

GABELLI EQUITY TRUST INC  
Form N-30B-2  
June 20, 2001

[GRAPHIC OMITTED]

(LOGO)  
THE GABELLI  
EQUITY TRUST INC.

[GRAPHIC OMITTED]

FIRST QUARTER REPORT  
MARCH 31, 2001

(LOGO)

THE GABELLI  
EQUITY TRUST INC.

[GRAPHIC OMITTED]

Our cover icon represents the underpinnings of Gabelli. The Teton mountains in Wyoming represent what we believe in America -- that creativity, ingenuity, hard work and a global uniqueness provide enduring values. They also stand out in an increasingly complex, interconnected and interdependent economic world.

[GRAPHIC OMITTED]  
STATE FLAGS

INVESTMENT OBJECTIVE:

The Gabelli Equity Trust Inc. is a closed-end, non-diversified management investment company whose primary objective is long-term growth of capital, with income as a secondary objective.

THIS REPORT IS PRINTED ON RECYCLED PAPER.

(LOGO)  
THE GABELLI  
EQUITY TRUST INC.  
[GRAPHIC OMITTED]

TO OUR SHAREHOLDERS,

A rapidly decelerating economy and widespread corporate earnings distress continued to plague the stock market in the first quarter of 2001. Richly valued growth sectors, particularly technology, sustained most of the damage early in the quarter. But, in March, more reasonably priced sectors were dragged lower as equity investors headed for the exits.

Buoyed by the strong relative performance of media and selected industrial stocks, and takeover profits from one of our largest portfolio holdings, The

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Gabelli Equity Trust (the "Trust") was able to preserve shareholder capital in this truly miserable stock market environment.

### INVESTMENT PERFORMANCE

For the first quarter ended March 31, 2001, the Trust's net asset value ("NAV") total return declined 4.28% after adjusting for the reinvestment of the \$0.27 per share distribution paid on March 26, 2001 and an adjustment of \$0.56 per share attributable to the intrinsic value of the rights distributed during this period. The Standard & Poor's ("S&P") 500 Index, Nasdaq Composite Index, and Dow Jones Industrial Average declined 11.85%, 25.51%, and 8.02%, respectively, over the same period. Each index is an unmanaged indicator of stock market performance. The Trust fell 10.02% over the trailing twelve-month period after adjusting for the reinvestment of the \$1.31 per share in distributions and an adjustment of \$0.56 per share attributable to the rights offering. The S&P 500, Nasdaq Composite Index, and Dow Jones Industrial Average declined 21.67%, 59.76%, and 8.06%, respectively, over the same twelve-month period.

For the two-year period ended March 31, 2001, the Trust's total return averaged 6.89% annually, including reinvestments of \$2.48 per share in distributions, an adjustment of \$0.56 per share attributable to the rights offering, and an adjustment of \$0.75 per share attributable to the spin-off of The Gabelli Utility Trust. The S&P 500 Index and Nasdaq Composite Index declined 3.88% and 13.53%, respectively, while the Dow Jones Industrial Average rose 2.10%, over the same two-year period. For the five-year period ended March 31, 2001, the Trust's total return averaged 12.04% annually, including reinvestments of \$5.71 per share in distributions, an adjustment of \$0.56 per share attributable to the rights offering, and an adjustment of \$0.75 per share attributable to the spin-off of The Gabelli Utility Trust, versus average annual total returns of 14.18%, 10.81%, and 14.10% for the S&P 500, Nasdaq Composite Index, and Dow Jones Industrial Average, respectively.

For the ten-year period ended March 31, 2001, the Trust's total return averaged 12.70% annually, including reinvestments of \$11.05 per share in distributions, adjustments of \$2.21 per share attributable to rights offerings, and adjustments of \$1.50 per share attributable to the spin-off of The Gabelli Utility Trust and The Gabelli Global Multimedia Trust, versus average annual total returns of 14.41%, 14.33%, and 15.62% for the S&P 500, Nasdaq Composite Index, and Dow Jones Industrial Average, respectively. Since inception on August 21, 1986 through March 31, 2001, the Trust had a cumulative total return of 505.80%, including adjustments of \$19.43 per share for distributions, rights offerings, spin-offs and taxes paid on undistributed long term capital gains, which equates to an average annual total return of 13.11%.

### INVESTMENT RESULTS (a)

|       |                       | Quarter |         |         |         |
|-------|-----------------------|---------|---------|---------|---------|
|       |                       | 1st     | 2nd     | 3rd     | 4th     |
| 2001: | Net Asset Value ..... | \$9.64  | --      | --      | --      |
|       | Total Return .....    | (4.3)%  | --      | --      | --      |
|       |                       |         |         |         |         |
| 2000: | Net Asset Value ..... | \$12.68 | \$12.07 | \$11.71 | \$10.89 |
|       | Total Return .....    | 1.7%    | (2.7)%  | (0.7)%  | (2.7)%  |

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|       |                       |         |         |          |         |
|-------|-----------------------|---------|---------|----------|---------|
| 1999: | Net Asset Value ..... | \$11.64 | \$12.58 | \$11.11  | \$12.75 |
|       | Total Return .....    | 3.7%    | 10.5%   | (4.3)%   | 18.0%   |
| 1998: | Net Asset Value ..... | \$12.60 | \$12.35 | \$10.29  | \$11.47 |
|       | Total Return .....    | 11.2%   | 0.2%    | (14.6)%  | 15.1%   |
| 1997: | Net Asset Value ..... | \$9.68  | \$10.73 | \$11.49  | \$11.56 |
|       | Total Return .....    | 1.7%    | 13.6%   | 9.5%     | 3.1%    |
| 1996: | Net Asset Value ..... | \$10.14 | \$10.10 | \$9.72   | \$9.77  |
|       | Total Return .....    | 4.6%    | 2.2%    | (1.2)%   | 3.2%    |
| 1995: | Net Asset Value ..... | \$9.71  | \$9.92  | \$10.65  | \$9.95  |
|       | Total Return .....    | 5.3%    | 4.7%    | 7.4%     | 1.9%    |
| 1994: | Net Asset Value ..... | \$10.66 | \$10.42 | \$10.80  | \$9.46  |
|       | Total Return .....    | (2.9)%  | 0.1%    | 6.1%     | (2.5)%  |
| 1993: | Net Asset Value ..... | \$11.02 | \$11.33 | \$11.39  | \$11.23 |
|       | Total Return .....    | 6.5%    | 5.1%    | 7.5%     | 1.7%    |
| 1992: | Net Asset Value ..... | \$10.84 | \$10.47 | \$10.42  | \$10.58 |
|       | Total Return .....    | 4.5%    | (1.1)%  | 5.5%     | 4.6%    |
| 1991: | Net Asset Value ..... | \$11.29 | \$10.91 | \$10.90  | \$10.61 |
|       | Total Return .....    | 10.0%   | (1.2)%  | 2.2%     | 4.7%    |
| 1990: | Net Asset Value ..... | \$11.96 | \$11.96 | \$10.07  | \$10.49 |
|       | Total Return .....    | (8.5)%  | 2.1%    | (13.8)%  | 8.4%    |
| 1989: | Net Asset Value ..... | \$12.80 | \$13.94 | \$14.37  | \$13.34 |
|       | Total Return .....    | 16.6%   | 10.9%   | 4.9%     | (1.8)%  |
| 1988: | Net Asset Value ..... | \$10.56 | \$11.27 | \$11.15  | \$11.22 |
|       | Total Return .....    | 7.5%    | 6.7%    | 1.5%     | 4.4%    |
| 1987: | Net Asset Value ..... | \$10.80 | \$11.62 | \$11.58  | \$9.82  |
|       | Total Return .....    | 16.5%   | 7.6%    | 4.7%     | (10.7)% |
| 1986: | Net Asset Value ..... | --      | --      | \$9.37   | \$9.40  |
|       | Total Return .....    | --      | --      | 0.3% (b) | 0.3%    |

AVERAGE ANNUAL RETURNS - MARCH 31, 2001

|                      | NAV Average<br>Annual<br>Return (a) | Average Annual<br>Investment<br>Return (c) |
|----------------------|-------------------------------------|--|
| 1 Year .....         | (10.02)%                            | 4.35%                                      |
| 5 Year .....         | 12.04%                              | 15.28%                                     |
| 10 Year .....        | 12.70%                              | 14.17%                                     |
| Life of Fund (b) ... | 13.11%                              | 13.38%                                     |

(a) Total returns and average annual returns reflect changes in net asset value, reinvestment of distributions, adjustments for rights offerings, spin-offs and taxes paid on undistributed long term capital gains, and are net of expenses. Life of Fund return based on initial net asset value of \$9.34. Of course, the returns noted represent past performance and do not guarantee future results.

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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.

(b) From commencement of investment operations on August 21, 1986.

(c) Life of Fund return based on initial offering price of \$10.00. Total returns and average annual returns reflect changes in closing market values on the New York Stock Exchange, reinvestment of distributions, adjustments for rights offerings, spin-offs and taxes paid on undistributed long-term capital gains.

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The Trust's common shares ended the first quarter at \$10.69 per share on the New York Stock Exchange, a premium to the net asset value of 10.89% and a total return of 1.07% for the first quarter. The Trust's common shares rose 4.35% over the trailing twelve-month period after adjusting for all distributions and the rights offering.

### RIGHTS OFFERING 2001 - AN OUTSTANDING SUCCESS - THANK YOU

The Equity Trust Rights Offering proved once again to be an overwhelming success. Rights offerings have historically been a fair and efficient method to raise additional capital. This method is widely used in England. The traditional rights offering allows an issuer's shareholders to participate directly in the growth of that issuer by purchasing additional common shares at a set subscription price.

Shareholders of record on January 10, 2001 were issued one Right for each share of the Trust. Six Rights were required to purchase one additional share of the Trust at \$7 per share without incurring commission costs. Shareholders remitted over \$226 million in subscription requests, of which the Trust retained \$126 million for the 18,114,735 shares offered. This compares favorably to our four previous Rights Offerings in 1991, 1992, 1993 and 1995.

Furthermore, since these Rights were transferable, shareholders who chose not to exercise their Rights, could sell their Rights. The market value of the Rights during the subscription period was such that sellers of the Rights would have regained a portion of the ultimate decline in the value of their holdings that resulted from the Offering. Our subscription agent, EquiServe, sold Rights submitted by shareholders in the open market through Gabelli & Company, Inc. at a nominal commission through February 12, 2001.

We appreciate the efforts of the brokerage community in explaining the offering to their clients, resulting in a high level of participation.

### COMMENTARY

MONETARY POLICY + FISCAL POLICY + LEVELING OF ENERGY + ROUND OF INVENTORY CORRECTIONS = CONSUMER LEAD ECONOMIC RECOVERY AND EARNINGS GAINS IN 2002

Federal Reserve Board ("Fed") Chairman Alan Greenspan was a superhero to Wall Street through a decade-long economic expansion and bull market. Suddenly, he is on the verge of becoming public enemy number one, raising interest rates too aggressively when the economy and stock market were roaring, and failing to reverse course fast enough as the economy flagged and the stock market went into a tailspin. In reality, Mr. Greenspan has always been a mere mortal, and a very smart guy who has done a good job tuning monetary policy to the natural rhythms of the business cycle.

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It took a series of six Federal Funds rate hikes to put the brakes on a runaway economy. The Fed has already cut rates three times in the first quarter, once again in April, and it will probably continue easing to help the economy regain momentum. Fed rate cuts will eventually put the economy back on a growth path, albeit not as rapidly as Wall

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Street might like. While the stock market decline has been painful for everyone, much if not all the excesses in the market have been eliminated, providing a much more solid foundation to build upon.

YES VIRGINIA, THERE IS A BUSINESS CYCLE

Where are we today? Where are we headed tomorrow? Most of us with gray hair (or no hair) have been around long enough to recognize an old-fashioned inventory correction when we see one. During the good times, businesses expand capacity and production to meet rising demand. When demand slackens, production must be cut. The pipeline has to be brought into balance. Corporate earnings suffer until demand firms and excess inventories are worked off. This is Economics 101. The only difference in this otherwise classic inventory correction is that it developed much quicker than most expected and had an exaggerated impact on a grossly overvalued stock market.

AND THE QUESTION IS ...

Let us revisit what we articulated in our 2000 annual report. "OVER THE NEXT SEVERAL MONTHS, THE OVERALL MARKET NEEDS TO UNDERSTAND WHETHER MONETARY POLICY (GREENSPAN'S RATE CUTS) MARRIED WITH FISCAL POLICY (BUSH'S TAX CUTS) WILL PROVIDE THE BALLAST TO OVERCOME THE ECONOMIC DRAG CREATED BY: A CONSUMER SPENDING BINGE (TIED TO THE STOCK MARKET'S WEALTH EFFECT); OVERSPENDING ON CAPITAL EQUIPMENT; AND A TRADE DEFICIT OF GIGANTIC PROPORTIONS."

In our opinion, this inventory correction will also end faster than most folks are anticipating. Demand appears to be flattening out, and with lower variable rate mortgage payments, adjustments to higher gasoline prices and higher home heating/cooling costs (but not for California residents where a catch-up is in process), and some extra money in paychecks coupled with a renewed belief that things will get better from lower federal income taxes headed our way this summer, demand should begin recovering. It may take time for inventories to get worked off, and past over-investment in capital equipment will dampen the recovery. Yet, we believe corporate earnings should begin rebounding in the first quarter of 2002.

MARKET LIMBO--HOW LOW CAN IT GO?

Just because we see light at the end of the economic tunnel, does not mean the market has bottomed. Investors overreact to good and bad news. We will continue to see some bad economic news over the next several quarters such as rising unemployment and concerns over the dollar imbalance. So, we suggest that investors keep their seat belts buckled in expectation of further market turbulence, while we invest in terrific opportunities that Mr. Market has provided.

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EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

EURO VS. U.S. DOLLAR

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|     | 1999 | 2000 | 2001 |
|-----|------|------|------|
| Jan | 1.18 | 1.02 | 0.95 |
|     | 1.18 | 1.03 | 0.95 |
|     | 1.16 | 1.03 | 0.95 |
|     | 1.17 | 1.03 | 0.95 |
|     | 1.16 | 1.03 | 0.95 |
|     | 1.15 | 1.03 | 0.94 |
|     | 1.15 | 1.03 | 0.94 |
|     | 1.17 | 1.03 | 0.95 |
|     | 1.17 | 1.03 | 0.95 |
|     | 1.16 | 1.01 | 0.94 |
|     | 1.16 | 1.01 | 0.94 |
|     | 1.16 | 1.01 | 0.93 |
|     | 1.16 | 1.01 | 0.94 |
|     | 1.16 | 1.01 | 0.94 |
|     | 1.16 | 1.00 | 0.94 |
|     | 1.16 | 1.00 | 0.94 |
|     | 1.15 | 1.00 | 0.93 |
|     | 1.14 | 0.99 | 0.92 |
|     | 1.14 | 0.98 | 0.92 |
|     | 1.13 | 0.98 | 0.92 |
| Feb | 1.13 | 0.97 | 0.93 |
|     | 1.13 | 0.98 | 0.93 |
|     | 1.13 | 0.99 | 0.94 |
|     | 1.13 | 0.98 | 0.94 |
|     | 1.13 | 0.98 | 0.94 |
|     | 1.13 | 0.99 | 0.93 |
|     | 1.13 | 0.99 | 0.93 |
|     | 1.13 | 0.99 | 0.92 |
|     | 1.13 | 0.98 | 0.93 |
|     | 1.12 | 0.98 | 0.93 |
|     | 1.12 | 0.98 | 0.92 |
|     | 1.12 | 0.98 | 0.92 |
|     | 1.11 | 0.99 | 0.91 |
|     | 1.10 | 0.99 | 0.92 |
|     | 1.10 | 1.01 | 0.92 |
|     | 1.10 | 1.00 | 0.91 |
|     | 1.11 | 0.99 | 0.91 |
|     | 1.10 | 0.98 | 0.91 |
|     | 1.09 | 0.97 | 0.91 |
|     | 1.09 | 0.96 | 0.91 |
|     | 1.09 | 0.97 | 0.91 |
| Mar | 1.08 | 0.96 | 0.92 |
|     | 1.08 | 0.96 | 0.93 |
|     | 1.09 | 0.96 | 0.93 |
|     | 1.09 | 0.96 | 0.93 |
|     | 1.10 | 0.96 | 0.93 |
|     | 1.09 | 0.97 | 0.93 |
|     | 1.09 | 0.97 | 0.93 |
|     | 1.09 | 0.96 | 0.93 |
|     | 1.09 | 0.96 | 0.93 |
|     | 1.10 | 0.97 | 0.92 |
|     | 1.10 | 0.97 | 0.91 |
|     | 1.09 | 0.97 | 0.90 |
|     | 1.09 | 0.97 | 0.89 |
|     | 1.09 | 0.97 | 0.90 |
|     | 1.09 | 0.96 | 0.91 |
|     | 1.09 | 0.97 | 0.90 |
|     | 1.07 | 0.97 | 0.89 |
|     | 1.07 | 0.96 | 0.89 |
|     | 1.07 | 0.96 | 0.90 |

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|     |      |      |      |
|-----|------|------|------|
|     | 1.08 | 0.95 | 0.89 |
|     | 1.08 | 0.96 | 0.89 |
|     | 1.08 | 0.96 | 0.88 |
| Apr | 1.07 | 0.96 | 0.88 |
|     | 1.08 | 0.96 | 0.88 |
|     | 1.08 | 0.96 | 0.89 |
|     | 1.08 | 0.96 | 0.90 |
|     | 1.08 | 0.96 | 0.90 |
|     | 1.08 | 0.96 | 0.90 |
|     | 1.08 | 0.96 | 0.90 |
|     | 1.08 | 0.96 | 0.89 |
|     | 1.07 | 0.95 | 0.89 |
|     | 1.07 | 0.96 | 0.89 |
|     | 1.06 | 0.96 | 0.89 |
|     | 1.06 | 0.95 | 0.88 |
|     | 1.06 | 0.94 | 0.88 |
|     | 1.06 | 0.94 | 0.89 |
|     | 1.06 | 0.94 | 0.90 |
|     | 1.06 | 0.94 | 0.90 |
|     | 1.06 | 0.93 | 0.89 |
|     | 1.06 | 0.92 | 0.90 |
|     | 1.06 | 0.91 | 0.90 |
|     | 1.06 | 0.91 | 0.89 |
|     | 1.06 | 0.91 | 0.89 |
|     | 1.06 | 0.91 | 0.89 |
| May | 1.07 | 0.89 | 0.89 |
|     | 1.08 | 0.89 | 0.89 |
|     | 1.08 | 0.90 | 0.89 |
|     | 1.08 | 0.90 | 0.89 |
|     | 1.07 | 0.90 | 0.88 |
|     | 1.07 | 0.91 |      |
|     | 1.06 | 0.90 |      |
|     | 1.07 | 0.91 |      |
|     | 1.07 | 0.91 |      |
|     | 1.07 | 0.91 |      |
|     | 1.06 | 0.89 |      |
|     | 1.06 | 0.90 |      |
|     | 1.06 | 0.89 |      |
|     | 1.06 | 0.90 |      |
|     | 1.06 | 0.90 |      |
|     | 1.05 | 0.91 |      |
|     | 1.04 | 0.91 |      |
|     | 1.04 | 0.93 |      |
|     | 1.04 | 0.93 |      |
|     | 1.04 | 0.93 |      |
|     | 1.04 | 0.93 |      |
|     | 1.03 | 0.94 |      |
|     | 1.03 | 0.95 |      |
| Jun | 1.04 | 0.96 |      |
|     | 1.05 | 0.96 |      |
|     | 1.05 | 0.95 |      |
|     | 1.05 | 0.95 |      |
|     | 1.04 | 0.95 |      |
|     | 1.04 | 0.96 |      |
|     | 1.03 | 0.96 |      |
|     | 1.03 | 0.95 |      |
|     | 1.04 | 0.96 |      |
|     | 1.03 | 0.96 |      |
|     | 1.03 | 0.96 |      |
|     | 1.03 | 0.95 |      |
|     | 1.04 | 0.94 |      |
|     | 1.04 | 0.94 |      |

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|     |      |      |
|-----|------|------|
|     | 1.04 | 0.94 |
|     | 1.03 | 0.94 |
|     | 1.03 | 0.94 |
|     | 1.02 | 0.95 |
|     | 1.02 | 0.95 |
|     | 1.02 | 0.95 |
|     | 1.02 | 0.95 |
|     | 1.02 | 0.95 |
| Jul | 1.02 | 0.95 |
|     | 1.01 | 0.95 |
|     | 1.02 | 0.95 |
|     | 1.02 | 0.94 |
|     | 1.02 | 0.93 |
|     | 1.02 | 0.94 |
|     | 1.02 | 0.94 |
|     | 1.04 | 0.93 |
|     | 1.05 | 0.92 |
|     | 1.05 | 0.93 |
|     | 1.05 | 0.93 |
|     | 1.07 | 0.93 |
|     | 1.06 | 0.94 |
|     | 1.06 | 0.94 |
|     | 1.07 | 0.93 |
|     | 1.07 | 0.92 |
|     | 1.07 | 0.93 |
|     | 1.07 | 0.92 |
|     | 1.08 | 0.91 |
|     | 1.08 | 0.90 |
|     | 1.08 | 0.91 |
|     | 1.07 | 0.91 |
| Aug | 1.08 | 0.90 |
|     | 1.07 | 0.90 |
|     | 1.06 | 0.91 |
|     | 1.06 | 0.90 |
|     | 1.06 | 0.90 |
|     | 1.05 | 0.91 |
|     | 1.05 | 0.91 |
|     | 1.06 | 0.92 |
|     | 1.07 | 0.91 |
|     | 1.06 | 0.90 |
|     | 1.05 | 0.90 |
|     | 1.05 | 0.90 |
|     | 1.04 | 0.90 |
|     | 1.05 | 0.90 |
|     | 1.04 | 0.90 |
|     | 1.06 | 0.90 |
|     | 1.06 | 0.89 |
|     | 1.07 | 0.89 |
|     | 1.06 | 0.90 |
|     | 1.06 | 0.89 |
|     | 1.06 | 0.87 |
|     | 1.05 | 0.87 |
| Sep | 1.04 | 0.87 |
|     | 1.04 | 0.86 |
|     | 1.04 | 0.86 |
|     | 1.04 | 0.86 |
|     | 1.04 | 0.86 |
|     | 1.04 | 0.86 |
|     | 1.04 | 0.85 |
|     | 1.05 | 0.85 |
|     | 1.05 | 0.85 |
|     | 1.04 | 0.86 |



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|     |      |      |
|-----|------|------|
|     | 1.05 | 0.88 |
|     | 1.04 | 0.87 |
|     | 1.05 | 0.88 |
|     | 1.06 | 0.88 |
|     | 1.06 | 0.88 |
|     | 1.07 | 0.88 |
|     | 1.07 | 0.88 |
|     | 1.07 | 0.87 |
|     | 1.07 | 0.87 |
|     | 1.07 | 0.87 |
| Oct | 1.06 | 0.87 |
|     | 1.07 | 0.87 |
|     | 1.08 | 0.87 |
|     | 1.08 | 0.86 |
|     | 1.09 | 0.86 |
|     | 1.09 | 0.85 |
|     | 1.08 | 0.85 |
|     | 1.08 | 0.84 |
|     | 1.08 | 0.84 |
|     | 1.07 | 0.84 |
|     | 1.07 | 0.84 |
|     | 1.06 | 0.84 |
|     | 1.05 | 0.83 |
|     | 1.05 | 0.83 |
|     | 1.05 | 0.84 |
|     | 1.05 | 0.84 |
|     | 1.05 | 0.85 |
|     | 1.05 | 0.86 |
|     | 1.04 | 0.86 |
|     | 1.04 | 0.86 |
|     | 1.04 | 0.86 |
|     | 1.04 | 0.86 |
| Nov | 1.04 | 0.86 |
|     | 1.03 | 0.86 |
|     | 1.03 | 0.86 |
|     | 1.03 | 0.86 |
|     | 1.04 | 0.86 |
|     | 1.03 | 0.85 |
|     | 1.03 | 0.85 |
|     | 1.03 | 0.85 |
|     | 1.03 | 0.85 |
|     | 1.02 | 0.84 |
|     | 1.01 | 0.84 |
|     | 1.01 | 0.84 |
|     | 1.01 | 0.85 |
|     | 1.01 | 0.85 |
|     | 1.00 | 0.86 |
|     | 1.00 | 0.87 |
|     | 1.03 | 0.88 |
|     | 1.02 | 0.89 |
|     | 1.03 | 0.88 |
|     | 1.02 | 0.89 |
| Dec | 1.02 | 0.89 |
|     | 1.01 | 0.88 |
|     | 1.01 | 0.88 |
|     | 1.01 | 0.88 |
|     | 1.02 | 0.88 |
|     | 1.01 | 0.89 |
|     | 1.01 | 0.90 |
|     | 1.01 | 0.89 |
|     | 1.01 | 0.89 |
|     | 1.02 | 0.91 |

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|      |      |
|------|------|
| 1.01 | 0.91 |
| 1.01 | 0.92 |
| 1.01 | 0.93 |
| 1.00 | 0.93 |
| 1.00 | 0.94 |
| 1.01 |      |

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Today, we can buy pieces of terrific businesses run by good managers at 3, 4, and 5 times free cash flow. We believe we can earn good long-term returns as these businesses grow and periodically receive windfall profits as corporate acquirers take advantage of portfolio bargains.

### GREAT EXPECTATIONS

Although we believe the stock market will rebound in the second half and continue to deliver better long-term returns than other asset classes, we caution investors not to expect too much. Over the next decade, we see Gross World Product ("GWP") growing 3.0% to 3.5% annually with inflation running at 2% to 3%. Companies are still cutting costs and improving productivity. So, on a secular basis, we think 8% to 9% average annualized earnings gains are realistic. However, going forward, we do not expect equity returns to nearly double earnings gains as they did over the last decade. We think it is more likely for stock returns to approximate earnings growth. This may be disappointing to a generation of investors who have become accustomed to annual percentage gains in the mid to high teens. But, to put it in perspective, it translates into 20,000 on the Dow Jones Industrial Average in ten years. We suggest that doubling your money over the next decade is not such a bad deal.

### COURT TV

On March 3, 2001, the U.S. Court of Appeals for the District of Columbia Circuit ruled that federal regulations preventing companies from serving more than 30% of the nation's total cable television or satellite television markets violated their First Amendment Rights of free speech. The court also struck down rules barring cable television companies from controlling more than 40% of the channels and programming assets they offer to the public. This is a big win for big cable and for investors who own smaller Community Access Television and cable network stocks, which are likely targets in the next round of consolidation in the industry.

The court's decision may be the death knell for other restrictive Federal Communications Commission ("FCC") regulations, such as rules preventing broadcasters from owning TV stations reaching more than 35% of the total population, and barring companies from owning television stations and newspapers in the same markets. We suspect the court's decision will encourage the FCC to consider sweeping changes in existing regulations that have prevented multimedia giants from expanding their turf.

### ADDITIONAL CATALYSTS

Going forward, new full disclosure regulations (so-called FD rules) should compel Wall Street to focus more on fundamentals in the future. Too many Wall Street analysts have been serving as investment bankers in drag -- tailoring their stock recommendations to please existing investment banking clients and attract new ones, rather than providing an honest appraisal of companies' fundamental prospects. In addition, too much focus was placed on short-term earnings dynamics rather than long-term fundamentals. To wit, you could have filled a small library with Wall Street's dot-com stock recommendations when the

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new issues market was at its hottest in early 2000. In addition, momentum investors needed early insights into monthly data, which were not available to the general investor, to maintain their game. Consequently, investors concentrating on fundamentals, particularly those focusing on the long ignored and undervalued small cap sector, should receive more support from Wall Street going forward. We believe this will benefit value-oriented fundamentalists such as yours truly. Some have described our research process as "going belly to belly" with management, and seeing customers and competitors. This will help Wall Street refocus its research on smaller companies as they provide good insights into larger companies in an industry.

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Currently, the Financial Accounting Standards Board ("FASB") is in the process of substantially altering APB 17, which is an accounting rule that focuses on the amortization of goodwill. Under the original APB 17, when a company makes an acquisition under the purchase method of accounting, the excess of cost over the fair value of the net assets acquired is recorded as goodwill and put on the balance sheet. The goodwill is then amortized over a period of no longer than 40 years - impacting reported earnings. Under the new proposal by the FASB (which is still being drafted by the FASB), goodwill would still be recognized and placed on the balance sheet, but it would no longer be amortized over 40 years. Instead, goodwill would be reviewed for impairment and periodically written down when necessary. Simply stated, using purchase accounting will no longer be a deterrent to transactions. This should fuel the propensity for deal activity.

[GRAPHIC OMITTED]

EDGAR REPRESENTATION OF DATA POINTS USED IN PRINTED GRAPHIC

### U.S. DEAL ACTIVITY \$ BILLIONS

| 1991  | 1992  | 1993  | 1994  | 1995  | 1996  | 1997  | 1998    | 1999    | 2000    |
|-------|-------|-------|-------|-------|-------|-------|---------|---------|---------|
| \$135 | \$150 | \$234 | \$340 | \$511 | \$652 | \$919 | \$1,620 | \$1,745 | \$1,833 |

An added element spurring on Mergers & Acquisitions ("M&A") activity is the change in the Hart-Scott-Rodino ("HSR") Act. HSR was enacted to provide the public with adequate visibility to a corporate transaction. Previously, any stock purchase larger than \$15 million required a notice filing under HSR. Effective February 1, 2001, this "bar" has been raised to \$50 million - permitting more "involuntary" deals to take place. Our portfolio is full of small companies trading at discounts to Private Market Value, defined as the price an informed industrialist would be willing to pay for the company's assets. We expect takeover lightning to hit more of these small cap portfolio holdings in the year ahead.

Finally, banking company regulations are also in transition. One element affecting their reported earnings are new accounting rules which require companies to record derivative instruments and certain hedging activities at fair market value. Changes in the fair market values of these items will flow through a bank's Profit & Loss ("P&L"), creating volatility in earnings. Formerly, these transactions had no effect on earnings. The same may apply to debt instruments.

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## FLOW OF FUNDS (\$ Billions)

| SOURCES        | 1997    | 1998    | 1999    |
|----------------|---------|---------|---------|
|                | -----   | -----   | -----   |
| U.S. Deals     | \$919   | \$1,620 | \$1,745 |
| Stock Buybacks | 181     | 207     | 176     |
| Mutual Funds   | 232     | 159     | 222     |
| Dividends      | 335     | 352     | 371     |
|                | -----   | -----   | -----   |
| TOTAL SOURCES: | \$1,667 | \$2,338 | \$2,514 |
|                | =====   | =====   | =====   |

SOURCE: THOMSON FINANCIAL SECURITIES DATA, BIRINYI ASSOCIATES

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### DEAL ACTIVITY

A component of our investment methodology is to identify industry and sector trends and themes ahead of the curve and position ourselves to take advantage of these developments. Consolidation in a particular industry is one such dynamic. As we have shared with you in previous quarterly letters, the continued high level of activity in mergers and acquisitions contributed significantly to the solid performance of the Trust. The accompanying table illustrates how deal activity surfaced value in a small sample of the portfolio holdings.

#### 2001 COMPLETED DEALS

| FUND HOLDING                             | NUMBER<br>OF SHARES (a) | AVERAGE COST<br>PER SHARE (b) | CLOSING<br>PRICE (c) | CLOSING DATE |
|--|-------------------------|-------------------------------|----------------------|--------------|
| -----                                    | -----                   | -----                         | -----                | -----        |
| FIRST QUARTER 2001 ANNOUNCED DEALS       |                         |                               |                      |              |
| -----                                    |                         |                               |                      |              |
| Time Warner Inc.                         | 285,000                 | 30.67                         | 71.19                | 01/12/01     |
| Telefonos de Mexico SA, Cl. L, ADR       | 36,000                  | 10.82                         | 32.66                | 02/08/01     |
| FIRST QUARTER 2001 FINANCIAL ENGINEERING |                         |                               |                      |              |
| -----                                    |                         |                               |                      |              |
| Cablevision Systems Corp., Cl. A         | 420,000                 | 11.28                         | 83.36                | 03/30/01     |
| -----                                    |                         |                               |                      |              |

### REPUBLICANS TO THE RESCUE

Putting aside political preferences and other important political issues, Republican George W. Bush's victory may foreshadow a period of relaxed federal regulation. We believe that the new Federal Trade Commission ("FTC") Chairman will be somewhat less sensitive to antitrust issues, and the Justice Department will be somewhat more reluctant to prosecute companies whose business success has translated into dominant market shares. We are not suggesting monopolies are

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a good thing. In fact, we hope the government continues to protect American consumers from the abuses that can result from too much pricing power being concentrated in too few hands. However, we are now in a truly global marketplace in which technology continues to knock down competitive barriers. We do not think it is productive to handcuff large American companies trying to improve their competitive position on the global economic stage.

### INTERNATIONAL OUTLOOK

A portion of the Trust's portfolio continues to be managed by Caesar Bryan. Caesar is the portfolio manager of the Gabelli International Growth Fund and the co-portfolio manager of The Gabelli Global Opportunity Fund. Caesar's thoughts on international markets and global economies are provided below:

The last year has been a humbling experience for many portfolio managers. Certainly it has been for this one. Losing money is not fun, but a loss is only realized when a position is sold. We do not think this is a time for selling. On the contrary, markets have suffered a very nasty but probably necessary cleansing. We believe that this is a good

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time to be committing assets to both Europe and Japan. The long-term bullish case for Europe remains unchanged. European companies are becoming more competitive as the cost of doing business on a pan-European basis declines. Governments are cutting taxes and instituting reforms, which will result in increased savings and investment at the retail level. The introduction of the Euro will result in a more efficient capital market.

We believe Japan offers some interesting investment opportunities. The necessity of meaningful reform is overwhelming and we believe this has been recognized by the Japanese authorities. For example, the text of the recent Bank of Japan statement, in which they announced a return to the zero interest rate policy on March 19, 2001, is revealing. It reads, "in order to make this monetary easing totally effective in restoring Japan's economy on a sustainable growth path, progress in structural reforms with respect to the financial system...is essential...The Bank OF Japan strongly hopes that decisive action be taken to address fundamental problems...under a strong leadership of the government of Japan." We expect that Japan's new Prime Minister will undertake meaningful structural reforms.

This portion of the Trust's portfolio invests in established companies in developed markets outside the United States. We look for companies that have the ability to grow faster than the average. We favor companies whose business has a competitive advantage, franchise business, large market share and a high barrier to entry. We like to back managements that have a stake in the company and who have a strong track record. And finally we look for companies that are self-financing and have a strong balance sheet.

These criteria tend to result in the portfolio not having a very heavy exposure to the technology sector. Most technology companies do not maintain market leadership for an extended period of time, and those that do are mostly American. There are exceptions such as Nokia, which has built a global brand, and Rohm, a Japanese electronic components company. We own shares in both these companies. So although we mostly avoided the sell off in this sector, some of our media, telecommunications and consumer durable holdings performed just as poorly.

These companies have a strong franchise, limited competition and generate free cash flow. However, the shares have been beaten down to levels that we

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believe are very attractive. Maybe the market has been a little indiscriminate in its treatment of some companies within the Technology, Media and Telecommunications sector.

The contrast between the actions taken by the Fed and the lack of action from the European Central Bank ("ECB") is stark. Since the start of 2001, the Fed has reduced short-term rates by 200 basis points to 4.50%. The Fed cited weak capital expenditures and the effect that this and the fall in the stock market might have on the American consumer as reasons to be so aggressive. The ECB, during the same time frame, has stood pat and done nothing. This is despite signs of a slowdown that are appearing all over Europe. Instead, the ECB has concentrated its statements on the high and rising level of inflation in Europe. Inflation in Europe is running at about 2.8% and short-term interest rates are 4.75%. Are conditions in Europe so different than the U.S.? The capital expenditure excesses were less pronounced in Europe. Clearly, Europeans are less exposed to the stock market and their personal savings levels are higher than their American counterparts, but it's hard to believe that a slowdown in the U.S. will not have some impact on Europe -- especially corporate Europe.

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Looking ahead, the balance of probabilities point to the ECB lowering rates from their current level. This should help to support the equity market in general and growth stocks in particular. A recovery in European equity markets could also be accompanied by a strengthening Euro, which will bolster returns for an U.S. dollar investor.

HOW MUCH IS THAT DOGGIE IN THE WINDOW?

When you buy great businesses at bargain prices, takeover lightning will bolster returns. Sometimes lightning strikes a bunch of smaller portfolio trees. This quarter it hit one of our largest positions, Ralston Purina, which on January 16, 2001 agreed to be acquired by Nestle for \$33.50 per share.

In recent years, while all Wall Street's analytical expertise (a new oxymoron?) was focused on technology, we were studying more prosaic businesses -- the kind of things you didn't need an advanced computer sciences degree from MIT to understand. When we started researching the pet products industry, we saw positive growth demographics and some wonderful companies trading at very attractive valuations. Among our favorites was Ralston Purina, the number one pet-food company in the world. The Ralston Purina/Nestle deal is scheduled to close by the end of this year, with a takeout premium approximately twice that of the Trust's average cost; proving that the best investments are often right under your nose, or in this case, digging holes in the backyard or scratching the living room furniture.

INVESTMENT SCORECARD

Among this quarter's best performers were telecommunications/cable television giant AT&T, small group broadcaster Gray Communications, broadcaster/newspaper publisher Media General, and auto parts manufacturers Standard Motor Products, Modine, Sealed Air, Dana, and GenCorp. Services conglomerate Cendant also generated solid returns. There was a definite "worst to first" flavor to the first page of our performance rankings list, with some beaten down portfolio companies rebounding strongly.

The reverse characterized our biggest losers list, with wireless services provider Nextel Communications and financial services giant American Express retreating after strong gains in recent years.

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### LET'S TALK STOCKS

The following are stock specifics on selected holdings of our Trust. Favorable earnings prospects do not necessarily translate into higher stock prices, but they do express a positive trend which we believe will develop over time.

BERKSHIRE HATHAWAY INC. (BRK'A - \$65,450 - NYSE) is Warren Buffett. The company has interests in insurance (notably GEICO and General Re), publishing, aviation, retailing, and manufacturing. Its investment portfolio includes over \$37 billion of marketable equity securities. Berkshire has grown rapidly through acquisitions over the past 15 years, including Kirby vacuum cleaners; World Book encyclopedias; H. H. Brown, Dexter and Justin footwear; Executive Jet aviation; Dairy Queen restaurants and snack treats; Johns Manville building products; Benjamin Moore paints; Shaw Industries carpets; GEICO insurance; and General Re reinsurance. GEICO, the sixth largest auto insurer in the U.S., contributes 19% of revenues while General Re, the fourth largest reinsurer globally, contributes 30% of revenues.

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CABLEVISION SYSTEMS CORP. (CVC - \$83.36 - NYSE) is one of the nation's leading communications and entertainment companies, with a portfolio of operations that spans state-of-the-art cable television services, championship professional sports teams and national cable television networks. Headquartered in Bethpage, N.Y., Cablevision serves nearly 3 million cable customers in the most important cable TV market -- New York. Cablevision also owns and operates New York City's famed Madison Square Garden ("MSG"), which includes the arena complex, the N.Y. Knicks, the N.Y. Rangers and the MSG network. MSG operates Radio City Entertainment and holds a long-term lease for Radio City Music Hall, home of the world-famous Rockettes. On March 30th, shares that track the performance of the firm's national cable programming subsidiary, Rainbow Media Group (RMG - \$26.00 - NYSE), began trading on the NYSE. Rainbow manages growing content offerings such as American Movie Classics, Bravo and The Independent Film Channel.

CHRIS-CRAFT INDUSTRIES INC. (CCN - \$63.25 - NYSE), through its 80% ownership of BHC Communications (BHC - \$121.00 - AMEX), is primarily a television broadcaster. BHC owns and operates UPN affiliated stations in New York (WWOR), Los Angeles (KCOP) and Portland, Oregon (KPTV). BHC also owns 58% of United Television Inc. (UTVI - \$113.75 - Nasdaq), which operates an NBC affiliate, an ABC affiliate and five UPN affiliates. Chris-Craft's television stations constitute one of the nation's largest television station groups, reaching approximately 22% of U.S. households. Chris-Craft is a major beneficiary of the recent FCC ruling allowing television duopoly, or ownership of two stations in a single market. The Chris-Craft complex is debt free, with roughly \$1.5 billion in cash and marketable securities. On August 14, 2000, News Corp. (NWS - \$31.40 - NYSE) announced that it would purchase Chris-Craft (along with BHC and United Television) in a deal worth \$5.35 billion. According to the terms of the deal, CCN shareholders will receive a package of cash and securities having an "initial" stated value of \$85 per share.

LIBERTY MEDIA GROUP (LMG'A - \$14.00 - NYSE), run by savvy media investor John Malone, is engaged in businesses that provide programming services (including production, acquisition, and distribution through all media formats) as well as businesses engaged in electronic retailing, direct marketing and other services. Liberty Media holds interests in globally-branded entertainment networks such as Discovery Channel, USA Network, QVC, Encore and STARZ! Liberty's investment portfolio also includes interests in international video distribution businesses, international telephony and domestic wireless companies, plant and equipment manufacturers, and other businesses related to broadband services.

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Liberty Media Group Class A and Class B common stock are tracking stocks of AT&T, though they are scheduled to be spun off to the tracking stock shareholders in mid-2001.

MEDIA GENERAL INC. (MEG'A - \$46.10 - AMEX) is a Richmond, Virginia-based communications company that is primarily focused on the Southeast. Its newspaper publishing operations include the Richmond Times-Dispatch, the Winston-Salem Journal, The Tampa Tribune, and 22 other daily newspapers. This includes 5 daily newspapers, clustered in Alabama and South Carolina, which the company bought from Thomson Corp. for \$237 million in August 2000. The company also owns a 20 percent interest in the Denver Post. Media General also operates twenty-six television stations primarily located in Southeastern markets, including eight purchased from Spartan Communications on March 27, 2000 for \$605 million. The company sold its Garden State Paper Co. to Enron Corp. (ENE - \$58.10 - NYSE) for \$72 million in August 2000, but still owns 33% of SP Newsprint Company.

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TELEPHONE & DATA SYSTEMS INC. (TDS - \$93.50 - AMEX) provides mobile and local phone services to 3.6 million customers in 35 states. TDS conducts its cellular operations through an 81% owned United States Cellular Corp. (USM - \$63.50 - AMEX) and its wireline telephone operations through its wholly-owned TDS Telecommunications Corp. ("TDS Telecom") subsidiary, a full-service local exchange carrier. Having completed a merger of its 82%-owned PCS subsidiary Aerial Communications with VoiceStream Wireless Corp. (VSTR - \$92.375 - Nasdaq), TDS now owns 35.6 million shares of VoiceStream valued at over \$4.0 billion. VoiceStream is in the process of being acquired by Deutsche Telekom (DT - \$23.19 - NYSE), a former German phone monopoly, for 3.2 DT shares plus \$30 in cash per VSTR share.

UNITED TELEVISION INC. (UTVI - \$113.75 - NASDAQ), headquartered in Beverly Hills, California, is a television broadcasting group which owns and operates seven of the stations (one ABC, one NBC and five UPN affiliates) that comprise Chris-Craft's (CCN - \$63.25 - NYSE) television division. UTVI stations cover approximately nine percent of the U.S. population. UTVI is 58%-owned by BHC Communications (BHC - \$121.00 - AMEX). United Television is a beneficiary of the recent FCC ruling allowing television duopoly, or ownership of two stations in a single market. On August 14, 2000, News Corp. (NWS - \$31.40 - NYSE) announced it would purchase United Television (along with Chris-Craft and BHC) in a deal worth \$5.35 billion.

VIACOM INC. (VIA - \$44.50 - NYSE) is a diversified media company with businesses across many media platforms. The firm operates cable networks (including VH1, MTV, Showtime and Nickelodeon), television networks and stations (including the CBS and UPN Television networks and numerous affiliated TV stations in major markets), major market radio stations and outdoor advertising (through Infinity Broadcasting), a movie studio (Paramount), a publishing house (Simon and Schuster), amusement parks (Paramount Parks) and video rental operations (Blockbuster Inc). The company focuses on high growth businesses and aims to deliver cash flow growth that is above the industry average.

### COMMON STOCK 10% DISTRIBUTION POLICY

The Trust continues to maintain its 10% Distribution Policy whereby the Trust pays out to common stock shareholders 10% of its average net assets each year. Pursuant to this policy, the Trust distributed \$0.27 per share on March 26, 2001. The next distribution is scheduled for June 2001.

### 7.25% TAX ADVANTAGED CUMULATIVE PREFERRED STOCK - DIVIDENDS



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The Trust's 7.25% Tax Advantaged Cumulative Preferred Stock paid a cash distribution on March 26, 2001 of \$0.453125 per share. For the twelve-months ended March 31, 2001, Preferred Stock shareholders received distributions totaling \$1.8125, the annual dividend rate per share of Preferred Stock. The next distribution is scheduled for June 2001.

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WWW.GABELLI.COM

Please visit us on the Internet. Our homepage at <http://www.gabelli.com> contains information about Gabelli Asset Management Inc., the Gabelli Mutual Funds, IRAs, 401(k)s, quarterly reports, closing prices and other current news. You can send us e-mail at [closedend@gabelli.com](mailto:closedend@gabelli.com).

In our efforts to bring our shareholders more timely portfolio information, Gabelli Fund's portfolio managers regularly participate in chat sessions at [www.gabelli.com](http://www.gabelli.com) as reflected below.

|                | WHO              | WHEN                        |
|----------------|------------------|-----------------------------|
|                | ---              | ----                        |
| Special Chats: | Mario J. Gabelli | First Monday of each month  |
|                | Howard Ward      | First Tuesday of each month |

In addition, every Wednesday will feature a different portfolio manager. The Upcoming Wednesday chat schedule is as follows:

|               | MAY              | JUNE           | JULY      |
|---------------|------------------|----------------|-----------|
|               | ---              | ----           | ----      |
| 1st Wednesday | Ivan Arteaga     | Caesar Bryan   | July 4th  |
| 2nd Wednesday | Walter Walsh     | Kellie Stark   | Charles M |
| 3rd Wednesday | Jeff Fahrenbruch | Ivan Arteaga   | Walter Wa |
| 4th Wednesday | Tim O'Brien      | Barbara Marcin | Barbara M |

All chat sessions start at 4:15 ET. Please arrive early, as participation is limited.

You may sign up for our HIGHLIGHTS email newsletter at [www.gabelli.com](http://www.gabelli.com) and receive early notice of chat sessions, closing mutual fund prices, news events and media sightings.

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### IN CONCLUSION

There is still a business cycle that impacts corporate profits. When earnings disappoint, the most richly valued stocks decline the most. These simple economic/investment truths should be self-evident. We believe we are in the midst of what will prove to be a relatively short-lived inventory correction and that corporate earnings will begin recovering next year. If history is to be the prologue to the future, the stock market should begin anticipating a profit recovery later this year. In the interim, the market will remain volatile, frightening off inexperienced equity investors. Savvy investors will hold the fort, recognizing that buying good businesses at reasonable prices will be

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satisfactorily rewarding over the long term.

Sincerely,

/s/ MARIO J. GABELLI

MARIO J. GABELLI, CFA  
Portfolio Manager and  
Chief Investment Officer

May 8, 2001

### TOP TEN HOLDINGS MARCH 31, 2001

Chris-Craft Industries Inc.  
Telephone & Data Systems Inc.  
Viacom Inc.  
Cablevision Systems Corp.  
United Television Inc.

Ralston Purina Group  
Liberty Media Group  
Media General Inc.  
Berkshire Hathaway Inc.  
Telecom Italia SpA

NOTE: The views expressed in this report reflect those of the portfolio managers only through the end of the period stated in this report. The managers' views are subject to change at any time based on market and other conditions.

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### THE GABELLI EQUITY TRUST INC. PORTFOLIO CHANGES QUARTER ENDED MARCH 31, 2001 (UNAUDITED)

|                                  | SHARES  | OWNERSHIP AT<br>MARCH 31,<br>2001 |
|----------------------------------|---------|-----------------------------------|
|                                  | -----   | -----                             |
| NET PURCHASES                    |         |                                   |
| COMMON STOCKS                    |         |                                   |
| America Movil, SA de CV, ADR (a) | 45,000  | 45,000                            |
| AOL Time Warner Inc. (b) .....   | 380,000 | 380,000                           |
| Apogent Technologies Inc. ....   | 33,000  | 34,000                            |
| ArvinMeritor Inc. ....           | 7,000   | 20,000                            |
| AT&T Canada Inc., Cl. B .....    | 6,000   | 10,000                            |
| AT&T Corp. ....                  | 270,006 | 640,000                           |
| BAE Systems plc .....            | 25,000  | 125,000                           |
| BroadWing Inc. ....              | 3,000   | 25,000                            |
| Burlington Resources Inc. ....   | 20,000  | 130,000                           |
| Cadbury Schweppes plc, ADR ..... | 1,000   | 1,000                             |
| Capcom Co. Ltd. ....             | 10,000  | 20,000                            |
| Cendant Corp. ....               | 80,000  | 200,000                           |
| Compass Group plc (c) .....      | 150,940 | 150,940                           |
| Conoco Inc., Cl. A .....         | 5,000   | 155,000                           |
| Corn Products International Inc. | 5,000   | 90,000                            |
| Corning Inc. ....                | 30,000  | 30,000                            |

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|   |         |         |
|---|---------|---------|
| Crane Co. ....                                      | 120,000 | 270,000 |
| CRH plc .....                                       | 22,500  | 112,500 |
| EMC Corp. ....                                      | 10,000  | 10,000  |
| First Union Corp. ....                              | 15,000  | 125,000 |
| General Motors Corp., Cl. H .....                   | 4,000   | 180,323 |
| Gerber Scientific Inc. ....                         | 5,000   | 110,000 |
| Gillette Co. ....                                   | 70,000  | 250,000 |
| Gray Communications<br>Systems Inc., Cl. B .....    | 7,000   | 7,000   |
| Heinz (H.J.) Co. ....                               | 7,000   | 22,000  |
| Hercules Inc. ....                                  | 70,000  | 70,000  |
| Litton Industries Inc. ....                         | 80,000  | 100,000 |
| Loral Space & Communications Ltd.                   | 20,000  | 160,000 |
| Lucent Technologies Inc. ....                       | 30,000  | 70,000  |
| Lufkin Industries Inc. ....                         | 7,500   | 60,000  |
| Mattel Inc. ....                                    | 20,000  | 65,000  |
| MGM Mirage Inc. ....                                | 15,000  | 20,000  |
| Midas Inc. ....                                     | 20,000  | 90,000  |
| Molex Inc., Cl. A .....                             | 5,000   | 9,000   |
| Morgan (J.P.) Chase & Co. Inc. (d)                  | 48,100  | 48,100  |
| Motorola Inc. ....                                  | 10,000  | 50,000  |
| National Presto Industries Inc. .                   | 2,000   | 42,000  |
| Newmont Mining Corp. ....                           | 35,000  | 105,000 |
| Nextel Communications Inc., Cl. A                   | 75,000  | 100,000 |
| Nikko Securities Co. Ltd. ....                      | 16,500  | 116,500 |
| Nokia Corp., Cl. A, ADR .....                       | 5,000   | 27,000  |
| Northeast Utilities .....                           | 15,000  | 65,000  |
| PepsiAmericas Inc. (e) .....                        | 491,595 | 491,595 |
| Philips Electronics NV .....                        | 10,000  | 26,640  |
| Placer Dome Inc. ....                               | 25,000  | 50,000  |
| Powertel Inc. (f) .....                             | 5,038   | 5,038   |
| Procter & Gamble Co. ....                           | 110,000 | 110,000 |
| Ralston Purina Group .....                          | 175,000 | 800,000 |
| Rogers Wireless Communications Inc.,<br>Cl. B ..... | 33,000  | 73,000  |
| Rohm Co. Ltd. ....                                  | 3,100   | 5,100   |
| Shimano Inc. ....                                   | 20,000  | 20,000  |

OWNERSHIP AT  
MARCH 31,  
2001

|                                   | SHARES |         |
|-----------------------------------|--------|---------|
|                                   | -----  | -----   |
| SJW Corp. ....                    | 100    | 3,000   |
| Sodexo Marriott Services Inc. ..  | 1,000  | 1,000   |
| Sony Corp., ADR .....             | 2,000  | 34,000  |
| Stanley Electric Co. Ltd. ....    | 30,000 | 72,000  |
| Sulzer AG .....                   | 3,000  | 3,000   |
| Sybron Dental Specialties Inc. .. | 9,667  | 10,000  |
| Takeda Chemical Industries Ltd. . | 4,000  | 18,000  |
| Telefonica SA, ADR (g) .....      | 10,300 | 265,250 |
| Telefonica SA, BDR (g) .....      | 631    | 16,257  |
| THK Co. Ltd. ....                 | 6,000  | 35,000  |
| Thomas & Betts Corp. ....         | 88,000 | 200,000 |
| Tootsie Roll Industries Inc. (h)  | 2,937  | 100,831 |
| UCAR International Inc. ....      | 5,500  | 70,000  |
| UnitedGlobalCom Inc., Cl. A ..... | 70,000 | 130,000 |
| UtiliCorp United Inc. (i) .....   | 5,000  | 5,000   |
| VoiceStream Wireless Corp. (f) .. | 3,037  | 4,992   |
| Westvaco Corp. ....               | 2,000  | 102,000 |
| Willamette Industries Inc. ....   | 57,800 | 180,000 |
| Wrigley (Wm.) Jr. Co. (j) .....   | 76,000 | 152,000 |

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|   |                     |           |
|---|---------------------|-----------|
| XO Communications Inc., Cl. A ...                           | 7,000               | 15,000    |
| RIGHTS  |                     |           |
| Rogers Wireless Communications<br>Inc. (k) .....            | 73,000              | 73,000    |
|   | PRINCIPAL<br>AMOUNT |           |
|   | -----               |           |
| CORPORATE BONDS   |                     |           |
| Hilton Hotels Corp., Sub. Deb. Cv.<br>5.00%, 05/15/06 ..... | \$ 30,000           | \$230,000 |
| NET SALES   |                     |           |
| COMMON STOCKS   |                     |           |
| ACNielsen Corp. ....  | (100,000)           | --        |
| Albertson's Inc. ....                                       | (65,100)            | 155,000   |
| Allstate Corp. ....   | (10,000)            | 100,000   |
| ALLTEL Corp. ....   | (30,000)            | 30,000    |
| Amphenol Corp., Cl. A .....                                 | (4,500)             | 125,000   |
| AMR Corp. ....  | (1,000)             | 72,000    |
| Block (H&R) Inc. ....                                       | (65,000)            | 25,000    |
| Cablevision Systems Corp., Cl. A                            | (95,000)            | 420,000   |
| Carter--Wallace Inc. ....                                   | (5,000)             | 515,000   |
| Coldwater Creek Inc. ....                                   | (2,000)             | 14,000    |
| Computer Associates International<br>Inc .....              | (25,000)            | 15,000    |
| Credit Suisse Group .....                                   | (6,000)             | --        |
| Curtiss--Wright Corp. ....                                  | (2,000)             | 98,000    |
| DDI Corp. ....  | (89)                | --        |
| Delphi Automotive Systems Corp. .                           | (5,000)             | 70,000    |
| Fortune Brands Inc. ....                                    | (10,000)            | 90,000    |
| France Growth Fund Inc. ....                                | (6,408)             | 18,592    |
| General Mills Inc. ....                                     | (25,000)            | 135,000   |
| Genuine Parts Co. ....                                      | (5,000)             | 195,000   |
| Genuity Inc. ....   | (10,000)            | 150,000   |

14

THE GABELLI EQUITY TRUST INC.  
PORTFOLIO CHANGES (CONTINUED)  
QUARTER ENDED MARCH 31, 2001  
(UNAUDITED)

|                                   | SHARES   | OWNERSHIP AT<br>MARCH 31,<br>2001 |
|-----------------------------------|----------|-----------------------------------|
|                                   | -----    | -----                             |
| NET SALES (CONTINUED)             |          |                                   |
| COMMON STOCKS (CONTINUED)         |          |                                   |
| Gray Communications Systems Inc.  | (4,500)  | 33,000                            |
| Hilton Hotels Corp. ....          | (13,000) | 550,000                           |
| Honeywell Inc. ....               | (93,000) | --                                |
| Ingersoll--Rand Co. ....          | (30,000) | 20,000                            |
| Keebler Foods Co. ....            | (21,800) | --                                |
| Lehman Brothers Holdings Inc. ... | (42,000) | --                                |
| MCN Energy Group Inc. ....        | (70,000) | 30,000                            |
| Meredith Corp. ....               | (3,000)  | 125,000                           |
| Morgan (J.P.) & Co. Inc. (d) .... | (13,000) | --                                |

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|                                      |           |         |
|--------------------------------------|-----------|---------|
| National Service Industries Inc.     | (5,000)   | 125,000 |
| Navistar International Corp. ....    | (10,000)  | 430,000 |
| Neiman Marcus Group Inc., Cl. B .    | (30,000)  | 320,000 |
| Nortek Inc. ....                     | (6,000)   | 144,000 |
| Obic Co. Ltd. ....                   | (800)     | 2,500   |
| Pacific Century CyberWorks Ltd., ADR | (20,000)  | 10,000  |
| Pactiv Corp. ....                    | (15,000)  | 180,000 |
| Pearson plc ....                     | (25,000)  | 57,727  |
| PepsiCo Inc. ....                    | (40,000)  | 280,000 |
| Quaker Oats Co. ....                 | (25,000)  | 70,000  |
| RAS SpA ....                         | (50,000)  | 50,000  |
| Rohm & Haas Co. ....                 | (20,000)  | 200,000 |
| Ryder System Inc. ....               | (15,000)  | 30,000  |
| Schibsted ASA ....                   | (50,000)  | --      |
| Sealed Air Corp. ....                | (20,000)  | 5,000   |
| Shaw Industries Inc. ....            | (400,000) | --      |
| Societe Generale, Cl. A ....         | (15,000)  | --      |
| Sony Corp. ....                      | (5,000)   | 11,000  |
| St. Joseph Light & Power Co. (i)     | (15,000)  | --      |
| Telecom Italia SpA, ADR ....         | (1,000)   | 123,000 |
| Time Warner Inc. (b) ....            | (285,000) | --      |
| Tyco International Ltd. ....         | (25,000)  | --      |
| Tyler Technologies Inc. ....         | (25,000)  | 35,000  |
| Unilever NV, New York ....           | (15,000)  | --      |
| USA Networks Inc. ....               | (25,000)  | 575,000 |
| Verizon Communications ....          | (20,000)  | 295,000 |
| Viacom Inc., Cl. A ....              | (20,000)  | 900,000 |
| Vivendi Universal SA, ADR ....       | (15,000)  | 205,000 |
| Vodafone Group plc ....              | (70,000)  | 553,888 |
| Waste Management Inc. ....           | (10,000)  | 350,000 |
| Whitman Corp. (e) ....               | (491,595) | --      |
| PREFERRED STOCKS                     |           |         |
| News Corp. Ltd., Pfd., ADR .....     | (32,000)  | 10,000  |

- 
- (a) Spinoff - 1 share of America Movil, SA de CV, ADR for every 1 share of Telefonos de Mexico SA, Cl. L, ADR
  - (b) Merger - 1.5 shares of AOL Time Warner Inc. for every 1 share of Time Warner Inc.
  - (c) Spinoff - 1 share of Compass Group plc for every 1 share of Granada Compass plc
  - (d) Merger - 3.7 shares of Morgan (J.P.) Chase & Co. Inc. for every 1 share of Morgan (J.P.) & Co. Inc.
  - (e) Merger - 1 share of PepsiAmericas Inc. for every 1 share of Whitman Corp.
  - (f) 0.75% stock dividend
  - (g) 2.00% stock dividend on (ex-date) 01/05/01 and 03/05/01
  - (h) 3.00% stock dividend
  - (i) Merger - 0.7933 shares of UtiliCorp United Inc. for every 1 share of St. Joseph Light & Power Co.
  - (j) 2 for 1 stock split
  - (k) Rights Offering - 1 Rogers Wireless Communications Inc. Right issued for every 1 share of Rogers Wireless Communications Inc., Cl. B

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MARCH 31, 2001 (UNAUDITED)

| SHARES<br>----- |  | MARKET<br>VALUE<br>----- |
|-----------------|--|--------------------------|
|                 | COMMON STOCKS -- 86.0%                 |                          |
|                 | TELECOMMUNICATIONS -- 7.9%             |                          |
| 8,132           | Aliant Inc. ....                       | \$ 185,148               |
| 7,500           | Allegiance Telecom Inc.+ .....         | 110,625                  |
| 30,000          | ALLTEL Corp. ....                      | 1,573,800                |
| 10,000          | AT&T Canada Inc., Cl. B+ .....         | 292,500                  |
| 640,000         | AT&T Corp. ....                        | 13,632,000               |
| 3,333           | Avaya Inc.+ .....                      | 43,329                   |
| 230,000         | BCE Inc. ....                          | 5,177,300                |
| 33,400          | Brasil Telecom Participacoes SA, ADR . | 1,307,610                |
| 25,000          | BroadWing Inc.+ .....                  | 478,750                  |
| 2,893,090       | Cable & Wireless Jamaica Ltd. ....     | 120,091                  |
| 95,000          | Cable & Wireless plc .....             | 641,547                  |
| 145,000         | Cable & Wireless plc, ADR .....        | 2,987,000                |
| 60,000          | CenturyTel Inc. ....                   | 1,725,000                |
| 25,000          | Citizens Communications Co. ....       | 316,250                  |
| 255,466         | Commonwealth Telephone                 |                          |
|                 | Enterprises Inc.+ .....                | 8,813,577                |
| 20,000          | Commonwealth Telephone                 |                          |
|                 | Enterprises Inc., Cl. B+ .....         | 695,000                  |
| 35,000          | Compania de Telecomunicaciones de      |                          |
|                 | Chile SA, ADR .....                    | 462,000                  |
| 21,600          | Elisa Communications Oyj, Cl. A .....  | 294,065                  |
| 167,000         | Embratel Participacoes SA, ADR+ .....  | 1,553,100                |
| 32              | Japan Telecom Co. Ltd. ....            | 571,996                  |
| 10,000          | Pacific Century CyberWorks Ltd., ADR+  | 39,500                   |
| 155,000         | RCN Corp.+ .....                       | 934,844                  |
| 9,655           | Rogers Communications Inc., Cl. B+ ... | 143,483                  |
| 110,345         | Rogers Communications Inc.,            |                          |
|                 | Cl. B, ADR+ .....                      | 1,637,520                |
| 115,000         | SBC Communications Inc. ....           | 5,132,450                |
| 330,000         | Sprint Corp.+ .....                    | 7,256,700                |
| 186,554         | Tele Norte Leste Participacoes SA, ADR | 3,037,099                |
| 8,000           | Telecom Argentina Stet France          |                          |
|                 | Telecom SA, ADR .....                  | 124,800                  |
| 400,040         | Telecom Italia SpA .....               | 4,031,592                |
| 123,000         | Telecom Italia SpA, ADR .....          | 12,287,700               |
| 265,250         | Telefonica SA, ADR .....               | 12,705,474               |
| 16,257          | Telefonica SA, BDR+ .....              | 251,401                  |
| 36,000          | Telefonos de Mexico SA, Cl. L, ADR ... | 1,135,440                |
| 12,750          | TELUS Corp. ....                       | 278,144                  |
| 52,500          | TELUS Corp., ADR .....                 | 1,145,298                |
| 4,250           | TELUS Corp., Non-Voting .....          | 84,212                   |
| 27,500          | TELUS Corp., Non-Voting, ADR .....     | 554,675                  |
| 295,000         | Verizon Communications .....           | 14,543,500               |
| 15,000          | XO Communications Inc., Cl. A+ .....   | 105,000                  |
|                 |  | -----                    |
|                 |  | 106,409,520              |
|                 |  | -----                    |
|                 | BROADCASTING -- 7.6%                   |                          |
| 50,000          | Ackerley Group Inc. ....               | 602,500                  |
| 336,192         | Chris-Craft Industries Inc.+ .....     | 21,264,144               |
|                 |  | MARKET<br>VALUE<br>----- |
| SHARES<br>----- |  |                          |

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|           |   |               |
|-----------|---|---------------|
| 592,897   | Chris-Craft Industries Inc., Cl. B+ (a)                   | \$ 37,500,735 |
| 16,666    | Corus Entertainment Inc., Cl. B+ .....                    | 391,621       |
| 33,000    | Gray Communications Systems Inc. ....                     | 587,070       |
| 7,000     | Gray Communications Systems Inc.,<br>Cl. B .....          | 113,400       |
| 138,000   | Grupo Televisa SA, GDR+ .....                             | 4,610,580     |
| 200,000   | Liberty Corp. ....  | 6,798,000     |
| 4,000     | Nippon Broadcasting System Inc. ....                      | 136,296       |
| 50,375    | NRJ Groupe+ .....   | 935,196       |
| 120,700   | Paxson Communications Corp., Cl. A+ ..                    | 1,176,825     |
| 17,700    | RTL Group (New York) .....                                | 1,001,432     |
| 100,000   | Television Broadcasting Ltd. ....                         | 546,226       |
| 245,009   | United Television Inc. ....                               | 27,869,774    |
|           |   | -----         |
|           |   | 103,533,799   |
|           |   | -----         |
|           | ENTERTAINMENT -- 7.3%                                     |               |
| 380,000   | AOL Time Warner Inc.+ .....                               | 15,257,000    |
| 160,000   | Canal Plus, ADR+ .....                                    | 109,200       |
| 150,000   | Disney (Walt) Co. ....                                    | 4,290,000     |
| 100,000   | EMI Group plc, ADR .....                                  | 1,281,670     |
| 25,000    | Fox Entertainment Group Inc. ....                         | 490,000       |
| 50,000    | GC Companies Inc.+ .....                                  | 111,500       |
| 18,432    | Gemstar-TV Guide International Inc.+ .                    | 529,920       |
| 150,940   | Granada Compass plc+ .....                                | 371,782       |
| 24,000    | Liberty Livewire Corp., Cl. A+ .....                      | 83,625        |
| 1,550,000 | Liberty Media Group, Cl. A+ .....                         | 21,700,000    |
| 145,000   | Publishing & Broadcasting Ltd. ....                       | 690,292       |
| 10,000    | Six Flags Inc. ....                                       | 193,500       |
| 575,000   | USA Networks Inc.+ .....                                  | 13,764,063    |
| 900,000   | Viacom Inc., Cl. A+ .....                                 | 40,050,000    |
|           |   | -----         |
|           |   | 98,922,552    |
|           |   | -----         |
|           | CONSUMER PRODUCTS -- 6.4%                                 |               |
| 70,000    | Altadis SA .....  | 866,352       |
| 515,000   | Carter-Wallace Inc. ....                                  | 12,828,650    |
| 43,000    | Christian Dior SA .....                                   | 1,528,139     |
| 45,000    | Church & Dwight Co. Inc. ....                             | 977,850       |
| 1,100     | Compagnie Financiere<br>Richemont AG, Cl. A .....         | 2,484,936     |
| 35,000    | Department 56 Inc.+ .....                                 | 311,500       |
| 285,601   | Energizer Holdings Inc.+ .....                            | 7,140,025     |
| 90,000    | Fortune Brands Inc. ....                                  | 3,096,000     |
| 250,000   | Gallaher Group plc, ADR .....                             | 6,037,500     |
| 250,000   | Gillette Co. ....   | 7,792,500     |
| 100,000   | Harley Davidson Inc. ....                                 | 3,795,000     |
| 15,000    | Matsushita Electric Industrial Co. ...<br>Ltd., ADR ..... | 276,750       |
| 65,000    | Mattel Inc. ....  | 1,153,100     |
| 25,000    | Maytag Corp. ....   | 806,250       |
| 42,000    | National Presto Industries Inc. ....                      | 1,257,900     |
| 10,500    | Nintendo Co. Ltd. ....                                    | 1,718,501     |

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| SHARES<br>----- |   | MARKET<br>VALUE<br>----- |
|-----------------|---|--------------------------|
|                 | COMMON STOCKS (CONTINUED)                       |                          |
|                 | CONSUMER PRODUCTS (CONTINUED)                   |                          |
| 20,000          | Philip Morris Companies Inc. ....               | \$ 949,000               |
| 110,000         | Procter & Gamble Co. ....                       | 6,886,000                |
| 800,000         | Ralston Purina Group ....                       | 24,920,000               |
| 20,000          | Shimano Inc. ....                               | 306,586                  |
| 1,500           | Swatch Group AG ....                            | 1,568,692                |
| 10,425          | Syratech Corp.+ ....                            | 71,672                   |
|                 |   | -----                    |
|                 |   | 86,772,903               |
|                 |   | -----                    |
|                 | FINANCIAL SERVICES -- 6.4%                      |                          |
| 26,000          | Aegon NV ....                                   | 766,775                  |
| 4,100           | Allianz AG ....                                 | 1,197,908                |
| 100,000         | Allstate Corp. ....                             | 4,194,000                |
| 185,000         | American Express Co. ....                       | 7,640,500                |
| 30,000          | Argonaut Group Inc. ....                        | 476,250                  |
| 175,000         | Banca Intesa SpA ....                           | 671,423                  |
| 90,000          | Banco Santander Central Hispano<br>SA, ADR .... | 816,300                  |
| 84,000          | Bank of Ireland, Dublin ....                    | 698,775                  |
| 15,000          | Bank of Ireland, London ....                    | 125,709                  |
| 56,000          | Bank of Scotland ....                           | 557,310                  |
| 105,000         | Bank One Corp. ....                             | 3,798,900                |
| 282,000         | Bankgesellschaft Berlin AG ....                 | 2,418,183                |
| 260             | Berkshire Hathaway Inc., Cl. A+ ....            | 17,017,000               |
| 25,000          | Block (H&R) Inc. ....                           | 1,251,500                |
| 50,000          | Commerzbank AG, ADR ....                        | 1,396,770                |
| 150,000         | Deutsche Bank AG, ADR ....                      | 11,470,320               |
| 15,000          | Dun and Bradstreet Corp.+ ....                  | 353,400                  |
| 125,000         | First Union Corp. ....                          | 4,125,000                |
| 25,000          | Hibernia Corp., Cl. A ....                      | 349,250                  |
| 20,000          | Invik & Co. AB, Cl. B ....                      | 1,182,271                |
| 100,000         | Irish Life & Permanent plc, Dublin ...          | 1,096,200                |
| 64,000          | Leucadia National Corp. ....                    | 2,058,880                |
| 60,000          | Mellon Financial Corp. ....                     | 2,431,200                |
| 110,000         | Midland Co. ....                                | 3,492,500                |
| 30,000          | Moody's Corp. ....                              | 826,800                  |
| 48,100          | Morgan (J.P.) Chase & Co. ....                  | 2,159,690                |
| 116,500         | Nikko Securities Co. Ltd. ....                  | 818,094                  |
| 50,000          | Prudential plc ....                             | 534,918                  |
| 50,000          | RAS SpA ....                                    | 614,403                  |
| 60,000          | Riggs National Corp. ....                       | 952,500                  |
| 40,000          | State Street Corp. ....                         | 3,736,000                |
| 30,000          | Stilwell Financial Inc.+ ....                   | 804,600                  |
| 20,000          | SunTrust Banks Inc. ....                        | 1,296,000                |
| 510             | Swiss Re ....                                   | 1,031,252                |
| 38,000          | T. Rowe Price Group Inc. ....                   | 1,189,875                |
| 50,000          | Unitrin Inc. ....                               | 1,818,750                |
| 30,000          | Waddell & Reed Financial Inc., Cl. A .          | 850,500                  |
|                 |   | -----                    |
|                 |   | 86,219,706               |
|                 |   | -----                    |
|                 |   | MARKET<br>VALUE<br>----- |
| SHARES<br>----- |   |                          |



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|         |  |              |
|---------|--|--------------|
|         | EQUIPMENT AND SUPPLIES -- 6.2%                 |              |
| 100,000 | AMETEK Inc. ....                               | \$ 2,760,000 |
| 125,000 | Amphenol Corp., Cl. A+ .....                   | 3,937,500    |
| 10,000  | Caterpillar Inc. ....                          | 443,800      |
| 95,000  | CIRCOR International Inc.+ .....               | 1,406,000    |
| 107,000 | CLARCOR Inc. ....                              | 2,471,700    |
| 320,000 | Deere & Co. ....                               | 11,628,800   |
| 255,000 | Donaldson Co. Inc. ....                        | 6,805,950    |
| 130,000 | Flowserve Corp.+ .....                         | 2,917,200    |
| 6,500   | Franklin Electric Co. ....                     | 465,563      |
| 110,000 | Gerber Scientific Inc. ....                    | 733,700      |
| 298,000 | IDEX Corp. ....                                | 8,636,040    |
| 20,000  | Ingersoll-Rand Co. ....                        | 794,200      |
| 100,000 | Litton Industries Inc.+ .....                  | 8,033,000    |
| 60,000  | Lufkin Industries Inc. ....                    | 1,196,250    |
| 1,000   | Manitowoc Co. Inc. ....                        | 24,800       |
| 430,000 | Navistar International Corp.+ .....            | 9,804,000    |
| 20,000  | PACCAR Inc. ....                               | 896,250      |
| 84,500  | Sequa Corp., Cl. A+ .....                      | 3,295,500    |
| 75,000  | Sequa Corp., Cl. B+ .....                      | 4,162,500    |
| 170,000 | SPS Technologies Inc.+ .....                   | 7,660,200    |
| 10,000  | Sybron Dental Specialties Inc.+ .....          | 210,000      |
| 35,000  | THK Co. Ltd. ....                              | 795,990      |
| 70,000  | UCAR International Inc.+ .....                 | 812,000      |
| 250,000 | Watts Industries Inc., Cl. A .....             | 4,175,000    |
| 100,000 | Weir Group plc .....                           | 357,560      |
|         |  | -----        |
|         |  | 84,423,503   |
|         |  | -----        |
|         | FOOD AND BEVERAGE -- 4.9%                      |              |
| 10,108  | Advantica Restaurant Group Inc.+ .....         | 9,160        |
| 1,000   | Cadbury Schweppes plc, ADR .....               | 26,200       |
| 15,000  | Coca-Cola Co. ....                             | 677,400      |
| 50,000  | Coca-Cola Enterprises Inc. ....                | 889,000      |
| 150,940 | Compass Group plc+ .....                       | 1,077,256    |
| 90,000  | Corn Products International Inc. ....          | 2,309,400    |
| 120,000 | Diageo plc, ADR .....                          | 4,854,000    |
| 135,000 | General Mills Inc. ....                        | 5,806,350    |
| 20,000  | Hain Celestial Group Inc.+ .....               | 580,000      |
| 22,000  | Heinz (H.J.) Co. ....                          | 884,400      |
| 25,000  | Interbrew SA+ .....                            | 640,703      |
| 270,000 | Kellogg Co. ....                               | 7,298,100    |
| 60,500  | LVMH Moet Hennessy Louis<br>Vuitton, ADR ..... | 608,781      |
| 650,000 | Parmalat Finanziaria SpA .....                 | 919,394      |
| 491,595 | PepsiAmericas Inc. ....                        | 7,668,882    |
| 280,000 | PepsiCo Inc. ....                              | 12,306,000   |
| 70,000  | Quaker Oats Co. ....                           | 6,860,000    |
| 60,000  | Ralcorp Holdings Inc.+ .....                   | 1,074,000    |
| 100,831 | Tootsie Roll Industries Inc. ....              | 4,653,342    |
| 152,000 | Wrigley (Wm.) Jr. Co. ....                     | 7,334,000    |
|         |  | -----        |
|         |  | 66,476,368   |
|         |  | -----        |

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MARCH 31, 2001 (UNAUDITED)

| SHARES<br>----- |  | MARKET<br>VALUE<br>-----     |
|-----------------|--|------------------------------|
|                 | COMMON STOCKS (CONTINUED)                                |                              |
|                 | WIRELESS COMMUNICATIONS -- 4.9%                          |                              |
| 45,000          | America Movil, SA de CV,<br>Cl. L, ADR+ .....            | \$ 659,250                   |
| 60,000          | AT&T Wireless Group+ .....                               | 1,150,800                    |
| 12,500          | Leap Wireless International Inc.+ ....                   | 350,781                      |
| 100,000         | Nextel Communications Inc., Cl. A+ ...                   | 1,437,500                    |
| 5,038           | Powertel Inc.+ .....                                     | 277,063                      |
| 73,000          | Rogers Wireless Communications<br>Inc., Cl. B+ .....     | 956,300                      |
| 220,000         | Sprint Corp. (PCS Group)+ .....                          | 4,180,000                    |
| 16,700          | Tele Celular Sul Participacoes SA, ADR                   | 297,260                      |
| 55,666          | Tele Centro Oeste Celular Participacoes<br>SA, ADR ..... | 450,338                      |
| 3,340           | Tele Leste Celular Participacoes<br>SA, ADR .....        | 121,576                      |
| 8,350           | Tele Nordeste Celular Participacoes<br>SA, ADR .....     | 224,615                      |
| 3,340           | Tele Norte Celular Participacoes<br>SA, ADR .....        | 93,520                       |
| 1,200,000       | Telecom Italia Mobile SpA .....                          | 8,104,811                    |
| 8,350           | Telemig Celular Participacoes SA, ADR                    | 334,418                      |
| 450,000         | Telephone & Data Systems Inc. ....                       | 42,075,000                   |
| 66,800          | Telesp Celular Participacoes SA, ADR .                   | 989,308                      |
| 553,888         | Vodafone Group plc .....                                 | 1,519,813                    |
| 100,000         | Vodafone Group plc, ADR .....                            | 2,715,000                    |
| 4,992           | VoiceStream Wireless Corp.+ .....                        | 461,151                      |
|                 |  | -----<br>66,398,504<br>----- |
|                 | PUBLISHING -- 4.8%                                       |                              |
| 11,000          | Dow Jones & Co. Inc. ....                                | 575,850                      |
| 150,000         | Harcourt General Inc. ....                               | 8,350,500                    |
| 646,000         | Independent News & Media plc,<br>Dublin .....            | 1,456,267                    |
| 97,000          | McGraw-Hill Companies Inc. ....                          | 5,786,050                    |
| 400,000         | Media General Inc., Cl. A .....                          | 18,440,000                   |
| 125,000         | Meredith Corp. ....                                      | 4,363,750                    |
| 115,000         | New York Times Co., Cl. A .....                          | 4,711,550                    |
| 145,000         | News Corp. Ltd. ....                                     | 1,099,511                    |
| 5,000           | News Corp. Ltd., ADR .....                               | 157,000                      |
| 57,727          | Pearson plc .....  | 1,009,474                    |
| 400,000         | Penton Media Inc. ....                                   | 5,820,000                    |
| 50,000          | PRIMEDIA Inc.+ .....                                     | 315,000                      |
| 27,000          | Pulitzer Inc. ....                                       | 1,495,800                    |
| 160,000         | Reader's Digest Association Inc., Cl .B                  | 3,840,000                    |
| 91,842          | Seat-Pagine Gialle SpA .....                             | 110,339                      |
| 400,000         | South China Morning Post Holdings ....                   | 287,217                      |
| 75,000          | Thomas Nelson Inc. ....                                  | 485,250                      |
| 160,000         | Tribune Co. ....   | 6,518,400                    |
|                 |  | -----<br>64,821,958<br>----- |
| SHARES          |  | MARKET<br>VALUE              |

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|         |   |               |
|---------|---|---------------|
| -----   |   | -----         |
|         | CABLE -- 3.3%   |               |
| 420,000 | Cablevision Systems Corp., Cl. A+ ....                | \$ 35,011,200 |
| 40,000  | Comcast Corp., Cl. A .....                            | 1,647,500     |
| 90,000  | Comcast Corp., Cl. A, Special .....                   | 3,774,375     |
| 42,625  | NTL Inc.+ .....                                       | 1,072,019     |
| 20,000  | Shaw Communications Inc., Cl. B .....                 | 385,497       |
| 80,000  | Shaw Communications Inc., Cl. B,<br>Non-Voting+ ..... | 1,584,000     |
| 130,000 | UnitedGlobalCom Inc., Cl. A+ .....                    | 1,706,250     |
|         |   | -----         |
|         |   | 45,180,841    |
|         |   | -----         |
|         | ENERGY AND UTILITIES -- 3.2%                          |               |
| 73,400  | AGL Resources Inc. ....                               | 1,608,194     |
| 34,000  | Apache Corp. ....                                     | 1,958,740     |
| 120,000 | BP Amoco plc .....                                    | 992,922       |
| 248,800 | BP Amoco plc, ADR .....                               | 12,345,456    |
| 130,000 | Burlington Resources Inc. ....                        | 5,817,500     |
| 155,000 | Conoco Inc., Cl. A .....                              | 4,355,500     |
| 400,000 | El Paso Electric Co.+ .....                           | 5,840,000     |
| 20,000  | Energy East Corp. ....                                | 347,000       |
| 55,000  | Halliburton Co. ....                                  | 2,021,250     |
| 30,000  | MCN Energy Group Inc. ....                            | 774,000       |
| 210,000 | Niagara Mohawk Holdings Inc.+ .....                   | 3,549,000     |
| 100,000 | NiSource Inc.+ .....                                  | 276,000       |
| 65,000  | Northeast Utilities .....                             | 1,129,700     |
| 75,000  | Pennzoil-Quaker State Co.+ .....                      | 1,050,000     |
| 100,000 | Progress Energy Inc. ....                             | 44,500        |
| 3,000   | SJW Corp. ....  | 239,250       |
| 14,000  | Southwest Gas Corp. ....                              | 291,900       |
| 4,907   | Total Fina Elf SA .....                               | 665,875       |
| 5,000   | UtiliCorp United Inc. ....                            | 161,800       |
|         |   | -----         |
|         |   | 43,468,587    |
|         |   | -----         |
|         | DIVERSIFIED INDUSTRIAL -- 2.5%                        |               |
| 195,000 | Ampco-Pittsburgh Corp. ....                           | 2,291,250     |
| 50,000  | Cooper Industries Inc. ....                           | 1,672,500     |
| 270,000 | Crane Co. ....  | 7,033,500     |
| 102,000 | GATX Corp. ....                                       | 4,330,920     |
| 150,000 | GenTek Inc. ....                                      | 1,950,000     |
| 142,500 | ITT Industries Inc.+ .....                            | 5,521,875     |
| 390,000 | Lamson & Sessions Co.+ .....                          | 2,854,800     |
| 125,000 | National Service Industries Inc. ....                 | 2,931,250     |
| 78,715  | Park-Ohio Holdings Corp.+ .....                       | 364,057       |
| 12,420  | Smith Industries plc .....                            | 136,317       |
| 3,000   | Sulzer AG .....                                       | 1,941,528     |
| 82,000  | Swire Pacific Ltd., Cl. A .....                       | 507,836       |
| 75,000  | Thomas Industries Inc. ....                           | 1,552,500     |
| 50,000  | Trinity Industries Inc. ....                          | 975,000       |
|         |   | -----         |
|         |   | 34,063,333    |
|         |   | -----         |

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## PORTFOLIO OF INVESTMENTS (CONTINUED)

MARCH 31, 2001 (UNAUDITED)

| SHARES<br>-----                           |  | MARKET<br>VALUE<br>----- |
|---|--|--------------------------|
| COMMON STOCKS (CONTINUED)                 |  |                          |
| AUTOMOTIVE: PARTS AND ACCESSORIES -- 2.4% |  |                          |
| 20,000                                    | ArvinMeritor Inc. ....                 | \$ 274,600               |
| 25,802                                    | Borg-Warner Automotive Inc. ....       | 1,033,886                |
| 34,161                                    | Dana Corp. ....                        | 586,886                  |
| 70,000                                    | Delphi Automotive Systems Corp.+ ....  | 991,900                  |
| 260,000                                   | GenCorp Inc. ....                      | 2,761,200                |
| 195,000                                   | Genuine Parts Co. ....                 | 5,052,450                |
| 117,000                                   | Johnson Controls Inc. ....             | 7,307,820                |
| 90,000                                    | Midas Inc. ....                        | 1,179,000                |
| 330,000                                   | Modine Manufacturing Co. ....          | 8,497,500                |
| 80,000                                    | Scheib (Earl) Inc.+ ....               | 200,000                  |
| 163,000                                   | Standard Motor Products Inc. ....      | 1,727,800                |
| 70,000                                    | Superior Industries International Inc. | 2,419,900                |
| 105,000                                   | TransPro Inc. ....                     | 278,250                  |
|   |  | -----                    |
|   |  | 32,311,192               |
|   |  | -----                    |
| HEALTH CARE -- 2.0%                       |  |                          |
| 40,000                                    | American Home Products Corp. ....      | 2,350,000                |
| 60,000                                    | Amgen Inc.+ ....                       | 3,611,250                |
| 34,000                                    | Apogent Technologies Inc.+ ....        | 688,160                  |
| 10,000                                    | AstraZeneca plc, London ....           | 477,695                  |
| 35,146                                    | AstraZeneca plc, Stockholm ....        | 1,672,302                |
| 10,000                                    | Aventis SA ....                        | 777,065                  |
| 26,000                                    | Biogen Inc.+ ....                      | 1,646,125                |
| 75,036                                    | GlaxoSmithKline plc+ ....              | 1,963,968                |
| 4,000                                     | GlaxoSmithKline plc, ADR ....          | 209,200                  |
| 56,011                                    | Invitrogen Corp.+ ....                 | 3,072,203                |
| 1,150                                     | Novartis AG ....                       | 1,804,995                |
| 108,000                                   | Novartis AG, Registered ....           | 4,247,640                |
| 45,000                                    | Pfizer Inc. ....                       | 1,842,750                |
| 140                                       | Roche Holding AG ....                  | 1,013,928                |
| 20,000                                    | Sanofi-Synthelabo SA ....              | 1,117,417                |
| 18,000                                    | Takeda Chemical Industries Ltd. ....   | 869,006                  |
|   |  | -----                    |
|   |  | 27,363,704               |
|   |  | -----                    |
| PAPER AND FOREST PRODUCTS -- 1.9%         |  |                          |
| 260,000                                   | Greif Bros. Corp., Cl. A ....          | 7,312,500                |
| 3,400                                     | Greif Bros. Corp., Cl. B ....          | 91,481                   |
| 180,000                                   | Pactiv Corp.+ ....                     | 2,179,800                |
| 5,000                                     | Sealed Air Corp.+ ....                 | 166,650                  |
| 253,000                                   | St. Joe Co. ....                       | 5,770,930                |
| 102,000                                   | Westvaco Corp. ....                    | 2,471,460                |
| 180,000                                   | Willamette Industries Inc. ....        | 8,280,000                |
|   |  | -----                    |
|   |  | 26,272,821               |
|   |  | -----                    |
| HOTELS AND GAMING -- 1.7%                 |  |                          |
| 120,000                                   | Aztar Corp.+ ....                      | 1,273,200                |
| 90,000                                    | Boca Resorts Inc., Cl. A+ ....         | 1,044,000                |
| 234,500                                   | Gaylord Entertainment Co. ....         | 6,237,700                |
| 5,000                                     | GTECH Holdings Corp.+ ....             | 136,250                  |

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| SHARES<br>----- |  | MARKET<br>VALUE<br>----- |
|-----------------|--|--------------------------|
| 1,045,000       | Hilton Group plc .....                             | \$ 3,030,801             |
| 550,000         | Hilton Hotels Corp. ....                           | 5,747,500                |
| 20,000          | MGM Mirage Inc.+ .....                             | 502,000                  |
| 430,000         | Park Place Entertainment Corp.+ .....              | 4,407,500                |
|                 |  | -----                    |
|                 |  | 22,378,951               |
|                 |  | -----                    |
|                 | BUSINESS SERVICES -- 1.6%                          |                          |
| 60,000          | ANC Rental Corp.+ .....                            | 180,000                  |
| 200,000         | Cendant Corp.+ .....                               | 2,918,000                |
| 1,000           | CheckFree Corp.+ .....                             | 29,437                   |
| 100,000         | Landauer Inc. ....                                 | 2,089,000                |
| 58,500          | Nashua Corp.+ .....                                | 257,400                  |
| 10,833          | Reuters Holdings plc, ADR .....                    | 809,767                  |
| 13,000          | Secom Co. Ltd. ....                                | 736,540                  |
| 250,000         | Securicor Group plc .....                          | 548,247                  |
| 1,000           | Sodexo Marriott Services Inc. ....                 | 29,050                   |
| 3,500           | SYNAVANT Inc.+ .....                               | 15,750                   |
| 30,900          | Vivendi Universal SA .....                         | 1,880,748                |
| 205,000         | Vivendi Universal SA, ADR .....                    | 12,433,250               |
|                 |  | -----                    |
|                 |  | 21,927,189               |
|                 |  | -----                    |
|                 | RETAIL -- 1.4%                                     |                          |
| 155,000         | Albertson's Inc. ....                              | 4,932,100                |
| 286,000         | AutoNation Inc.+ .....                             | 2,574,000                |
| 14,000          | Coldwater Creek Inc.+ .....                        | 314,160                  |
| 45,000          | Delhaize America Inc., Cl. A .....                 | 920,250                  |
| 100,000         | Lillian Vernon Corp. ....                          | 730,000                  |
| 320,000         | Neiman Marcus Group Inc., Cl. B+ .....             | 9,664,000                |
|                 |  | -----                    |
|                 |  | 19,134,510               |
|                 |  | -----                    |
|                 | SPECIALTY CHEMICALS -- 1.2%                        |                          |
| 5,400           | Ciba Specialty Chemicals, ADR+ (b) ...             | 159,560                  |
| 10,000          | du Pont de Nemours (E.I.) & Co. ....               | 407,000                  |
| 315,000         | Ferro Corp. ....                                   | 6,403,950                |
| 12,000          | Fuller (H.B.) Co. ....                             | 505,500                  |
| 130,000         | General Chemical Group Inc. ....                   | 104,000                  |
| 70,000          | Hercules Inc.+ .....                               | 909,300                  |
| 210,000         | Omnova Solutions Inc. ....                         | 1,394,400                |
| 200,000         | Rohm & Haas Co. ....                               | 6,162,000                |
| 11,697          | Syngenta AG, ADR+ .....                            | 121,649                  |
|                 |  | -----                    |
|                 |  | 16,167,359               |
|                 |  | -----                    |
|                 | AGRICULTURE -- 1.0%                                |                          |
| 1,000,000       | Archer-Daniels-Midland Co. ....                    | 13,150,000               |
| 5,000           | Delta & Pine Land Co. ....                         | 120,500                  |
|                 |  | -----                    |
|                 |  | 13,270,500               |
|                 |  | -----                    |
|                 | REAL ESTATE -- 0.9%                                |                          |
| 450,000         | Catellus Development Corp.+ .....                  | 7,087,500                |
| 75,000          | Cheung Kong (Holdings) Ltd. ....                   | 786,162                  |
| 44,000          | Florida East Coast Industries Inc.,<br>Cl. A ..... | 1,478,400                |

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THE GABELLI EQUITY TRUST INC.  
 PORTFOLIO OF INVESTMENTS (CONTINUED)  
 MARCH 31, 2001 (UNAUDITED)

| SHARES<br>----- |  | MARKET<br>VALUE<br>----- |
|-----------------|--|--------------------------|
|                 | COMMON STOCKS (CONTINUED)                          |                          |
|                 | REAL ESTATE (CONTINUED)                            |                          |
| 58,451          | Florida East Coast Industries Inc.,<br>Cl. B ..... | \$ 1,791,523             |
| 55,000          | Griffin Land & Nurseries Inc.+ .....               | 1,017,500                |
| 4,753           | HomeFed Corp.+ .....                               | 4,099                    |
|                 |  | -----                    |
|                 |  | 12,165,184               |
|                 |  | -----                    |
|                 | ELECTRONICS -- 0.8%                                |                          |
| 38,000          | Fujitsu Ltd. ....                                  | 506,401                  |
| 3,000           | Hitachi Ltd., ADR .....                            | 261,750                  |
| 9,000           | Molex Inc., Cl. A .....                            | 250,313                  |
| 1,500           | NEC Corp., ADR .....                               | 119,063                  |
| 26,640          | Philips Electronics NV .....                       | 732,425                  |
| 38,800          | Philips Electronics NV, ADR .....                  | 1,035,960                |
| 5,100           | Rohm Co. Ltd. ....                                 | 854,642                  |
| 11,000          | Sony Corp. ....                                    | 781,228                  |
| 34,000          | Sony Corp., ADR .....                              | 2,456,500                |
| 72,000          | Stanley Electric Co. Ltd. ....                     | 545,822                  |
| 200,000         | Thomas & Betts Corp. ....                          | 3,472,000                |
|                 |  | -----                    |
|                 |  | 11,016,104               |
|                 |  | -----                    |
|                 | AEROSPACE -- 0.8%                                  |                          |
| 125,000         | BAE Systems plc .....                              | 558,021                  |
| 100,000         | Lockheed Martin Corp. ....                         | 3,565,000                |
| 75,000          | Northrop Grumman Corp. ....                        | 6,525,000                |
|                 |  | -----                    |
|                 |  | 10,648,021               |
|                 |  | -----                    |
|                 | CONSUMER SERVICES -- 0.7%                          |                          |
| 40,000          | Loewen Group Inc. ....                             | 3,200                    |
| 510,000         | Rollins Inc. ....                                  | 9,843,000                |
|                 |  | -----                    |
|                 |  | 9,846,200                |
|                 |  | -----                    |
|                 | ENVIRONMENTAL SERVICES -- 0.7%                     |                          |
| 60,000          | Republic Services Inc.+ .....                      | 1,125,000                |
| 350,000         | Waste Management Inc. ....                         | 8,645,000                |
|                 |  | -----                    |
|                 |  | 9,770,000                |
|                 |  | -----                    |
|                 | COMMUNICATIONS EQUIPMENT -- 0.6%                   |                          |
| 68,000          | Acterna Corp.+ .....                               | 408,000                  |
| 290,000         | Allen Telecom Inc.+ .....                          | 3,741,000                |
| 30,000          | Corning Inc. ....                                  | 620,700                  |
| 70,000          | Lucent Technologies Inc. ....                      | 697,900                  |
| 50,000          | Motorola Inc. ....                                 | 713,000                  |
| 27,000          | Nokia Corp., Cl. A, ADR .....                      | 648,000                  |

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|         |   |            |
|---------|---|------------|
| 44,000  | Scientific-Atlanta Inc. ....                        | 1,829,960  |
|         |   | -----      |
|         |   | 8,658,560  |
|         |   | -----      |
| SHARES  |   | MARKET     |
| -----   |   | VALUE      |
|         |   | -----      |
|         | AUTOMOTIVE -- 0.6%                                  |            |
| 10,000  | Ford Motor Co. ....                                 | \$ 281,200 |
| 157,942 | General Motors Corp. ....                           | 8,189,293  |
|         |   | -----      |
|         |   | 8,470,493  |
|         |   | -----      |
|         | AVIATION: PARTS AND SERVICES -- 0.5%                |            |
| 98,000  | Curtiss-Wright Corp. ....                           | 4,728,500  |
| 110,000 | Fairchild Corp., Cl. A+ ....                        | 541,200    |
| 44,000  | Precision Castparts Corp. ....                      | 1,454,200  |
|         |   | -----      |
|         |   | 6,723,900  |
|         |   | -----      |
|         | BUILDING AND CONSTRUCTION -- 0.5%                   |            |
| 112,500 | CRH plc ....  | 1,730,494  |
| 32,222  | Huttig Building Products Inc.+ ....                 | 134,366    |
| 15,000  | Martin Marietta Materials Inc. ....                 | 640,500    |
| 144,000 | Nortek Inc.+ ....                                   | 3,938,400  |
| 5,000   | Nortek Inc., Special Common+ (a) ....               | 136,750    |
|         |   | -----      |
|         |   | 6,580,510  |
|         |   | -----      |
|         | SATELLITE -- 0.3%                                   |            |
| 180,323 | General Motors Corp., Cl. H+ ....                   | 3,516,299  |
| 340,000 | Liberty Satellite &<br>Technology Inc., Cl. A+ .... | 573,750    |
| 160,000 | Loral Space & Communications Ltd+ ....              | 350,400    |
|         |   | -----      |
|         |   | 4,440,449  |
|         |   | -----      |
|         | TRANSPORTATION -- 0.3%                              |            |
| 72,000  | AMR Corp.+ ....                                     | 2,528,640  |
| 7,500   | Kansas City Southern Industries Inc. .              | 106,500    |
| 31,273  | MIF Ltd.+ ....                                      | 394,826    |
| 30,000  | Ryder System Inc. ....                              | 539,700    |
|         |   | -----      |
|         |   | 3,569,666  |
|         |   | -----      |
|         | CLOSED END FUNDS -- 0.2%                            |            |
| 59,000  | Central European Equity Fund Inc. ....              | 664,340    |
| 70,000  | Dresdner RCM Europe Fund Inc. ....                  | 640,500    |
| 18,592  | France Growth Fund Inc. ....                        | 163,981    |
| 40,250  | Italy Fund Inc. ....                                | 382,375    |
| 68,000  | New Germany Fund Inc. ....                          | 492,320    |
| 45,942  | Royce Value Trust Inc. ....                         | 645,485    |
|         |   | -----      |
|         |   | 2,989,001  |
|         |   | -----      |
|         | METALS AND MINING -- 0.2%                           |            |
| 72,500  | Harmony Gold Mining Co. Ltd. ....                   | 349,386    |
| 12,500  | Harmony Gold Mining Co. Ltd., ADR ....              | 60,156     |
| 105,000 | Newmont Mining Corp. ....                           | 1,692,600  |
| 50,000  | Placer Dome Inc. ....                               | 432,500    |

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-----  
2,534,642  
-----

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THE GABELLI EQUITY TRUST INC.  
PORTFOLIO OF INVESTMENTS (CONTINUED)  
MARCH 31, 2001 (UNAUDITED)

| SHARES<br>----- |   | MARKET<br>VALUE<br>-----        |
|-----------------|---|---------------------------------|
|                 | COMMON STOCKS (CONTINUED)                           |                                 |
|                 | COMPUTER SOFTWARE AND SERVICES -- 0.2%              |                                 |
| 20,000          | Capcom Co. Ltd. ....                                | \$ 571,357                      |
| 15,000          | Computer Associates International Inc.              | 408,000                         |
| 10,000          | EMC Corp.+ .....                                    | 294,000                         |
| 150,000         | Genuity Inc.+ .....                                 | 323,438                         |
| 2,500           | Obic Co. Ltd. ....                                  | 461,834                         |
| 35,000          | Tyler Technologies Inc. ....                        | 66,500                          |
|                 |   | -----<br>2,125,129<br>-----     |
|                 | COMPUTER HARDWARE -- 0.1%                           |                                 |
| 44,000          | Hewlett-Packard Co. ....                            | 1,375,880                       |
| 15,000          | Xerox Corp. ....                                    | 89,850                          |
|                 |   | -----<br>1,465,730<br>-----     |
|                 | EDUCATIONAL SERVICES -- 0.0%                        |                                 |
| 10,000          | Benesse Corp. ....                                  | 363,083                         |
|                 | TOTAL COMMON STOCKS .....                           | -----<br>1,166,884,472<br>----- |
|                 | PREFERRED STOCKS -- 0.1%                            |                                 |
|                 | TELECOMMUNICATIONS -- 0.1%                          |                                 |
| 15,000          | Citizens Communications Co.,<br>5.00% Cv. Pfd. .... | 820,275                         |
|                 | BROADCASTING -- 0.0%                                |                                 |
| 40,000          | ProSieben Sat.1 Media AG, Pfd. ....                 | 707,226                         |
|                 | PUBLISHING -- 0.0%                                  |                                 |
| 10,000          | News Corp. Ltd., Pfd., ADR .....                    | 267,000                         |
|                 | WIRELESS COMMUNICATIONS -- 0.0%                     |                                 |
| 10,760,547      | Telesp Celular Participacoes SA, Pfd.+              | 63,017                          |
|                 | TOTAL PREFERRED STOCKS .....                        | -----<br>1,857,518<br>-----     |

PRINCIPAL  
AMOUNT  
-----

CORPORATE BONDS -- 0.1%



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|               |   |               |
|---------------|---|---------------|
|               | AUTOMOTIVE: PARTS AND ACCESSORIES -- 0.1%   |               |
| \$1,500,000   | Standard Motor Products Inc.,<br>Sub. Deb. Cv.<br>6.75%, 07/15/09 .....   | 885,000       |
|               |   | -----         |
|               | AVIATION: PARTS AND SERVICES -- 0.0%  |               |
| 1,000,000     | Kaman Corp., Sub. Deb. Cv.<br>6.00%, 03/15/12 .....   | 861,250       |
|               |   | -----         |
|               | PUBLISHING -- 0.0%  |               |
| 200,000       | News America Holdings Inc.,<br>Sub. Deb. Cv.<br>Zero Coupon, 03/31/02 .....   | 275,500       |
|               |   | -----         |
|               | HOTELS AND GAMING -- 0.0%   |               |
| \$ 230,000    | Hilton Hotels Corp., Sub. Deb. Cv.<br>5.00%, 05/15/06 .....   | \$ 198,663    |
|               |   | -----         |
|               | CONSUMER PRODUCTS -- 0.0%   |               |
| 1,000,000     | Pillowtex Corp., Sub. Deb. Cv.<br>6.00%, 03/15/12+ .....  | 313           |
|               |   | -----         |
|               | TOTAL CORPORATE BONDS .....   | 2,220,726     |
|               |   | -----         |
|               | SHARES  |               |
|               | -----   |               |
|               | WARRANTS -- 0.0%  |               |
|               | FOOD AND BEVERAGE -- 0.0%   |               |
| 62,463        | Advantica Restaurant Group Inc.,<br>expire 01/07/05+ .....  | 1,249         |
|               |   | -----         |
|               | RIGHTS -- 0.0%  |               |
|               | WIRELESS COMMUNICATIONS -- 0.0%   |               |
| 73,000        | Rogers Wireless Communications Inc.+ .  | 2,190         |
|               |   | -----         |
|               | PRINCIPAL AMOUNT  |               |
|               | -----   |               |
|               | U.S. GOVERNMENT OBLIGATIONS -- 10.7%  |               |
| \$145,300,000 | U.S. Treasury Bills,<br>4.75% to 5.47%+,<br>due 04/05/01 to 05/24/01 (c) .....  | 144,759,795   |
|               |   | -----         |
|               | REPURCHASE AGREEMENT -- 3.3%  |               |
| 44,742,000    | Agreement with State Street Bank &<br>Trust Co., 5.27%, dated 03/30/01,<br>due 04/02/01, proceeds at maturity<br>\$44,761,649 (d) ..... | 44,742,000    |
|               |   | -----         |
|               | TOTAL INVESTMENTS -- 100.2%   |               |
|               | (Cost \$939,695,346) .....  | 1,360,467,950 |
|               |   | -----         |
|               | OTHER ASSETS, LIABILITIES AND<br>LIQUIDATION VALUE OF CUMULATIVE<br>PREFERRED STOCK -- (10.1)% .....                                    | (137,585,491) |
|               |   | -----         |

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|  |                 |
|--|-----------------|
| NET ASSETS -- COMMON STOCK -- 90.1%                |                 |
| (126,803,143 common shares outstanding) .....      | 1,222,882,459   |
|  | -----           |
| NET ASSETS -- PREFERRED STOCK -- 9.9%              |                 |
| (5,368,900 preferred shares outstanding) .....     | 134,222,500     |
|  | -----           |
| TOTAL NET ASSETS -- 100.0% .....                   | \$1,357,104,959 |
|  | =====           |
| NET ASSET VALUE PER COMMON SHARE                   |                 |
| (\$1,222,882,459 / 126,803,143 shares outstanding) | \$9.64          |
|  | =====           |

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THE GABELLI EQUITY TRUST INC.  
 PORTFOLIO OF INVESTMENTS (CONTINUED)  
 MARCH 31, 2001 (UNAUDITED)

| PRINCIPAL<br>AMOUNT                       | SETTLEMENT<br>DATE | UNREALIZED<br>APPRECIATION |
|---|--------------------|----------------------------|
| -----                                     | -----              | -----                      |
| FORWARD FOREIGN EXCHANGE CONTRACTS        |                    |                            |
| \$6,627,723 (e) Deliver Hong Kong Dollars |                    |                            |
| in exchange for                           |                    |                            |
| USD 851,441 .....                         | 08/03/01           | \$ 4,586                   |
|   |                    | =====                      |
| NUMBER OF<br>CONTRACTS                    |                    |                            |
| -----                                     |                    |                            |
| FUTURES CONTRACTS -- SHORT POSITION       |                    |                            |
| 200 S&P 500 Index Futures                 |                    |                            |
| 06/14/01 .....                            |                    | \$ 795,445                 |
|   |                    | =====                      |
| -----                                     |                    |                            |
| For Federal tax purposes:                 |                    |                            |
| Aggregate cost .....                      |                    | \$939,695,346              |
|   |                    | =====                      |
| Gross unrealized appreciation .....       |                    | \$463,628,115              |
| Gross unrealized depreciation .....       |                    | (42,855,511)               |
|   |                    | -----                      |
| Net unrealized appreciation .....         |                    | \$420,772,604              |
|   |                    | =====                      |

- 
- (a) Security fair valued under procedures established by the Board of Directors.
  - (b) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At March 31, 2001, the market value of Rule 144A securities amounted to \$159,560 or 0.0% of total net assets.
  - (c) At March 31, 2001, \$6,500,000 of the principal amount was pledged as collateral for futures contracts.
  - (d) Collateralized by U.S. Treasury Bond, 8.50%, due 02/15/20, market value

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\$45,643,487.

- (e) Principal amount denoted in Hong Kong Dollars.
- + Non-income producing security.
- ++ Represents annualized yield at date of purchase.
- ADR - American Depositary Receipt BDR - Brazilian Depositary Receipt
- USD - United States Dollars
- GDR - Global Depositary Receipt

|                            | % OF MARKET<br>VALUE | MARKET<br>VALUE |
|----------------------------|----------------------|-----------------|
|                            | -----                | -----           |
| GEOGRAPHIC DIVERSIFICATION |                      |                 |
| United States .....        | 85.3%                | \$1,161,123,720 |
| Europe .....               | 11.0                 | 149,577,895     |
| Asia/Pacific Rim .....     | 1.5                  | 20,095,184      |
| Latin America .....        | 1.1                  | 15,584,021      |
| Canada .....               | 1.0                  | 13,253,588      |
| South Africa .....         | 0.1                  | 833,542         |
|                            | -----                | -----           |
| Total Investments .....    | 100.0%               | \$1,360,467,950 |
|                            | =====                | =====           |

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### AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLAN

#### ENROLLMENT IN THE PLAN

It is the policy of The Gabelli Equity Trust Inc. ("Equity Trust") to automatically reinvest dividends. As a "registered" shareholder you automatically become a participant in the Equity Trust's Automatic Dividend Reinvestment Plan (the "Plan"). The Plan authorizes the Equity Trust to issue shares to participants upon an income dividend or a capital gains distribution regardless of whether the shares are trading at a discount or a premium to net asset value. All distributions to shareholders whose shares are registered in their own names will be automatically reinvested pursuant to the Plan in additional shares of the Equity Trust. Plan participants may send their stock certificates to State Street Bank and Trust Company ("State Street") to be held in their dividend reinvestment account. Registered shareholders wishing to receive their distribution in cash must submit this request in writing to:

The Gabelli Equity Trust Inc.  
c/o State Street Bank and Trust Company  
P.O. Box 8200  
Boston, MA 02266-8200

Shareholders requesting this cash election must include the shareholder's name and address as they appear on the share certificate. Shareholders with additional questions regarding the Plan may contact State Street at 1 (800) 336-6983.

SHAREHOLDERS WISHING TO LIQUIDATE REINVESTED SHARES held at State Street Bank must do so in writing or by telephone. Please submit your request to the above mentioned address or telephone number. Include in your request your name, address and account number. The cost to liquidate shares is \$2.50 per transaction as well as the brokerage commission incurred. Brokerage charges are

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expected to be less than the usual brokerage charge for such transactions.

If your shares are held in the name of a broker, bank or nominee, you should contact such institution. If such institution is not participating in the Plan, your account will be credited with a cash dividend. In order to participate in the Plan through such institution, it may be necessary for you to have your shares taken out of "street name" and re-registered in your own name. Once registered in your own name your dividends will be automatically reinvested. Certain brokers participate in the Plan. Shareholders holding shares in "street name" at participating institutions will have dividends automatically reinvested. Shareholders wishing a cash dividend at such institution must contact their broker to make this change.

The number of shares of Common Stock distributed to participants in the Plan in lieu of cash dividends is determined in the following manner. Under the Plan, whenever the market price of the Equity Trust's Common Stock is equal to or exceeds net asset value at the time shares are valued for purposes of determining the number of shares equivalent to the cash dividends or capital gains distribution, participants are issued shares of Common Stock valued at the greater of (i) the net asset value as most recently determined or (ii) 95% of the then current market price of the Equity Trust's Common Stock. The valuation date is the dividend or distribution payment date or, if that date is not a New York Stock Exchange trading day, the next trading day. If the net asset value of the Common Stock at the time of valuation exceeds the market price of the Common Stock, participants will receive shares from the Equity Trust valued at market price. If the Equity Trust should declare a dividend or capital gains distribution payable only in cash, State Street will buy Common Stock in the open market, or on the New York Stock Exchange or elsewhere, for the participants' accounts, except that State Street will endeavor to terminate purchases in the open market and cause the Equity Trust to issue shares at net asset value if, following the commencement of such purchases, the market value of the Common Stock exceeds the then current net asset value.

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

The Equity Trust reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by State Street on at least 90 days' written notice to participants in the Plan.

### VOLUNTARY CASH PURCHASE PLAN

The Voluntary Cash Purchase Plan is yet another vehicle for our shareholders to increase their investment in the Equity Trust. In order to participate in the Voluntary Cash Purchase Plan, shareholders must have their shares registered in their own name.

Participants in the Voluntary Cash Purchase Plan have the option of making additional cash payments to State Street for investments in the Equity Trust's shares at the then current market price. Shareholders may send an amount from \$250 to \$10,000. State Street will use these funds to purchase shares in the open market on or about the 15th of each month. State Street will charge each shareholder who participates \$0.75, plus a pro rata share of the brokerage commissions. Brokerage charges for such purchases are expected to be less than the usual brokerage charge for such transactions. It is suggested that any

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voluntary cash payments be sent to State Street Bank and Trust Company, P.O. Box 8200, Boston, MA 02266-8200 such that State Street receives such payments approximately 10 days before the 15th of the month. Funds not received at least five days before the investment date shall be held for investment in the following month. A payment may be withdrawn without charge if notice is received by State Street at least 48 hours before such payment is to be invested.

For more information regarding the Dividend Reinvestment Plan and Voluntary Cash Purchase Plan, brochures are available by calling (914) 921-5070 or by writing directly to the Equity Trust.

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### THE GABELLI EQUITY TRUST INC. AND YOUR PERSONAL PRIVACY

#### WHO ARE WE?

The Gabelli Equity Trust (the "Trust") is a closed-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds LLC, which is affiliated with Gabelli Asset Management Inc. Gabelli Asset Management is a publicly-held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

#### WHAT KIND OF NON-PUBLIC INFORMATION DO WE COLLECT ABOUT YOU IF YOU BECOME A GABELLI CUSTOMER?

When you purchase shares of the Trust on the New York Stock Exchange, you have the option of registering directly with our transfer agent in order, for example, to participate in our dividend reinvestment plan.

- o INFORMATION YOU GIVE US ON YOUR APPLICATION FORM. This could include your name, address, telephone number, social security number, bank account number, and other information.
- o INFORMATION ABOUT YOUR TRANSACTIONS WITH US. This would include information about the shares that you buy or sell, it may also include information about whether you sell or exercise rights that we have issued from time to time. If we hire someone else to provide services--like a transfer agent--we will also have information about the transactions that you conduct through them.

#### WHAT INFORMATION DO WE DISCLOSE AND TO WHOM DO WE DISCLOSE IT?

We do not disclose any non-public personal information about our customers or former customers to anyone, other than our affiliates, our service providers who need to know such information and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its web site, [WWW.SEC.GOV](http://WWW.SEC.GOV).

#### WHAT DO WE DO TO PROTECT YOUR PERSONAL INFORMATION?

We restrict access to non-public personal information about you to the people who need to know that information in order to perform their jobs or provide services to you and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and

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procedural safeguards to keep your personal information confidential.

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DIRECTORS AND OFFICERS

THE GABELLI EQUITY TRUST INC.  
ONE CORPORATE CENTER, RYE, NY 10580-1434

DIRECTORS

Mario J. Gabelli, CFA  
CHAIRMAN & CHIEF INVESTMENT OFFICER,  
GABELLI ASSET MANAGEMENT INC.

Dr. Thomas E. Bratter  
PRESIDENT, JOHN DEWEY ACADEMY

Felix J. Christiana  
FORMER SENIOR VICE PRESIDENT,  
DOLLAR DRY DOCK SAVINGS BANK

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

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

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

Karl Otto Pohl  
FORMER PRESIDENT, DEUTSCHE BUNDESBANK

Anthony R. Pustorino  
CERTIFIED PUBLIC ACCOUNTANT  
PROFESSOR, PACE UNIVERSITY

Salvatore J. Zizza  
CHAIRMAN, THE BETHLEHEM CORP.

OFFICERS

Mario J. Gabelli, CFA  
PRESIDENT & CHIEF INVESTMENT OFFICER

Bruce N. Alpert  
VICE PRESIDENT & TREASURER

Carter W. Austin  
VICE PRESIDENT

James E. McKee  
SECRETARY

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INVESTMENT ADVISOR

Gabelli Funds, LLC  
One Corporate Center  
Rye, New York 10580-1434

CUSTODIAN

Boston Safe Deposit and Trust Company

COUNSEL

Willkie Farr & Gallagher

TRANSFER AGENT AND REGISTRAR

State Street Bank and Trust Company

STOCK EXCHANGE LISTING

|                     | COMMON      | 7.25% PREFERRED |
|---------------------|-------------|-----------------|
|                     | -----       | -----           |
| NYSE-Symbol:        | GAB         | GAB Pr          |
| Shares Outstanding: | 126,803,143 | 5,368,900       |

The Net Asset Value appears in the Publicly Traded Funds column, under the heading "General Equity Funds," in Sunday's The New York Times and 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 may be obtained each day by calling (914) 921-5071.

For general information about the Gabelli Funds, call 1-800-GABELLI (1-800-422-3554), fax us at 914-921-5118, visit Gabelli Funds' Internet homepage at: [HTTP://WWW.GABELLI.COM](http://WWW.GABELLI.COM) or e-mail us at: [closedend@gabelli.com](mailto:closedend@gabelli.com)

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Equity Trust may, from time to time, purchase shares of its common stock in the open market when the Equity Trust shares are trading at a discount of 10% or more from the net asset value of the shares. The Equity Trust may also, from time to time, purchase shares of its Cumulative Preferred Stock in the open market when the shares are trading at a discount to the Liquidation Value of \$25.00.

THE GABELLI EQUITY TRUST INC.  
ONE CORPORATE CENTER  
RYE, NY 10580-1434  
(914) 921-5070  
[HTTP://WWW.GABELLI.COM](http://WWW.GABELLI.COM)

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MARCH 31, 2001

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