

Enclosed are the audited financial statements including the investment portfolio as of December 31, 2010.

Investment Performance

For the year ended December 31, 2010, The Gabelli Equity Trust's (the Fund) net asset value (NAV) total return was 27.9% and the total return for the Fund's publicly traded shares was 24.0%, compared with gains of 15.1% and 14.0% for the Standard & Poor's (S&P) 500 Index and the Dow Jones Industrial Average, respectively.

On December 31, 2010, the Fund's NAV per share was \$5.85, while the price of the Fund's publicly traded shares closed at \$5.67 on the New York Stock Exchange (NYSE).

Sincerely yours,

Bruce N. Alpert
President

February 25, 2011

Comparative Results

Average Annual Returns through December 31, 2010 (a) (Unaudited)

	Quarter	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	Since Inception (08/21/86)
Gabelli Equity Trust NAV Total Return (b)	14.26%	27.93%	(1.81)%	6.35%	6.55%	9.00%	10.33%	10.60%
Investment Total Return (c)	16.03	23.96	(3.25)	5.74	5.26	8.93	9.94	10.07
S&P500 Index	10.76	15.08	(2.84)	2.29	1.42	6.77	9.13	9.30(d)
Dow Jones Industrial Average	8.01	14.04	(1.58)	4.30	3.16	7.95	10.28	10.57(d)
Nasdaq Composite Index	12.00	16.91	0.01	3.76	0.71	6.36	10.29	8.29

- (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 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.
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THE GABELLI EQUITY TRUST INC.
Summary of Portfolio Holdings (Unaudited)

The following table presents portfolio holdings as a percent of total investments as of December 31, 2010:

Food and Beverage	10.4%
Cable and Satellite	8.1%
Financial Services	8.0%
Diversified Industrial	7.5%
Energy and Utilities	7.1%
Equipment and Supplies	6.0%
Entertainment	5.4%
Telecommunications	4.6%
Consumer Products	4.2%
Automotive: Parts and Accessories	3.9%
Health Care	3.6%
Machinery	2.7%
Consumer Services	2.5%
Retail	2.2%
Publishing	2.2%
Business Services	2.0%
Specialty Chemicals	2.0%
Hotels and Gaming	1.9%
Aviation: Parts and Services	1.9%
Aerospace	1.9%
Communications Equipment	1.7%
Wireless Communications	1.3%
Metals and Mining	1.3%
Electronics	1.2%
Environmental Services	1.0%
Broadcasting	0.9%
Agriculture	0.9%
Automotive	0.9%
Computer Software and Services	0.7%
Transportation	0.7%
Closed-End Funds	0.4%
Real Estate	0.4%
U.S. Government Obligations	0.2%
Manufactured Housing and Recreational Vehicles	0.1%
Real Estate Investment Trusts	0.1%
Computer Hardware	0.1%
Exchange Traded Notes	0.0%
	100.0%

The Fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q, the last of which was filed for the quarter ended September 30, 2010. 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 1-800-SEC-0330.

Proxy Voting

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

Update to the By-Laws of The Gabelli Equity Trust Inc.

On December 3, 2010, the Board of Directors of the Fund approved and adopted the Amended and Restated ByLaws of the Fund (the December 2010 Amendments). The December 2010 Amendments were effective as of December 3, 2010. The December 2010 Amendments set out the processes and procedures that shareholders of the Fund must follow and specifies additional information that shareholders of the Fund must provide when proposing director nominations at any annual or special meeting of shareholders or other business to be considered at an annual meeting of shareholders.

THE GABELLI EQUITY TRUST INC.
PORTFOLIO CHANGES
Quarter Ended December 31, 2010
(Unaudited)

	Shares	Ownership at December 31, 2010
NET PURCHASES		
Common Stocks		
Agrium Inc.	5,000	5,000
AMETEK Inc. (a)	108,000	351,000
AMR Corp.	160,000	460,000
BBA Aviation plc (b)	8,462	638,462
Beckman Coulter Inc.	35,000	35,000
Best Buy Co. Inc.	5,000	5,000
Big Lots Inc.	7,000	7,000
BJ's Wholesale Club Inc.	18,000	18,000
BorgWarner Inc.	7,000	91,000
Cisco Systems Inc.	20,000	20,000
Clear Channel Outdoor Holdings Inc., Cl. A	5,000	145,000
CNH Global NV	2,000	27,000
Coca-Cola Enterprises Inc. (c)	15,000	15,000
Deutsche Bank AG (d)	60,000	200,000
Diamond Offshore Drilling Inc.	7,000	10,000
Endo Pharmaceuticals Holdings Inc.	5,000	5,000
GenOn Energy Inc. (e)	15,000	15,000
Heineken NV	3,000	39,000
iPath S&P 500 VIX Short-Term Futures (f)	12,500	12,500
J. Crew Group Inc.	5,000	5,000
Liberty Media Corp. Interactive, Cl. A	17,000	215,000
Massey Energy Co.	5,000	5,000
Mettler-Toledo International Inc.	2,400	2,400
Molex Inc., Cl. A	15,000	35,000
Motorola Inc.	125,000	200,000
O'Reilly Automotive Inc. (g)	113,000	113,000
Rollins Inc. (h)	417,845	1,427,845
Rolls-Royce Group plc., Cl. C (i)	76,800,000	76,800,000
Sara Lee Corp.	50,000	650,000
Symantec Corp.	10,000	10,000
Telephone & Data Systems Inc.	5,000	270,000
The Children's Place Retail Stores Inc.	5,000	5,000
The Estee Lauder Companies Inc., Cl. A	1,000	1,000
The Mosaic Co.	5,000	15,000
Warner Chilcott plc, Cl. A	10,000	10,000
Waters Corp.	4,000	4,000

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Ivanhoe Mines Ltd., expire 01/26/11 (j)	49,000	49,000
NET SALES		
Common Stocks		
Advanced Micro Devices Inc.	(4,000)	
Allegheny Energy Inc.	(48,000)	20,000
America Movil SAB de CV, Cl. L, ADR	(12,000)	76,000
American Express Co.	(3,000)	524,000
Ameriprise Financial Inc.	(5,000)	
Apache Corp.	(1,000)	67,000
Archer-Daniels-Midland Co.	(5,000)	280,000
Artio Global Investors Inc.	(25,000)	70,000
Ashland Inc.	(1,000)	12,000
Baldor Electric Co.	(23,000)	120,000
Banco Santander SA, ADR	(15,000)	73,000
Barrick Gold Corp.	(3,000)	85,000
Berkshire Hathaway Inc., Cl. A	(3)	130
Boston Scientific Corp.	(15,000)	200,000
BP plc, ADR	(10,000)	108,000
Cablevision Systems Corp., Cl. A	(160,000)	1,250,000
CBS Corp., Cl. A, Voting	(20,000)	330,000
China Mengniu Dairy Co. Ltd.	(50,000)	
Cincinnati Bell Inc.	(75,000)	750,000
CLARCOR Inc.	(1,000)	157,000
Clearwire Corp., Cl. A	(16,070)	
Coca-Cola Enterprises Inc. (c)	(15,000)	
Commerzbank AG, ADR	(16,000)	110,000
ConocoPhillips	(27,000)	217,000
Cooper Industries plc	(7,000)	195,000
Corn Products International Inc.	(13,000)	31,000
Corning Inc.	(5,000)	460,000
Costco Wholesale Corp.	(10,000)	40,000
Covidien plc	(3,000)	52,000
Crane Co.	(15,000)	235,000
Curtiss-Wright Corp.	(5,000)	345,000
Dean Foods Co.	(40,000)	110,000
Deere & Co.	(27,000)	405,000
Del Monte Foods Co.	(25,000)	20,000
Denny's Corp.	(10,108)	
DIRECTV, Cl. A	(48,000)	567,000
Discovery Communications Inc., Cl. A	(34,500)	95,000
Discovery Communications Inc., Cl. C	(34,500)	95,000
Donaldson Co. Inc.	(1,000)	191,000
E.I. du Pont de Nemours and Co.	(2,000)	28,000
Eastman Kodak Co.	(8,000)	150,000
El Paso Corp.	(50,000)	230,000
Energizer Holdings Inc.	(10,000)	95,000
Ferro Corp.	(10,000)	455,000
Flowserve Corp.	(14,500)	100,000
Fomento Economico Mexicano SAB de CV, ADR	(7,000)	85,000
Fortune Brands Inc.	(5,000)	115,000

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Frontier Communications Corp.	(20,000)	
Gaylord Entertainment Co.	(3,000)	197,000
GenCorp Inc.	(25,000)	305,000
General Electric Co.	(5,000)	215,000
General Mills Inc.	(10,000)	40,000
Genuine Parts Co.	(3,000)	272,000
Gerber Scientific Inc.	(30,000)	60,000
GrafTech International Ltd.	(20,000)	70,000
Gray Television Inc.	(4,000)	36,000
Gray Television Inc., Cl. A	(5,000)	
Greif Inc., Cl. B .	(6,000)	12,000
Grupo Bimbo SAB de CV, Cl. A	(20,000)	660,000
Grupo Televisa SA, ADR	(15,000)	675,000
Halliburton Co.	(10,000)	200,000
Honeywell International Inc.	(5,000)	415,000
Idearc Inc.	(10,000)	
IDEX Corp.	(4,000)	300,000
Il Sole 24 Ore	(652,600)	500,000
Independent News & Media plc	(28,323)	
Intel Corp.	(80,000)	100,000
ITO EN Ltd.	(30,000)	120,000
ITO EN Ltd., Preference	(5,000)	15,000
Ivanhoe Mines Ltd. (j)	(25,000)	49,000
Johnson Controls Inc.	(26,000)	169,000
JPMorgan Chase & Co.	(3,000)	61,088
Kaman Corp.	(3,099)	27,800
Kraft Foods Inc., Cl. A	(10,000)	162,278
Landauer Inc.	(1,000)	91,000
Las Vegas Sands Corp.	(40,000)	50,000
Legg Mason Inc.	(29,000)	149,000
Leucadia National Corp.	(3,000)	127,000
Liberty Global Inc., Cl. A	(54,770)	122,000
Liberty Global Inc., Cl. C	(17,001)	122,000
Liberty Media Corp. Starz, Cl. A	(2,000)	27,000

See accompanying notes to financial statements.

THE GABELLI EQUITY TRUST INC.
PORTFOLIO CHANGES (Continued)
Quarter Ended December 31, 2010
(Unaudited)

	Shares	Ownership at December 31, 2010
LIN TV Corp., Cl. A	(5,000)	40,000
Madison Square Garden Inc., Cl. A	(15,000)	344,500
Marsh & McLennan Companies Inc.	(25,000)	155,000
Mead Johnson Nutrition Co.	(5,000)	51,000
Media General Inc., Cl. A	(50,000)	150,000
Meredith Corp.	(3,000)	114,000
MGM Resorts International	(26,000)	29,000
Mirant Corp. (e) .	(10,000)	
Modine Manufacturing Co.	(20,000)	280,000
Monsanto Co.	(7,000)	21,000
Moody s Corp.	(5,000)	15,000
Navistar International Corp.	(3,000)	122,000
NCR Corp.	(10,000)	95,000
News Corp., Cl. A	(55,000)	1,275,000
Nobility Homes Inc.	(500)	9,500
Northeast Utilities	(10,000)	195,000
Northrop Grumman Corp.	(5,000)	40,000
Novartis AG, ADR	(1,000)	97,000
NSTAR	(5,000)	5,000
Omnova Solutions Inc.	(5,000)	270,000
O Reilly Automotive Inc. (g)	(128,000)	
Orient-Express Hotels Ltd., Cl. A	(10,000)	32,000
PACCAR Inc.	(9,000)	87,750
Pactiv Corp.	(78,000)	
PetroChina Co. Ltd., ADR	(500)	
Pinnacle Entertainment Inc.	(35,000)	65,000
Precision Castparts Corp.	(9,000)	89,000
Republic Services Inc.	(5,000)	215,000
Research In Motion Ltd.	(5,000)	
Rockwell Automation Inc.	(2,000)	28,000
Rogers Communications Inc., Cl. B, New York	(6,000)	483,690
Rowan Companies Inc.	(5,000)	185,000
Royce Value Trust Inc.	(1,500)	30,000
Seat Pagine Gialle SpA	(332)	
Sensient Technologies Corp.	(5,000)	235,000
Shaw Communications Inc., Cl. B, New York	(5,000)	155,000
Skyline Corp.	(2,500)	30,500
Sprint Nextel Corp.	(50,000)	1,100,000
SSL International plc (k)	(50,000)	
Sulzer AG	(500)	20,500

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Swedish Match AB	(50,000)	890,000
Talbots Inc., expire 04/06/15	(19,811)	150,000
Tele Norte Leste Participacoes SA, ADR	(25,000)	159,000
Telecom Argentina SA, ADR	(10,000)	28,000
Telecom Italia SpA	(200,000)	600,000
Telefonica SA, ADR	(3,000)	195,000
Telefonos de Mexico SAB de CV, Cl. L, ADR	(15,000)	37,000
Telephone & Data Systems Inc., Special	(26,000)	324,000
The Allstate Corp.	(3,000)	
The Bank of New York Mellon Corp.	(38)	185,000
The Boeing Co.	(6,000)	117,000
The Central Europe and Russia Fund Inc.	(1,000)	103,000
The Coca-Cola Co.	(2,000)	73,000
The Great Atlantic & Pacific Tea Co. Inc.	(185,000)	
The Interpublic Group of Companies Inc.	(10,000)	330,000
The McGraw-Hill Companies Inc.	(3,500)	130,000
The Phoenix Companies Inc.	(24,000)	
The St. Joe Co.	(6,000)	164,000
The Walt Disney Co.	(10,000)	
Thomas & Betts Corp.	(3,000)	247,000
Time Warner Cable Inc.	(5,000)	70,000
Tokyo Broadcasting System Holdings Inc.	(10,000)	100,000
Tootsie Roll Industries Inc.	(1,429)	128,000
Trinity Industries Inc.	(30,000)	30,000
Tyco Electronics Ltd.	(3,000)	59,000
Tyco International Ltd.	(13,000)	207,000
UltraShort Dow30 ProShares .	(200,000)	
Universal Entertainment Corp.	(15,000)	110,000
Vivendi	(10,000)	390,000
Waddell & Reed Financial Inc., Cl. A	(10,000)	90,000
Walgreen Co.	(10,000)	80,000

Rights

- | | | |
|---------------------------------------|-----------|--|
| Deutsche Bank AG, expire 10/05/10 (d) | (140,000) | |
|---------------------------------------|-----------|--|
- (a) Stock Split 3 shares for every 2 shares held. 6,000 shares were sold prior to the stock split and 4,500 shares were sold after the stock split.
- (b) Dividend reinvestment.
- (c) Merger 1 new share of Coca-Cola Enterprises Inc. plus \$10 cash for every 1 share of Coca-Cola Enterprises held.
- (d) Rights exercise: 1 share of Deutsche Bank AG for every 2 shares of Deutsche Bank AG, Rights which expired on 10/05/10. 10,000 shares of Deutsche Bank AG were sold after the rights exercise.
- (e) Merger 2.835 shares of GenOn Energy Inc. for every 1 share of Mirant Corp. held. 13,350 shares of GenOn Energy Inc. were sold after the merger.
- (f) Reverse Split 1:4. 50,000 shares were purchased prior to the reverse split.
- (g) CUSIP change from 686091109 to 67103H107. 15,000 shares were sold prior to the change of CUSIP.

- (h) Stock Split 3 shares for every 2 shares held. 23,000 shares were sold prior to the stock split and 52,655 shares were sold after the stock split.
- (i) Stock dividend 64 shares of Rolls-Royce Group plc., Cl. C for every 1 share of Rolls-Royce Group plc held.
- (j) Rights issuance 1 share of rights for every 1 share of common stock held. 25,000 shares of common stock were sold prior to the rights issuance.
- (k) Tender Offer £11.63 for every 1 share held.
See accompanying notes to financial statements.

THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS
December 31, 2010

Shares		Cost	Market Value
	COMMON STOCKS 99.5%		
	Food and Beverage 10.4%		
32,000	Brown-Forman Corp., Cl. A	\$ 1,556,972	\$ 2,224,320
6,250	Brown-Forman Corp., Cl. B	410,925	435,125
70,000	Campbell Soup Co.	1,928,257	2,432,500
15,000	Coca-Cola Enterprises Inc.	275,289	375,450
100,000	Constellation Brands Inc., Cl. A	1,264,244	2,215,000
31,000	Corn Products International Inc.	427,516	1,426,000
225,000	Danone	10,770,736	14,137,479
600,000	Davide Campari Milano SpA	3,120,039	3,904,694
110,000	Dean Foods Co.	2,166,509	972,400
20,000	Del Monte Foods Co.	182,345	376,000
203,000	Diageo plc, ADR	8,469,887	15,088,990
100,000	Dr Pepper Snapple Group Inc.	2,291,138	3,516,000
70,000	Flowers Foods Inc.	519,947	1,883,700
85,000	Fomento Economico Mexicano SAB de CV, ADR	1,135,411	4,753,200
40,000	General Mills Inc.	967,929	1,423,600
660,000	Grupo Bimbo SAB de CV, Cl. A	1,961,601	5,635,385
84,000	H.J. Heinz Co.	2,951,372	4,154,640
39,000	Heineken NV.	1,824,047	1,912,138
120,000	ITO EN Ltd.	2,774,178	1,995,320
15,000	ITO EN Ltd., Preference	332,711	183,643
14,000	Kellogg Co.	502,615	715,120
66,000	Kerry Group plc, Cl. A	758,380	2,197,854
162,278	Kraft Foods Inc., Cl. A	4,845,519	5,113,380
11,500	LVMH Moet Hennessy Louis Vuitton SA	397,547	1,891,746
1,000	MEIJI Holdings Co. Ltd.	50,608	45,203
70,000	Morinaga Milk Industry Co. Ltd.	299,202	296,588
25,000	Nestlé SA	513,610	1,463,904
210,000	PepsiCo Inc. (a)	11,513,352	13,719,300
46,000	Pernod-Ricard SA	3,968,283	4,325,044
64,000	Ralcorp Holdings Inc.	1,243,785	4,160,640
40,673	Remy Cointreau SA	2,357,660	2,877,922
10,000	Safeway Inc.	203,400	224,900
650,000	Sara Lee Corp.	9,297,894	11,381,500
73,000	The Coca-Cola Co.	3,250,019	4,801,210
20,000	The Hain Celestial Group Inc.	267,663	541,200
56,000	The Hershey Co.	2,444,156	2,640,400
2,000	The J.M. Smucker Co.	52,993	131,300
10,000	The Kroger Co.	218,288	223,600
128,000	Tootsie Roll Industries Inc.	1,543,434	3,708,160
75,000	Tyson Foods Inc., Cl. A	743,792	1,291,500
380,000	YAKULT HONSHA Co. Ltd.	10,693,823	10,947,407

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100,497,076 141,743,462

Cable and Satellite 8.1%

1,250,000	Cablevision Systems Corp., Cl. A	21,136,796	42,300,000
105,000	Comcast Corp., Cl. A, Special	630,439	2,185,050
567,000	DIRECTV, Cl. A	12,103,495	22,640,310
100,000	DISH Network Corp., Cl. A	2,548,495	1,966,000
30,740	EchoStar Corp., Cl. A	923,528	767,578
122,000	Liberty Global Inc., Cl. A	2,115,989	4,316,360
122,000	Liberty Global Inc., Cl. C	2,682,556	4,134,580
483,690	Rogers Communications Inc., Cl. B, New York	4,008,509	16,750,185
19,310	Rogers Communications Inc., Cl. B, Toronto	137,424	671,956
120,000	Scripps Networks Interactive Inc., Cl. A	3,863,791	6,210,000
155,000	Shaw Communications Inc., Cl. B, New York	319,001	3,313,900
40,000	Shaw Communications Inc., Cl. B, Non-Voting, Toronto	52,983	859,700
70,000	Time Warner Cable Inc.	3,990,407	4,622,100

54,513,413 110,737,719

Financial Services 8.0%

524,000	American Express Co. (a)	24,720,883	22,490,080
19,452	Argo Group International Holdings Ltd.	752,879	728,477
70,000	Artio Global Investors Inc.	1,819,126	1,032,500
73,000	Banco Santander SA, ADR	261,644	777,450
130	Berkshire Hathaway Inc., Cl. A	381,651	15,658,500
10,000	Calamos Asset Management Inc., Cl. A	88,164	140,000
380,000	Citigroup Inc.	1,846,023	1,797,400
110,000	Commerzbank AG, ADR	1,939,000	809,600
200,000	Deutsche Bank AG	13,546,548	10,410,000
10,000	Fortress Investment Group LLC, Cl. A	49,694	57,000
22,000	H&R Block Inc.	369,710	262,020
17,000	Interactive Brokers Group Inc., Cl. A	384,193	302,940
185,000	Janus Capital Group Inc.	3,080,975	2,399,450
61,088	JPMorgan Chase & Co.	1,720,041	2,591,353
30,000	Kinnevik Investment AB, Cl. A	450,841	609,309
149,000	Legg Mason Inc.	2,921,818	5,404,230
127,000	Leucadia National Corp.	1,599,641	3,705,860
5,000	Loews Corp.	183,078	194,550
155,000	Marsh & McLennan Companies Inc.	4,715,688	4,237,700
15,000	Moody's Corp.	670,737	398,100
22,000	Och-Ziff Capital Management Group LLC, Cl. A	214,559	342,760
120,000	State Street Corp.	4,047,374	5,560,800
20,000	SunTrust Banks Inc.	419,333	590,200
140,000	T. Rowe Price Group Inc.	4,303,432	9,035,600
185,000	The Bank of New York Mellon Corp.	6,052,357	5,587,000
43,000	The Charles Schwab Corp.	628,338	735,730
15,000	The Dun & Bradstreet Corp.	353,346	1,231,350
90,000	Waddell & Reed Financial Inc., Cl. A	1,986,736	3,176,100
290,000	Wells Fargo & Co.	8,655,084	8,987,100

88,162,893 109,253,159

Diversified Industrial 7.3%

3,000	Acuity Brands Inc.	76,507	173,010
158,000	Ampco-Pittsburgh Corp.	2,060,108	4,431,900
120,000	Baldor Electric Co.	3,999,250	7,564,800
195,000	Cooper Industries plc	4,956,064	11,366,550
235,000	Crane Co.	5,417,395	9,651,450
215,000	General Electric Co.	4,699,511	3,932,350
185,000	Greif Inc., Cl. A	2,262,757	11,451,500
12,000	Greif Inc., Cl. B	498,330	732,000
415,000	Honeywell International Inc.	13,779,476	22,061,400
240,000	ITT Corp.	5,965,926	12,506,400
10,000	Jardine Strategic Holdings Ltd.	190,495	276,800
30,000	Material Sciences Corp.	30,306	191,700

See accompanying notes to financial statements.

THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS (Continued)
December 31, 2010

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Diversified Industrial (Continued)		
98,000	Park-Ohio Holdings Corp.	\$ 1,017,645	\$ 2,049,180
1,000	Pentair Inc.	31,908	36,510
20,500	Sulzer AG	578,604	3,124,331
30,000	Trinity Industries Inc.	428,108	798,300
207,000	Tyco International Ltd.	9,455,900	8,578,080
		55,448,290	98,926,261
	Energy and Utilities 7.1%		
3,500	AGL Resources Inc.	63,091	125,475
20,000	Allegheny Energy Inc.	643,634	484,800
36,000	Anadarko Petroleum Corp.	1,554,403	2,741,760
67,000	Apache Corp.	2,611,727	7,988,410
108,000	BP plc, ADR	6,423,086	4,770,360
61,000	CH Energy Group Inc.	2,515,309	2,982,290
39,000	CMS Energy Corp.	249,159	725,400
217,000	ConocoPhillips	13,079,651	14,777,700
80,000	Constellation Energy Group Inc.	2,413,836	2,450,400
10,000	Diamond Offshore Drilling Inc.	715,430	668,700
60,000	DPL Inc.	1,411,620	1,542,600
115,000	Duke Energy Corp.	2,081,023	2,048,150
230,000	El Paso Corp.	2,096,546	3,164,800
265,000	El Paso Electric Co.	4,404,805	7,295,450
75,000	Exxon Mobil Corp.	2,571,862	5,484,000
15,000	GenOn Energy Inc.	141,261	57,150
140,000	GenOn Energy Inc., Escrow (b)	0	0
25,000	Great Plains Energy Inc.	599,622	484,750
200,000	Halliburton Co.	3,416,551	8,166,000
12,000	Marathon Oil Corp.	134,019	444,360
5,000	Massey Energy Co.	240,258	268,250
32,000	NextEra Energy Inc.	1,423,514	1,663,680
2,000	Niko Resources Ltd., OTC	110,842	207,543
1,000	Niko Resources Ltd., Toronto	55,421	103,771
10,000	NiSource Inc.	215,500	176,200
20,000	Noble Corp.	694,578	715,400
195,000	Northeast Utilities	3,912,596	6,216,600
5,000	NSTAR	193,283	210,950
19,000	Oceaneering International Inc.	512,207	1,398,970
100,000	Progress Energy Inc., CVO	52,000	15,250
185,000	Rowan Companies Inc.	6,741,661	6,458,350
5,000	SJW Corp.	68,704	132,350

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20,000	Southwest Gas Corp.	451,132	733,400
130,000	Spectra Energy Corp.	3,274,110	3,248,700
20,000	TECO Energy Inc.	343,100	356,000
60,000	The AES Corp.	342,618	730,800
16,000	Transocean Ltd.	1,086,152	1,112,160
250,000	Westar Energy Inc.	4,221,060	6,290,000
4,000	Wisconsin Energy Corp.	229,160	235,440
		71,294,531	96,676,369
	Equipment and Supplies 6.0%		
351,000	AMETEK Inc.	3,841,434	13,776,750
4,000	Amphenol Corp., Cl. A	14,775	211,120
94,000	CIRCOR International Inc.	974,241	3,974,320
191,000	Donaldson Co. Inc.	2,976,575	11,131,480
100,000	Flowsolve Corp.	3,093,762	11,922,000
23,000	Franklin Electric Co. Inc.	250,434	895,160
60,000	Gerber Scientific Inc.	688,424	472,200
70,000	GrafTech International Ltd.	626,515	1,388,800
300,000	IDEX Corp.	7,173,399	11,736,000
40,000	Ingersoll-Rand plc	806,578	1,883,600
204,000	Lufkin Industries Inc.	990,973	12,727,560
11,000	Mueller Industries Inc.	485,034	359,700
2,000	Sealed Air Corp.	17,404	50,900
70,000	Tenaris SA, ADR	3,080,791	3,428,600
4,000	The Manitowoc Co. Inc.	25,450	52,440
70,000	The Weir Group plc	294,552	1,942,625
169,000	Watts Water Technologies Inc., Cl. A	2,532,745	6,183,710
		27,873,086	82,136,965
	Entertainment 5.4%		
32,000	Canal+ Groupe	34,011	214,665
2,002	Chestnut Hill Ventures (b)	54,500	91,191
95,000	Discovery Communications Inc., Cl. A	1,748,895	3,961,500
95,000	Discovery Communications Inc., Cl. C	1,220,927	3,485,550
500	DreamWorks Animation SKG Inc., Cl. A	10,535	14,735
675,000	Grupo Televisa SA, ADR	7,867,905	17,502,750
27,000	Liberty Media Corp. Starz, Cl. A	475,165	1,794,960
344,500	Madison Square Garden Inc., Cl. A	5,308,548	8,881,210
10,000	Regal Entertainment Group, Cl. A	134,259	117,400
280,000	Time Warner Inc.	12,005,041	9,007,600
100,000	Tokyo Broadcasting System Holdings Inc.	2,864,975	1,420,126
110,000	Universal Entertainment Corp.	2,400,880	3,215,051
300,000	Viacom Inc., Cl. A	13,911,309	13,758,000
390,000	Vivendi	11,450,308	10,527,441
		59,487,258	73,992,179
	Telecommunications 4.5%		
65,000	BCE Inc.	1,607,839	2,304,900

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5,000(c)	Bell Aliant Regional Communications Income Fund	129,613	130,695
45,480	Brasil Telecom SA, ADR	1,438,987	997,376
15,801	Brasil Telecom SA, Cl. C, ADR	254,380	141,893
1,100,000	BT Group plc	4,548,616	3,100,716
7,040,836	Cable & Wireless Jamaica Ltd. (d)	128,658	27,263
750,000	Cincinnati Bell Inc.	4,517,256	2,100,000
155,000	Deutsche Telekom AG, ADR	2,554,250	1,984,000
5,000	Fastweb SpA	96,670	119,666
44,000	Hellenic Telecommunications Organization SA	802,330	360,429
16,000	Hellenic Telecommunications Organization SA, ADR	128,689	64,000
95,000	Koninklijke KPN NV	221,092	1,386,287
50,000	Qwest Communications International Inc.	204,496	380,500
1,100,000	Sprint Nextel Corp.	11,245,833	4,653,000
159,000	Tele Norte Leste Participacoes SA, ADR	2,111,791	2,337,300
28,000	Telecom Argentina SA, ADR	165,941	696,920
600,000	Telecom Italia SpA	2,452,905	775,326
195,000	Telefonica SA, ADR	9,029,038	13,341,900
37,000	Telefonos de Mexico SAB de CV, Cl. L, ADR	185,511	597,180
270,000	Telephone & Data Systems Inc.	12,543,458	9,868,500
324,000	Telephone & Data Systems Inc., Special	14,186,259	10,212,480
15,000	TELUS Corp.	280,203	686,111
148,000	Verizon Communications Inc.	4,860,194	5,295,440
		73,694,009	61,561,882

See accompanying notes to financial statements.

THE GABELLI EQUITY TRUST INC.
SCHEDULE OF INVESTMENTS (Continued)
December 31, 2010

Shares		Cost	Market Value
	COMMON STOCKS (Continued)		
	Consumer Products 4.2%		
65,000	Avon Products Inc.	\$ 1,782,368	\$ 1,888,900
17,000	Christian Dior SA	643,155	2,428,474
12,000	Church & Dwight Co. Inc.	79,628	828,240
9,000	Clorox Co.	500,281	569,520
150,000	Eastman Kodak Co.	1,189,414	804,000
95,000	Energizer Holdings Inc.	4,418,480	6,925,500
115,000	Fortune Brands Inc.	5,451,150	6,928,750
2,266	Givaudan SA	653,003	2,445,341
60,000	Hanesbrands Inc.	1,376,148	1,524,000
30,000	Harley-Davidson Inc.	1,393,692	1,040,100
4,000	Jarden Corp.	91,909	123,480
8,000	Mattel Inc.	144,000	203,440
13,000	National Presto Industries Inc.	408,869	1,690,130
10,000	Oil-Dri Corp. of America	171,255	214,900
56,000	Reckitt Benckiser Group plc	1,721,681	3,077,642
33,000	Svenska Cellulosa AB, Cl. B	450,176	521,080
890,000	Swedish Match AB	9,822,659	25,764,499
1,000	The Estee Lauder Companies Inc., Cl. A	72,260	80,700
		30,370,128	57,058,696
	Automotive: Parts and Accessories 3.9%		
91,000	BorgWarner Inc.	1,793,704	6,584,760
157,000	CLARCOR Inc.	1,274,041	6,733,730
215,000	Dana Holding Corp.	1,440,698	3,700,150
272,000	Genuine Parts Co.	9,655,727	13,964,480
169,000	Johnson Controls Inc.	3,607,709	6,455,800
135,000	Midas Inc.	1,878,589	1,094,850
280,000	Modine Manufacturing Co.	6,249,296	4,340,000
113,000	O Reilly Automotive Inc.	3,284,666	6,827,460
175,000	Standard Motor Products Inc.	1,873,526	2,397,500
45,000	Superior Industries International Inc.	919,172	954,900
		31,977,128	53,053,630
	Health Care 3.6%		
12,000	Abbott Laboratories	506,418	574,920
14,046	Allergan Inc.	655,380	964,539
38,000	Amgen Inc.	2,221,438	2,086,200
38,000	Baxter International Inc.	1,967,745	1,923,560
35,000	Beckman Coulter Inc.	2,559,900	2,633,050

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3,500	Becton, Dickinson and Co.	283,140	295,820
35,000	Biogen Idec Inc.	806,669	2,346,750
200,000	Boston Scientific Corp.	1,962,585	1,514,000
85,000	Bristol-Myers Squibb Co.	2,152,363	2,250,800
1,000	Cephalon Inc.	57,920	61,720
52,000	Covidien plc	2,061,309	2,374,320
5,000	Endo Pharmaceuticals Holdings Inc.	176,446	178,550
30,000	Henry Schein Inc.	764,324	1,841,700
15,000	Hospira Inc.	528,513	835,350
45,000	Johnson & Johnson	2,919,812	2,783,250
74,000	Life Technologies Corp.	1,938,480	4,107,000
51,000	Mead Johnson Nutrition Co.	2,186,697	3,174,750
100,000	Merck & Co. Inc.	2,237,482	3,604,000
10,000	Nobel Biocare Holding AG	286,712	188,556
97,000	Novartis AG, ADR	4,333,718	5,718,150
95,000	UnitedHealth Group Inc.	4,478,503	3,430,450
10,000	Warner Chilcott plc, Cl. A	239,465	225,600
4,000	Waters Corp.	285,470	310,840
12,000	Watson Pharmaceuticals Inc.	491,936	619,800
64,000	William Demant Holding A/S	2,909,321	4,727,100
7,000	Zimmer Holdings Inc.	339,145	375,760
		39,350,891	49,146,535
	Machinery 2.7%		
15,000	Caterpillar Inc.	101,378	1,404,900
27,000	CNH Global NV	402,613	1,288,980
405,000	Deere & Co. (a)	11,857,416	33,635,250
		12,361,407	36,329,130
	Consumer Services 2.5%		
100,000	IAC/InterActiveCorp.	2,555,272	2,870,000
215,000	Liberty Media Corp. - Interactive, Cl. A	4,583,311	3,390,550
1,427,845	Rollins Inc.	9,754,264	28,199,939
		16,892,847	34,460,489
	Retail 2.2%		
100,000	AutoNation Inc.	1,070,027	2,820,000
500			