

## GABELLI EQUITY TRUST INC

Form 497

September 25, 2012

Table of ContentsPROSPECTUS SUPPLEMENT  
(To Prospectus dated May 31, 2012)Filed Pursuant to Rule 497(c)  
Registration Statement No. 333-173819**\$105,000,000****4,200,000 Shares 5.00% Series H Cumulative Preferred Stock****(Liquidation Preference \$25.00 per share)**

The Gabelli Equity Trust Inc. (the Fund, we, us or our ) is offering 4,200,000 shares of 5.00% Series H Cumulative Preferred Stock (the Series H Preferred Shares). The Series H Preferred Shares will constitute a separate series of the Fund's preferred shares. Investors in Series H Preferred Shares will be entitled to receive cumulative cash dividends at a rate of 5.00% per annum. Dividends and distributions on Series H Preferred Shares will be payable quarterly on March 26, June 26, September 26 and December 26 in each year commencing on December 26, 2012.

The Series H Preferred Shares are redeemable at our option on or after September 28, 2017, and are subject to mandatory redemption by us in certain circumstances.

The Fund is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act ). The Fund's primary investment objective is to achieve long-term growth of capital by investing primarily in a portfolio of equity securities consisting of common stock, preferred stock, convertible or exchangeable securities and warrants and rights to purchase such securities. Income is a secondary investment objective. The Fund's investment adviser is Gabelli Funds, LLC (the Investment Adviser ).

Shares of our common stock are listed on the New York Stock Exchange ( NYSE ) under the symbol GAB. On September 24, 2012, the last reported net asset value per share of our common stock was \$5.64 and the last reported sales price per share of our common stock on the NYSE was \$5.78. Shares of our 5.875% Series D Cumulative Preferred Stock (the Series D Preferred Shares ), our 6.20% Series F Cumulative Preferred Stock (the Series F Preferred Shares ), and our Series G Cumulative Preferred Stock (the Series G Preferred Shares ) are traded on the NYSE under the symbol GAB PrD, GAB PrF, and GAB PrG, respectively. On September 24, 2012, the last reported sales prices per share of Series D Preferred Shares, Series F Preferred Shares, and Series G Preferred Shares on the NYSE were \$25.92, \$25.50, and \$26.40, respectively. Our Series C Auction Rate Cumulative Preferred Stock (the Series C Preferred Shares ) and our Series E Auction Rate Cumulative Preferred Stock (the Series E Preferred Shares ) are not traded on a stock exchange.

Application has been made to list the Series H Preferred Shares on the NYSE. The Series H Preferred Shares are expected to commence trading on the NYSE within thirty days of the date of issuance.

An investment in the Fund is not appropriate for all investors. We cannot assure you that the Fund's investment objectives will be achieved. You should read this Prospectus Supplement and the accompanying Prospectus before deciding whether to invest in Series H Preferred Shares and retain it for future reference. The Prospectus Supplement and the accompanying Prospectus contain important information about us. Material that has been incorporated by reference and other information about us can be obtained from us by calling 800-GABELLI (422-3554) or from the Securities and Exchange Commission's ( SEC ) website (<http://www.sec.gov>).

**Investing in Series H Preferred Shares involves certain risks that are described in the Special Characteristics and Risks of the Series H Preferred Shares section of this Prospectus Supplement and the Risk Factors and Special Considerations section beginning on page 19 of the accompanying Prospectus.**

**Neither the SEC nor any state securities commission has approved or disapproved these securities or determined if this Prospectus Supplement is truthful or complete. Any representation to the contrary is a criminal offense.**

	Per Share	Total
Public offering price	\$25.00	\$105,000,000
Underwriting discounts and commissions	\$0.7875	\$3,307,500
Proceeds, before expenses, to the Fund <sup>(1)</sup>	\$24.2125	\$101,692,500

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- (1) The aggregate expenses of the offering (excluding underwriting discounts and commissions) are estimated to be \$525,000, which represents approximately \$0.003 per common share.  
The Underwriters are expected to deliver the Series H Preferred Shares in book-entry form through the Depository Trust Company on or about September 28, 2012.

**BofA Merrill Lynch**

**Gabelli & Company, Inc.**

**Oppenheimer & Co.**

**RBC Capital Markets**

The date of this Prospectus Supplement is September 24, 2012

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**You should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. Neither the Fund nor the underwriters have authorized anyone to provide you with different information. The Fund is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this Prospectus Supplement and the accompanying Prospectus is accurate as of any date other than the date of this Prospectus Supplement and the accompanying Prospectus, respectively. Our business, financial condition, results of operations and prospects may have changed since those dates. In this Prospectus Supplement and in the accompanying Prospectus, unless otherwise indicated, Fund, us, our and we refer to The Gabelli Equity Trust Inc.**

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**CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus Supplement, the accompanying Prospectus and the Statement of Additional Information contain forward-looking statements. Forward-looking statements can be identified by the words may, will, intend, expect, estimate, continue, plan, anticipate, and similar terms, or the negative of such terms. Such forward-looking statements may be contained in this Prospectus Supplement as well as in the accompanying Prospectus. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect our actual results are the performance of the portfolio of securities we hold, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the SEC.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the Risk Factors and Special Considerations section of the accompanying Prospectus and Special Characteristics and Risks of the Series H Preferred Shares in this Prospectus Supplement. All forward-looking statements contained or incorporated by reference in this Prospectus Supplement or the accompanying Prospectus are made as of the date of this Prospectus Supplement or the accompanying Prospectus, as the case may be. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this Prospectus Supplement, the accompanying Prospectus and the Statement of Additional Information are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended (the Securities Act ).

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the Risk Factors and Special Considerations section of the accompanying Prospectus as well as in the Special Characteristics and Risks of the Series H Preferred Shares section of this Prospectus Supplement. We urge you to review carefully those sections for a more detailed discussion of the risks of an investment in the Series H Preferred Shares.

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**SUMMARY OF THE TERMS OF THE SERIES H PREFERRED SHARES**

<b>The Fund</b>	<p>The Gabelli Equity Trust Inc. (the Fund ) is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act ). The Fund s primary investment objective is to achieve long-term growth of capital by investing primarily in a portfolio of equity securities consisting of common stock, preferred stock, convertible or exchangeable securities, and warrants and rights to purchase such securities. Income is a secondary investment objective. The Fund s investment adviser is Gabelli Funds, LLC (the Investment Adviser ). The Fund was organized as a Maryland corporation on May 20, 1986 and commenced its investment operations on August 21, 1986. Shares of our common stock are traded on the New York Stock Exchange (the NYSE ) under the symbol GAB.</p>
<b>Securities Offered</b>	<p>4,200,000 shares of 5.00% Series H Cumulative Preferred Stock (the Series H Preferred Shares ). Series H Preferred Shares shall constitute a separate series of preferred stock of the Fund.</p>
<b>Dividend Rate</b>	<p>Dividends and distributions on Series H Preferred Shares are cumulative from their original issue date at the annual rate of 5.00%.</p>
<b>Dividend Payment Date</b>	<p>Holders of Series H Preferred Shares shall be entitled to receive, when, as and if declared by, or under authority granted by, the Board of Directors, out of funds legally available therefor, cumulative cash dividends and distributions. Dividends and distributions will be paid quarterly on March 26, June 26, September 26, and December 26 in each year, commencing on December 26, 2012.</p>
<b>Liquidation Preference</b>	<p>\$25.00 per share.</p>
<b>Use of Proceeds</b>	<p>The Fund expects to use the proceeds of the offering of the Series H Preferred Shares to redeem the outstanding shares of its 6.20% Series F Cumulative Preferred Stock (the Series F Preferred Shares ). Amounts in excess of the redemption amount for all outstanding Series F Preferred Shares may be used to call other existing series of preferred stock of the Fund or for investment purposes consistent with the investment objectives of the Fund.</p> <p>The Investment Adviser anticipates that any investment of the proceeds will be made in accordance with the Fund s investment objectives and policies as appropriate investment opportunities are identified, which is expected to be substantially completed in approximately three months; however, the identification of appropriate investment opportunities pursuant to the Fund s investment style or changes in market conditions may cause the investment period to extend as long as six months.</p> <p>Pending such redemption and/or investment, the proceeds will be held in high quality short-term debt securities and similar instruments. <i>See Use of Proceeds.</i></p>

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**Non-Call Period/Redemption**

The Series H Preferred Shares generally may not be called for redemption at the option of the Fund prior to September 28, 2017. The Fund reserves the right, however, to redeem the Series H Preferred Shares at any time if it is necessary, in the judgment of the Board of Directors, to meet tax, regulatory or rating agency asset coverage requirements.

Commencing September 28, 2017, and thereafter, to the extent permitted by the 1940 Act and Maryland law, the Fund may at any time, upon notice of redemption, redeem the Series H Preferred Shares in whole or in part at the liquidation preference per share plus accumulated unpaid dividends through the date of redemption.

**Stock Exchange Listing**

Application has been made to list the Series H Preferred Shares on the NYSE. Prior to the offering, there has been no public market for Series H Preferred Shares. It is anticipated that trading on the NYSE will begin within thirty days from the date of this Prospectus Supplement. During such period, the underwriters do not intend to make a market in Series H Preferred Shares. Consequently, it is anticipated that, prior to the commencement of trading on the NYSE, an investment in Series H Preferred Shares will be illiquid.

**Taxation/ERISA**

The Fund expects that distributions made on the Series H Preferred Shares will consist of (i) long-term capital gain (gain from the sale of a capital asset held longer than 12 months), (ii) qualified dividend income (dividend income from certain domestic and foreign corporations, provided certain holding period and other requirements are met by both the Fund and the shareholder), and (iii) investment company taxable income (other than qualified dividend income, including interest income, short-term capital gain and income from certain hedging and interest rate transactions). For individuals, the maximum federal income tax rate on long-term capital gain is currently 15%, on qualified dividend income is 15%, and on ordinary income (such as distributions from investment company taxable income that are not eligible for treatment as qualified dividend income) is currently 35%. These tax rates are scheduled to apply through the end of 2012, after which the maximum federal income tax rates on long-term capital gain and ordinary income are scheduled to increase to 20% and 39.6%, respectively, and qualified dividend income will no longer be subject to reduced tax rates (instead, it will be taxed at ordinary income rates). We cannot assure you, however, as to what percentage of future distributions made on the Series H Preferred Shares will consist of long-term capital gain, which is currently taxed at lower rates for individuals than ordinary income, and qualified dividend income, which is currently eligible to be taxed at the lower long-term capital gain rates. *See Taxation and Employee Benefit Plan and IRA Considerations.*

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**DESCRIPTION OF THE SERIES H PREFERRED SHARES**

The following is a brief description of the terms of the Series H Preferred Shares. This is not a complete description and is subject to and entirely qualified by reference to the Fund's Articles Supplementary creating and fixing the rights of the Series H Preferred Shares (the "Articles"). The Articles are attached as an exhibit to post-effective amendment number 4 to the Fund's registration statement. Copies may be obtained as described under "Additional Information" in the accompanying Prospectus. Any capitalized terms in this section and the "Special Characteristics and Risks of the Series H Preferred Shares" section of this Prospectus Supplement that are not defined have the meaning assigned to them in the Articles.

The Fund's charter (the "Charter") authorizes its Board of Directors to reclassify any authorized but unissued shares of the Fund's capital stock, \$0.001 par value per share, without the approval of common stockholders. The Articles authorize the issuance of up to 4,200,000 Series H Preferred Shares. All Series H Preferred Shares will have a liquidation preference of \$25.00 per share. Holders of Series H Preferred Shares shall be entitled to receive cumulative cash dividends and distributions at the rate of 5.00% per annum (computed on the basis of a 360-day year consisting of twelve 30-day months) of the \$25.00 liquidation preference on the Series H Preferred Shares. Dividends and distributions on Series H Preferred Shares will accumulate from the date of their original issue, which is September 28, 2012.

The Series H Preferred Shares, when issued by the Fund and paid for pursuant to the terms of this Prospectus Supplement and the accompanying Prospectus, will be fully paid and non-assessable and will have no preemptive, exchange or conversion rights. Any Series H Preferred Shares purchased or redeemed by the Fund will be classified as authorized and unissued Series H Preferred Shares. The Board of Directors may by resolution classify or reclassify any authorized and unissued Series H Preferred Shares from time to time by setting or changing the preferences, rights, voting powers, restrictions, limitations as to dividends and distributions, qualifications or terms or conditions of redemption of such shares.

**USE OF PROCEEDS**

We estimate the total net proceeds of the offering to be \$101,167,500 based on the public offering price of \$25.00 per share and after deduction of the underwriting discounts and commissions and estimated offering expenses payable by the Fund.

The Fund expects to use the proceeds of the offering of the Series H Preferred Shares to redeem the outstanding Series F Preferred Shares. Amounts in excess of the redemption amount for all outstanding Series F Preferred Shares may be used to call other existing series of preferred stock of the Fund or for investment purposes consistent with the investment objectives of the Fund.

The Investment Adviser anticipates that any investment of the proceeds will be made in accordance with the Fund's investment objectives and policies as appropriate investment opportunities are identified, which is expected to be substantially completed in approximately three months; however, the identification of appropriate investment opportunities pursuant to the Fund's investment style or changes in market conditions may cause the investment period to extend as long as six months. Pending such investment, the proceeds will be held in high quality short-term debt securities and similar instruments.



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The following table sets forth (i) the unaudited capitalization of the Fund as of June 30, 2012, (ii) the unaudited adjusted capitalization of the Fund as of the date of this Prospectus Supplement reflecting certain rights and stock offerings consummated after June 30, 2012 and (iii) the unaudited further adjusted capitalization of the Fund assuming the issuance of the Series H Preferred Shares offered in this Prospectus Supplement and the use of proceeds thereof.

	<b>Actual</b>	<b>As adjusted</b>	<b>As further adjusted*</b>
Preferred shares, \$0.001 par value per share. (The Actual column reflects the Fund's outstanding capitalization as of June 30, 2012; the As adjusted column reflects the Fund's outstanding capitalization as of the date of this Prospectus Supplement, giving effect to certain rights and stock offerings consummated after June 30, 2012; and the As further adjusted column assumes the issuance of 4,200,000 Series H Preferred Shares at \$25 liquidation preference per share)*	\$ 305,356,550	\$ 358,214,825	\$ 463,214,825
Shareholders' equity applicable to common shares:			
Common shares, \$0.001 par value per share; 186,201,454 shares outstanding	186,201	186,201	186,201
Paid-in surplus**	613,893,894	613,392,894	609,560,394
Accumulated net investment income	490,195	490,195	490,195
Accumulated net realized loss on investments, futures contracts and foreign currency transactions	(83,508,067)	(83,508,067)	(83,508,067)
Net unrealized appreciation on investments and foreign currency translations	456,753,368	456,753,368	456,753,368
Net assets applicable to common shares	987,815,591	987,314,591	983,482,091
Liquidation preference of preferred shares	305,356,550	358,214,825	463,214,825
Net assets, plus the liquidation preference of preferred shares	1,293,172,141	1,345,529,416	1,446,696,916

\* On September 26, 2012, 2,120,000 Series F Preferred Shares will be redeemed at a liquidation preference of \$25 per share.

\*\* As adjusted paid-in surplus reflects a deduction for the estimated solicitation fees of \$151,000 and estimated offering costs of \$350,000 for the Series G Preferred Shares, and as further adjusted paid-in surplus reflects a deduction for the estimated solicitation fees and underwriting discounts of \$3,458,500 and estimated offering costs of \$875,000 for the Series G Preferred Shares and the Series H Preferred Shares.

For financial reporting purposes, the Fund is required to deduct the liquidation preference of its outstanding preferred shares from net assets, so long as the senior securities have redemption features that are not solely within the control of the Fund. For all regulatory purposes, shares of the Fund's preferred stock will be treated as equity (rather than debt).

**ASSET COVERAGE RATIO**

Pursuant to the 1940 Act, the Fund generally will not be permitted to declare any dividend, or declare any other distribution, upon any outstanding shares of common stock, or purchase any such common stock, unless, in every such case, all shares of preferred stock issued by the Fund have at the time of declaration of any such dividend or distribution or at the time of any such purchase an asset coverage of at least 200% (1940 Act Asset Coverage Requirement) after deducting the amount of such dividend, distribution, or purchase price, as the case may be. As of the date of this Prospectus Supplement, all of the Fund's outstanding shares of preferred stock are expected to have asset coverage on the date of issuance of the Series H Preferred Shares of approximately 312%.

In addition to the 1940 Act Asset Coverage Requirement, the Fund is subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which have issued ratings for certain of the preferred shares and may issue a rating for the Series H Preferred Shares.

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**SPECIAL CHARACTERISTICS AND RISKS OF THE SERIES H PREFERRED SHARES**

**Dividends**

Holders of Series H Preferred Shares shall be entitled to receive cumulative cash dividends and distributions at the rate of 5.00% per annum (computed on the basis of a 360-day year consisting of twelve 30-day months) of the \$25.00 liquidation preference on the Series H Preferred Shares. Dividends and distributions on Series H Preferred Shares will accumulate from the date of their original issue, which is September 28, 2012.

Dividends and distributions will be payable quarterly on March 26, June 26, September 26 and December 26 in each year (each a Dividend Payment Date) commencing on December 26, 2012 (or, if any such day is not a business day, then on the next succeeding business day) to holders of record of Series H Preferred Shares as they appear on the stock register of the Fund at the close of business on the fifth preceding business day. Dividends and distributions on Series H Preferred Shares shall accumulate from the date on which the shares are originally issued. Each period beginning on and including a Dividend Payment Date (or the date of original issue, in the case of the first dividend period after issuance of the Series H Preferred Shares) and ending on but excluding the next succeeding Dividend Payment Date is referred to herein as a Dividend Period. Dividends and distributions on account of arrears for any past Dividend Period or in connection with the redemption of Series H Preferred Shares may be declared and paid at any time, without reference to any Dividend Payment Date, to holders of record on such date as shall be fixed by the Board of Directors.

No full dividends or distributions will be declared or paid on Series H Preferred Shares for any Dividend Period or part thereof unless full cumulative dividends and distributions due through the most recent Dividend Payment Dates therefor for all series of preferred stock of the Fund ranking on a parity with the Series H Preferred Shares as to the payment of dividends and distributions have been or contemporaneously are declared and paid through the most recent Dividend Payment Dates therefor. If full cumulative dividends and distributions due have not been paid on all outstanding shares of the Fund's preferred stock, any dividends and distributions being paid on such shares of preferred stock (including the Series H Preferred Shares) will be paid as nearly pro rata as possible in proportion to the respective amounts of dividends and distributions accumulated but unpaid on each such series of preferred stock on the relevant Dividend Payment Date.

*Restrictions on Dividend, Redemption and Other Payments.* Under the 1940 Act, the Fund is not permitted to issue preferred stock (such as the Series H Preferred Shares) unless immediately after such issuance the Fund will have an asset coverage of at least 200% (or such other percentage as may in the future be specified in or under the 1940 Act as the minimum asset coverage for senior securities representing stock of a closed-end investment company as a condition of declaring distributions, purchases or redemptions of its shares). In general, the term asset coverage for this purpose means the ratio the value of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities, bears to the aggregate amount of senior securities representing indebtedness of the Fund plus the aggregate of the involuntary liquidation preference of the preferred shares. The involuntary liquidation preference refers to the amount to which the preferred shares would be entitled on the involuntary liquidation of the Fund in preference to a security junior to them. The Fund also is not permitted to declare any cash dividend or other distribution on its common stock or purchase its common stock unless, at the time of such declaration or purchase, the Fund satisfies this 200% asset coverage requirement after deducting the amount of the distribution or purchase price, as applicable.

In addition, the Fund may be limited in its ability to declare any cash distribution on its capital stock (including the Series H Preferred Shares) or purchase its capital stock (including the Series H Preferred Shares) unless, at the time of such declaration or purchase, the Fund has an asset coverage on its indebtedness, if any, of at least 300% after deducting the amount of such distribution or purchase price, as applicable. The 1940 Act contains an exception, however, that permits dividends to be declared upon any preferred stock issued by the Fund (including the Series H Preferred Shares) if the Fund's indebtedness has an asset coverage of at least 200% at the time of declaration after deducting the amount of the dividend. In general, the term asset coverage for

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this purpose means the ratio which the value of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities, bears to the aggregate amount of senior securities representing indebtedness of the Fund.

The term *senior security* does not include any promissory note or other evidence of indebtedness in any case where such a loan is for temporary purposes only and in an amount not exceeding 5% of the value of the total assets of the Fund at the time when the loan is made. A loan is presumed under the 1940 Act to be for temporary purposes if it is repaid within 60 days and is not extended or renewed; otherwise it is presumed not to be for temporary purposes. For purposes of determining whether the 200% and 300% asset coverage requirements described above apply in connection with dividends or distributions on or purchases or redemptions of Series H Preferred Shares, the asset coverages may be calculated on the basis of values calculated as of a time within 48 hours (not including Sundays or holidays) next preceding the time of the applicable determination.

## **Voting Rights**

Except as otherwise provided in the Fund's governing documents or a resolution of the Board of Directors or its delegatee, or as required by applicable law, holders of Series H Preferred Shares shall have no power to vote on any matter except matters submitted to a vote of the Fund's shares of common stock. In any matter submitted to a vote of the holders of the shares of common stock, each holder of Series H Preferred Shares shall be entitled to one vote for each Series H Preferred Share held and the holders of all outstanding shares of preferred stock, including Series H Preferred Shares, and the shares of common stock shall vote together as a single class; provided, however, that at any meeting of the stockholders of the Fund held for the election of Directors, the holders of the outstanding shares of preferred stock, including Series H Preferred Shares, shall be entitled, as a class, to the exclusion of the holders of all other classes of capital stock of the Fund, to elect a number of Fund directors, such that following the election of directors at the meeting of the stockholders, the Fund's Board of Directors shall contain two directors elected by the holders of the outstanding shares of preferred stock, including the Series H Preferred Shares.

During any period in which any one or more of the conditions described below shall exist (such period being referred to herein as a *Voting Period*), the number of directors constituting the Board of Directors shall be increased by the smallest number of additional directors that, when added to the two directors elected exclusively by the holders of outstanding shares of preferred stock, would constitute a simple majority of the Board of Directors as so increased by such smallest number, and the holders of outstanding shares of preferred stock, including the Series H Preferred Shares, voting separately as one class (to the exclusion of the holders of all other classes of capital stock of the Fund) shall be entitled to elect such smallest number of additional directors. The Fund and the Board of Directors shall take all necessary actions, including amending the Fund's governing documents, to effect an increase in the number of directors as described in the preceding sentence. A *Voting Period* shall commence:

- (i) if at any time accumulated dividends and distributions on the outstanding Series H Preferred Shares equal to at least two full years dividends and distributions shall be due and unpaid; or
- (ii) if at any time holders of any other shares of preferred stock are entitled to elect a majority of the Directors of the Fund under the 1940 Act or articles supplementary or other instrument creating such shares.

## **Redemption**

*Mandatory Redemption.* Under certain circumstances, the Series H Preferred Shares will be subject to mandatory redemption by the Fund out of funds legally available therefor in accordance with the Articles and applicable law.

If the Fund fails to have asset coverage, as determined in accordance with Section 18(h) of the 1940 Act, of at least 200% with respect to all outstanding senior securities of the Fund which are stock, including all

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outstanding Series H Preferred Shares (or such other asset coverage as may in the future be specified in or under the 1940 Act as the minimum asset coverage for senior securities which are stock of a closed-end investment company as a condition of declaring dividends on its common stock), and such failure is not cured as of the cure date specified in the Articles, (i) the Fund shall give a notice of redemption with respect to the redemption of a sufficient number of preferred shares, which at the Fund's determination (to the extent permitted by the 1940 Act and Maryland law) may include any proportion of Series H Preferred Shares, to enable it to meet the asset coverage requirements, and, at the Fund's discretion, such additional number of Series H Preferred Shares or other preferred stock in order for the Fund to have asset coverage with respect to the Series H Preferred Shares and any other preferred stock remaining outstanding after such redemption as great as 210%, and (ii) deposit an amount with Computershare Trust Company, N.A., and its successors or any other dividend-disbursing agent appointed by the Fund, having an initial combined value sufficient to effect the redemption of the Series H Preferred Shares or other preferred stock to be redeemed.

On such cure date, the Fund shall redeem, out of funds legally available therefor, the number of preferred shares, which, to the extent permitted by the 1940 Act and Maryland law, at the option of the Fund may include any proportion of Series H Preferred Shares or any other series of preferred stock, equal to the minimum number of shares the redemption of which, if such redemption had occurred immediately prior to the opening of business on such cure date, would have resulted in the Fund having asset coverage immediately prior to the opening of business on such cure date in compliance with the 1940 Act or, if asset coverage cannot be so restored, all of the outstanding Series H Preferred Shares, at a price equal to \$25.00 per share plus accumulated but unpaid dividends and distributions (whether or not earned or declared by the Fund) through the date of redemption.

*Optional Redemption.* Prior to September 28, 2017, the Series H Preferred Shares are not subject to optional redemption by the Fund unless the redemption is necessary, in the judgment of the Board of Directors, to maintain the Fund's status as a regulated investment company under Subchapter M of the Internal Revenue Code. Commencing September 28, 2017 and thereafter, to the extent permitted by the 1940 Act and Maryland law, the Fund may at any time upon notice redeem the Series H Preferred Shares in whole or in part at a price equal to the liquidation preference per share plus accumulated but unpaid dividends through the date of redemption.

**Liquidation**

In the event of any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the holders of Series H Preferred Shares shall be entitled to receive out of the assets of the Fund available for distribution to stockholders, after satisfying claims of creditors but before any distribution or payment shall be made in respect of the Fund's common stock or any other stock of the Fund ranking junior to the Series H Preferred Shares as to liquidation payments, a liquidation distribution in the amount of \$25.00 per share (the Liquidation Preference), plus an amount equal to all unpaid dividends and distributions accumulated to and including the date fixed for such distribution or payment (whether or not earned or declared by the Fund, but excluding interest thereon), and such holders shall be entitled to no further participation in any distribution or payment in connection with any such liquidation, dissolution or winding up of the Fund.

If, upon any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the assets of the Fund available for distribution among the holders of all outstanding Series H Preferred Shares, and any other outstanding shares of a class or series of the Fund's preferred stock ranking on a parity with the Series H Preferred Shares as to payment upon liquidation, shall be insufficient to permit the payment in full to such holders of Series H Preferred Shares of the Liquidation Preference plus accumulated and unpaid dividends and distributions and the amounts due upon liquidation with respect to such other preferred stock of the Fund, then such available assets shall be distributed among the holders of Series H Preferred Shares and such other preferred stock of the Fund ratably in proportion to the respective preferential liquidation amounts to which they are entitled. Unless and until the Liquidation Preference plus accumulated and unpaid dividends and distributions has been paid in full to the holders of Series H Preferred Shares, no dividends or distributions will be made to holders of the Fund's common stock or any other stock of the Fund ranking junior to the Series H Preferred Shares as to liquidation.

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### **Stock Exchange Listing**

Application has been made to list the Series H Preferred Shares on the NYSE. The Series H Preferred Shares are expected to commence trading on the NYSE within thirty days of the date of issuance.

### **Risks**

Risk is inherent in all investing. Therefore, before investing in the Series H Preferred Shares you should consider the risks carefully. See Risk Factors and Special Considerations in the Prospectus. Primary risks associated with an investment in the Series H Preferred Shares include:

**Market Price Risk.** The market price for the Series H Preferred Shares will be influenced by changes in interest rates, the perceived credit quality of the Series H Preferred Shares and other factors, and may be higher or lower than the liquidation preference of the Series H Preferred Shares. There is currently no market for the Series H Preferred Shares.

**Liquidity Risk.** Currently, there is no public market for the Series H Preferred Shares. As noted above, an application has been made to list the Series H Preferred Shares on the NYSE. However, during an initial period which is not expected to exceed thirty days after the date of its issuance, the Series H Preferred Shares will not be listed on any securities exchange. During such period, the underwriters do not intend to make a market in the Series H Preferred Shares. No assurances can be provided that listing on any securities exchange or market making by the underwriters will result in the market for Series H Preferred Shares being liquid at any time.

**Redemption Risk.** The Fund may at any time redeem Series H Preferred Shares to the extent necessary to meet regulatory asset coverage requirements or requirements imposed by credit rating agencies. For example, if the value of the Fund's investment portfolio declines, thereby reducing the asset coverage for the Series H Preferred Shares, the Fund may be obligated under the terms of the Series H Preferred Shares to redeem some or all of the Series H Preferred Shares. In addition, commencing September 28, 2017, the Fund will be able to call the Series H Preferred Shares at the option of the Fund. Investors may not be able to reinvest the proceeds of any redemption in an investment providing the same or a higher dividend rate than that of the Series H Preferred Shares.

The Series H Preferred Shares are not a debt obligation of the Fund. The Series H Preferred Shares are junior in respect of distributions and liquidation preference to any indebtedness incurred by the Fund, and are of the same ranking as the distributions and liquidation preference of the Series C Preferred Shares, Series D Preferred Shares, Series E Preferred Shares, Series F Preferred Shares, and Series G Preferred Shares. Although unlikely, precipitous declines in the value of the Fund's assets could result in the Fund having insufficient assets to redeem all of the Series H Preferred Shares for the full redemption price.

**Credit Rating Risk.** The Fund is seeking a credit rating on the Series H Preferred Shares. Any credit rating that is issued on the Series H Preferred Shares could be reduced or withdrawn while an investor holds Series H Preferred Shares. A reduction or withdrawal of the credit rating would likely have an adverse effect on the market value of the Series H Preferred Shares. In addition, a credit rating does not eliminate or mitigate the risks of investing in the Series H Preferred Shares.

**Distribution Risk.** The Fund may not meet the asset coverage requirements or earn sufficient income from its investments to make distributions on the Series H Preferred Shares.

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**TAXATION**

*Preferred Stock Distributions.* In accordance with the Fund's Charter and as required by the 1940 Act, all preferred stock of the Fund must have the same seniority with respect to distributions. Accordingly, no full distribution will be declared or paid on any series of preferred stock of the Fund for any dividend period, or part thereof, unless full cumulative dividends and distributions due through the most recent dividend payment dates for all series of outstanding preferred stock of the Fund are declared and paid. If full cumulative distributions due have not been declared and made on all outstanding preferred stock of the Fund, any distributions on such preferred stock will be made as nearly pro rata as possible in proportion to the respective amounts of distributions accumulated but unmade on each such series of preferred stock on the relevant dividend payment date.

In the event that for any calendar year the total distributions on shares of the Fund's preferred stock exceed the Fund's current and accumulated earnings and profits allocable to such shares, the excess distributions will generally be treated as a tax-free return of capital (to the extent of the stockholder's tax basis in the shares). The amount treated as a tax-free return of capital will reduce a stockholder's adjusted tax basis in the preferred stock, thereby increasing the stockholder's potential taxable gain or reducing the potential taxable loss on the sale or redemption of the stock. The Fund did not make return of capital distributions to its preferred stockholders during the year ended December 31, 2011.

The Fund expects that distributions made on the Series H Preferred Shares will consist of (i) long-term capital gain (gain from the sale of a capital asset held longer than 12 months), (ii) qualified dividend income (dividend income from certain domestic and foreign corporations, provided certain holding period and other requirements are met by both the Fund and the shareholder), and (iii) investment company taxable income (other than qualified dividend income, including interest income, short-term capital gain and income from certain hedging and interest rate transactions). For individuals, the maximum federal income tax rate on long-term capital gain is currently 15%, on qualified dividend income is 15%, and on ordinary income (such as distributions from investment company taxable income that are not eligible for treatment as qualified dividend income) is currently 35%. These tax rates are scheduled to apply through the end of 2012, after which the maximum federal income tax rates on long-term capital gain and ordinary income are scheduled to increase to 20% and 39.6%, respectively, and qualified dividend income will no longer be subject to reduced tax rates (instead, it will be taxed at ordinary income rates). We cannot assure you, however, as to what percentage of future distributions made on the Series H Preferred Shares will consist of long-term capital gain, which is currently taxed at lower rates for individuals than ordinary income, and qualified dividend income, which is currently eligible to be taxed at the lower long-term capital gain rates.

In addition, the discussion of the Taxation of the Fund in the Fund's Statement of Additional Information is supplemented as follows:

In certain situations, the Fund may, for a taxable year, defer all or a portion of its net capital loss realized after October and its late-year ordinary loss (defined generally as the excess of (i) post-October foreign currency and passive foreign investment company (PFIC) mark-to-market losses, other post-October ordinary losses from the sale of property and other post-December ordinary losses over (ii) post-October foreign currency and PFIC mark-to-market gains, other post-October ordinary gains from the sale of property and other post-December ordinary income) until the next taxable year in computing its investment company taxable income and net capital gain, which will defer the recognition of such realized losses. Such deferrals and other rules regarding gains and losses realized after October (or December) may affect the tax character of stockholder distributions.

*Please refer to the Taxation sections in the accompanying Prospectus and Statement of Additional Information for a description of additional consequences of investing in the shares of preferred stock of the Fund.*

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**EMPLOYEE BENEFIT PLAN AND IRA CONSIDERATIONS**

The following is a summary of certain considerations associated with the purchase of the Series H Preferred Shares by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ), plans, individual retirement accounts ( IRAs ) and other arrangements that are subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the Code ), and entities whose underlying assets are considered to include plan assets of any such plan, account or arrangement (each, a Benefit Plan ).

ERISA and the Code impose certain duties on persons who are fiduciaries of a Benefit Plan and prohibit certain transactions involving the assets of a Benefit Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Benefit Plan or the management or disposition of the assets of such a Benefit Plan, or who renders investment advice for a fee or other compensation to such a Benefit Plan, is generally considered to be a fiduciary of the Benefit Plan.

In considering an investment in the Series H Preferred Shares of a portion of the assets of any Benefit Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Benefit Plan and the applicable provisions of ERISA and Section 4975 of the Code relating to a fiduciary's duties to the Benefit Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA and the Code. The purchase of Series H Preferred Shares by a fiduciary for a Benefit Plan should be considered in light of such fiduciary requirements.

In addition, Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Benefit Plan and certain persons (referred to as parties in interest for purposes of ERISA and disqualified persons for purposes of the Code) having certain relationships to such Benefit Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a nonexempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code (or with respect to certain Benefit Plans, such as IRAs, a prohibited transaction may cause the Benefit Plan to lose its tax-exempt status). In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions ( PTCEs ) that may apply to the purchase of the Series H Preferred. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers, PTCE 84-24 governing purchases of shares in investment companies) and PTCE 75-1 respecting sales of securities. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code each provides a limited exemption, commonly referred to as the service provider exemption, from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions between a Benefit Plan and a person that is a party in interest and/or a disqualified person (other than a fiduciary or an affiliate that, directly or indirectly, has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Benefit Plan involved in the transaction) solely by reason of providing services to the Benefit Plan or by relationship to a service provider, provided that the Benefit Plan receives no less, nor pays no more, than adequate consideration. There can be no assurance that all of the conditions of any such exemptions or any other exemption will be satisfied at the time that the Series H Preferred Shares are acquired, or thereafter while the Series H Preferred Shares are held, if the facts relied upon for utilizing a prohibited transaction exemption change.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Series H Preferred Shares on behalf of, or with the assets of, any Benefit Plan, consult with their counsel regarding the potential applicability of ERISA and Section 4975 of the Code to such investment and whether an exemption would be applicable to the purchase of the Series H Preferred Shares.

**Table of Contents****UNDERWRITING**

Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as representative of each of the underwriters named below. Subject to the terms and conditions set forth in a firm commitment underwriting agreement among the Fund, the Investment Adviser and the underwriters, the Fund has agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from the Fund, the number of Series H Preferred Shares set forth opposite its name below.

<b><u>Underwriter</u></b>	<b>Number of Shares of Series H Preferred Shares</b>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	3,546,000
Gabelli & Company, Inc.	360,000
Oppenheimer & Co. Inc.	63,000
RBC Capital Markets, LLC	63,000
Ameriprise Financial Services, Inc.	21,000
Janney Montgomery Scott LLC	21,000
Wedbush Securities Inc.	21,000
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	10,500
C.L. King & Associates, Inc.	10,500
D.A. Davidson & Co.	10,500
Davenport & Company LLC	10,500
HRC Investment Services, Inc.	10,500
Keefe, Bruyette & Woods, Inc.	10,500
Maxim Group LLC	10,500
Robert W. Baird & Co. Incorporated	10,500
Southwest Securities, Inc.	10,500
William Blair & Company, L.L.C.	10,500
<b>Total</b>	<b>4,200,000</b>

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the Series H Preferred Shares sold under the underwriting agreement if any of the Series H Preferred Shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

The Fund and the Investment Adviser have each agreed to indemnify the underwriters and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the Series H Preferred Shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Series H Preferred Shares, and other conditions contained in the underwriting agreement, such as the receipt by the



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underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

### **Commissions and Discounts**

The representative has advised us that the underwriters propose initially to offer the Series H Preferred Shares to the public at the public offering price set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession not in excess of \$0.50 per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The expenses of the offering, not including the underwriting discount, are estimated at \$525,000 and are payable by the Fund.

Application has been made to list the Series H Preferred Shares on the NYSE. Prior to the offering, there has been no public market for the Series H Preferred Shares. The Series H Preferred Shares are expected to commence trading on the NYSE within thirty days of the date of issuance. During such period, the underwriters do not intend to make a market in the Series H Preferred Shares. Consequently, it is anticipated that, prior to the commencement of trading on the NYSE, an investment in Series H Preferred Shares will be illiquid.

If a secondary trading market develops prior to the commencement of trading on the NYSE, holders of the Series H Preferred Shares may be able to sell such shares only at substantial discounts from the liquidation preference of the Series H Preferred Shares.

### **No Sales of Similar Securities**

The Fund and the Investment Adviser have agreed that the Fund will not, for a period of 90 days from the date of this Prospectus Supplement, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, any of its preferred shares or securities exchangeable for or convertible into its preferred shares, except for the Series H Preferred Shares sold to the underwriters pursuant to the underwriting agreement.

### **Short Positions**

In connection with the offering, the underwriters may purchase and sell Series H Preferred Shares in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of Series H Preferred Shares than they are required to purchase in the offering. The underwriters must close out any short position by purchasing Series H Preferred Shares in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Series H Preferred Shares in the open market after pricing that could adversely affect investors who purchase in the offering.

The underwriters may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the representative repurchases Series H Preferred Shares originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Series H Preferred Shares or preventing or retarding a decline in the market price of the Series H Preferred Shares. As a result, the price of the Series H Preferred Shares may be higher than the price that might otherwise exist in the open market.

None of the Fund, the Investment Adviser or any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the

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Series H Preferred Shares. In addition, none of the Fund, the Investment Adviser or any of the underwriters makes any representation that the representative will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

**Other Relationships**

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Fund, the Investment Adviser or their respective affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Fund, the Investment Adviser or their respective affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Fund anticipates that, from time to time, certain underwriters may act as brokers or dealers in connection with the Fund's execution of the Fund's portfolio transactions after they have ceased to be underwriters and, subject to certain restrictions, may act as brokers while they are underwriters.

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Gabelli & Company, Inc. is a wholly-owned subsidiary of Gabelli Securities, Inc., which is a majority-owned subsidiary of the parent company of the Investment Adviser, which is, in turn, indirectly majority-owned by Mario J. Gabelli. As a result of these relationships, Mr. Gabelli may be deemed to be a controlling person of Gabelli & Company, Inc.

The principal business address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is One Bryant Park, New York, New York 10036. The principal business address of Gabelli & Company, Inc. is One Corporate Center, Rye, New York 10580. The principal business address of Oppenheimer & Co., Inc. is 125 Broad Street, New York, New York 10004. The principal business address of RBC Capital Markets, LLC is 3 World Financial Center, 200 Vesey Street, 8<sup>th</sup> Floor, New York, New York 10281.

**LEGAL MATTERS**

Certain legal matters will be passed on by Willkie Farr & Gallagher LLP, New York, New York, counsel to the Fund in connection with the offering of the Series H Preferred Shares. Certain legal matters in connection with this offering will be passed upon for the underwriters by Simpson Thacher & Bartlett LLP. Willkie Farr & Gallagher LLP and Simpson Thacher & Bartlett LLP may rely as to certain matters of Maryland law on the opinion of Venable LLP.

**FINANCIAL STATEMENTS**

The Fund's unaudited financial statements for the period ended June 30, 2012 included below should be read in conjunction with the audited financial statements of the Fund and the Notes thereto included in the Annual Report to the Fund's stockholders for the fiscal year ended December 31, 2011. The audited financial statements of the Fund are incorporated by reference into this Prospectus Supplement, the accompanying Prospectus and the Statement of Additional Information.

Table of Contents**The Gabelli Equity Trust Inc.****Semiannual Report June 30, 2012****To Our Shareholders,**

For the six months ended June 30, 2012, the net asset value ( NAV ) total return of The Gabelli Equity Trust Inc. (the Fund ) was 7.6%, compared with total returns of 9.5% and 6.8% for the Standard & Poor's ( S&P ) 500 Index and the Dow Jones Industrial Average, respectively. The total return for the Fund's publicly traded shares was 13.5%. The Fund's NAV per share was \$5.31, while the price of the publicly traded shares closed at \$5.38 on the New York Stock Exchange ( NYSE ). See below for additional performance information.

Enclosed are the schedule of investments and financial statements as of June 30, 2012.

**Comparative Results****Average Annual Returns through June 30, 2012 (a) (Unaudited)**

	Year to Date	1 Year	5 Year	10 Year	20 Year	25 Year	Since Inception (08/21/86)
<b>Gabelli Equity Trust</b>							
<b>NAV Total Return (b)</b>	7.55%	(3.67)%	0.16%	8.57%	9.64%	9.56%	10.20%
<b>Investment Total Return (c)</b>	13.50	(1.28)	0.02	5.50	9.50	10.27	9.91
S&P 500 Index.	9.49	5.45	0.22	5.33	8.34	8.62	9.22(d)
Dow Jones Industrial Average	6.81	6.56	1.98	6.02	9.55	9.73	10.55(d)
Nasdaq Composite Index	13.30	7.06	3.45	8.07	8.60	8.03	8.20(d)

(a) **Returns represent past performance and do not guarantee future results.** Investment returns and the principal value of an investment will fluctuate. When shares are sold, they may be worth more or less than their original cost. Performance returns for periods of less than one year are not annualized. Current performance may be lower or higher than the performance data presented. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.** The Dow Jones Industrial Average is an unmanaged index of 30 large capitalization stocks. The S&P 500 and the Nasdaq Composite Indices are unmanaged indicators of stock market performance. Dividends are considered reinvested except for the Nasdaq Composite Index. You cannot invest directly in an index.

(b) Total returns and average annual returns reflect changes in the NAV per share, reinvestment of distributions at NAV on the ex-dividend date, adjustments for rights offerings, spin-offs, and taxes paid on undistributed long-term capital gains and are net of expenses. Since inception return is based on an initial NAV of \$9.34.

(c) Total returns and average annual returns reflect changes in closing market values on the NYSE, reinvestment of distributions, and adjustments for rights offerings, spin-offs, and taxes paid on undistributed long-term capital gains. Since inception return is based on an initial offering price of \$10.00.

(d) From August 31, 1986, the date closest to the Fund's inception for which data is available.

**Table of Contents****Summary of Portfolio Holdings (Unaudited)**

The following table presents portfolio holdings as a percent of total investments as of June 30, 2012:

**The Gabelli Equity Trust Inc.**

Food and Beverage	12.8%
Cable and Satellite	7.6%
Financial Services	7.4%
Energy and Utilities	6.4%
Diversified Industrial	6.0%
Equipment and Supplies	6.0%
Entertainment	5.3%
Consumer Products	4.4%
Health Care	4.2%
Telecommunications	3.8%
Automotive: Parts and Accessories	3.5%
Retail	3.0%
Machinery	3.0%
Consumer Services	3.0%
Aerospace and Defense	2.7%
Publishing	2.5%
Business Services	2.5%
Aviation: Parts and Services	2.0%
Hotels and Gaming	1.7%
Specialty Chemicals	1.6%
Broadcasting	1.3%
Electronics	1.3%
Metals and Mining	1.1%
Wireless Communications	1.1%
Environmental Services	0.9%
Computer Software and Services	0.8%
Agriculture	0.8%
Communications Equipment	0.6%
Automotive	0.6%
U.S. Government Obligations	0.5%
Transportation	0.4%
Real Estate	0.4%
Closed-End Funds	0.3%
Building and Construction	0.3%
Real Estate Investment Trusts	0.1%
Manufactured Housing and Recreational Vehicles	0.1%
Computer Hardware	0.0%
	100.0%

*The Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission ( SEC ) for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain this information at [www.gabelli.com](http://www.gabelli.com) or by calling the Fund at 800-GABELLI (800-422-3554). The Fund's Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.*

**Proxy Voting**

The Fund files Form N-PX with its complete proxy voting record for the twelve months ended June 30, no later than August 31 of each year. A description of the Fund's proxy voting policies, procedures, and how the Fund voted proxies relating to portfolio securities is available without charge, upon request, by (i) calling 800-GABELLI (800-422-3554); (ii) writing to The Gabelli Funds at One Corporate Center, Rye, NY 10580-1422; or (iii) visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

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**Table of Contents****The Gabelli Equity Trust Inc.****Portfolio Changes Quarter Ended June 30, 2012 (Unaudited)**

	Shares	Ownership at June 30, 2012
<b>NET PURCHASES</b>		
<b>Common Stocks</b>		
ABB Ltd., ADR	25,000	25,000
Abercrombie & Fitch Co., Cl. A	10,000	10,000
Agnico-Eagle Mines Ltd.	14,000	44,000
Ampco-Pittsburgh Corp.	5,000	157,000
Avon Products Inc.	5,000	50,000
BP plc, ADR	2,000	92,000
Burger King Worldwide Inc.	60,000	60,000
Cablevision Systems Corp., Cl. A	10,000	1,170,000
Citigroup Inc.	40,000	80,000
Collective Brands Inc.	36,000	126,000
Cooper Industries plc.	20,000	203,000
Corning Inc.	40,000	500,000
DE Master Blenders 1753 NV(a)	680,000	680,000
Deckers Outdoor Corp.	24,000	24,000
Emerson Electric Co.	35,000	40,000
FleetCor Technologies Inc.(b)	997	997
FMC Corp.(c)	4,000	8,000
Freeport-McMoRan Copper & Gold Inc.	2,000	20,000
GrafTech International Ltd.	23,516	100,000
Griffon Corp.	12,068	30,000
Hillshire Brands Co.(a)	136,000	136,000
Hospira Inc.	3,000	25,000
Ingredion Inc.(d)	27,000	27,000
Interactive Brokers Group Inc., Cl. A	21,000	33,000
Janus Capital Group Inc.	25,000	298,000
Kennametal Inc.	1,000	2,000
Kinder Morgan Inc.(e)	92,114	92,114
Layne Christensen Co.	25,000	25,000
Leucadia National Corp.	15,000	136,000
Materion Corp.	5,000	5,000
National Presto Industries Inc.	5,683	11,683
Oi SA, ADR(f)	93,741	131,741
Oi SA, Cl. C, ADR(f)	27,433	38,433
Phillips 66(g)	104,000	104,000
Ralcorp Holdings Inc.	5,000	70,500
Rowan Companies plc, Cl. A(h)	175,000	175,000
Sealed Air Corp.	20,000	22,000
Telefonica SA, ADR(i)	15,315	597,315
Tenneco Inc.	12,000	12,000
Teva Pharmaceutical Industries Ltd., ADR	10,000	10,000
The Bank of New York Mellon Corp.	3,000	203,000
The St. Joe Co.	10,000	200,000
Tiffany & Co.	5,000	5,000
Tredegar Corp.	15,000	15,000
Trinity Industries Inc.	9,000	39,000
Vale SA, ADR	20,000	20,000
Vivendi SA	10,666	330,666

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Walgreen Co.	15,000	74,000
WR Berkley Corp.	3,000	13,000
<b>Rights</b>		
Ivanhoe Mines Ltd., expire 07/19/12(j)	54,000	54,000
<b>Warrants</b>		
Kinder Morgan Inc., expire 05/25/17(e)	140,800	140,800
		<b>Ownership at</b>
		<b>June 30,</b>
		<b>2012</b>
	<b>Shares</b>	
<b>NET SALES</b>		
<b>Common Stocks</b>		
Alcoa Inc.	(5,000)	125,000
AOL Inc.	(15,000)	
Ascent Capital Group Inc., Cl. A	(3,499)	1
Beam Inc.	(21,000)	109,000
Biogen Idec Inc.	(500)	31,000
Brunswick Corp.	(22,000)	8,000
Cisco Systems Inc.	(5,000)	65,000
CLARCOR Inc.	(1,000)	142,000
Comcast Corp., Cl. A, Special	(1,000)	89,000
CONSOL Energy Inc.	(13,000)	22,000
Constellation Brands Inc., Cl. A	(4,000)	54,000
Corn Products International Inc.(d)	(27,000)	
Deutsche Bank AG	(3,000)	20,000
DIRECTV, Cl. A	(5,000)	480,000
El Paso Corp.(e)	(220,000)	
Expedia Inc.	(28,000)	17,000
Ferro Corp.	(5,000)	410,000
Ford Motor Co.	(4,000)	36,000
Fortune Brands Home & Security Inc.	(1,692)	138,000
GATX Corp.	(4,000)	142,000
General Motors Co.	(15,000)	
Greif Inc., Cl. A	(3,000)	154,000
H.B. Fuller Co.	(12,000)	39,000
HSN Inc.	(7,000)	36,000
Huntsman Corp.	(30,000)	45,000
Il Sole 24 Ore SpA	(10,000)	170,000
ITT Corp.	(1,000)	128,000
Kaman Corp.	(5,000)	42,800
Ladbrokes plc.	(50,000)	1,330,000
Las Vegas Sands Corp.	(5,000)	54,000
Media General Inc., Cl. A	(5,000)	130,000
Midas Inc.(k)	(131,000)	
Modine Manufacturing Co.	(5,000)	235,000
National Fuel Gas Co.	(4,000)	8,000
News Corp., Cl. A	(5,000)	665,000
Noble Corp.	(10,000)	
Rowan Companies Inc.(h)	(175,000)	
RPC Inc.	(10,000)	65,000
SanDisk Corp.	(3,000)	12,000
Sara Lee Corp.(a)	(680,000)	
Swedish Match AB	(7,000)	838,000
Tele Norte Leste Participacoes SA, ADR(f)	(146,000)	
Terex Corp.	(1,000)	9,000
The Boeing Co.	(11,000)	145,000
The Madison Square Garden Co., Cl. A	(21,000)	355,000
Thomas & Betts Corp.(l)	(245,000)	
Tokyo Broadcasting System Holdings Inc.	(10,000)	58,000
Transocean Ltd.	(3,000)	16,000
TripAdvisor Inc.	(73,000)	27,000
Tyco International Ltd.	(2,000)	198,000
Xerox Corp.	(30,000)	
Xylem Inc.	(3,000)	267,000
Yahoo! Inc.	(20,000)	410,000
<b>Warrants</b>		
Talbots Inc., expire 04/06/15	(5,000)	145,000



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See accompanying notes to financial statements.

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**The Gabelli Equity Trust Inc.**

**Portfolio Changes (Continued) Quarter Ended June 30, 2012 (Unaudited)**

- (a) Spin-off - 1 share of DE Master Blenders 1753 NV and 0.2 shares of Hillshire Brands Co. for every 1 share of Sara Lee Corp. held.
- (b) Spin-off - 0.498 shares of FleetCor Technologies Inc. for every 1 share of Chestnut Hill Ventures held.
- (c) Stock Split - 2 shares for every 1 share held.
- (d) Name and identifier change from Corn Products International Inc. (219023108) to Ingredion Inc. (457187102).
- (e) Merger - \$14.65 cash and 0.4187 shares of Kinder Morgan Inc. and 0.64 shares of Kinder Morgan Inc., Warrants, expire 05/25/17 for every 1 share of El Paso Corp. held.
- (f) Merger - 0.1879 shares of Oi SA, Cl. C, ADR and 0.642 shares of Oi SA, ADR for every 1 share of Tele Norte Leste Participacoes SA, ADR held.
- (g) Spin-off - 0.5 shares of Phillips 66 for every 1 share of ConocoPhillips held.
- (h) Exchange - 1 share of Rowan Companies plc, Cl. A for every 1 share of Rowan Companies Inc. held.
- (i) Stock Dividend - 0.026315 for every 1 share held.
- (j) Rights Issuance - 1 share of rights for every 1 share of common stock held.
- (k) Tender Offer - \$11.50 for every 1 share held.
- (l) Tender Offer - \$72.00 for every 1 share held.

See accompanying notes to financial statements.

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**Table of Contents****The Gabelli Equity Trust Inc.****Schedule of Investments June 30, 2012 (Unaudited)**

Shares		Cost	Market Value
	<b>COMMON STOCKS 99.3%</b>		
	<b>Food and Beverage 12.8%</b>		
109,000	Beam Inc.	\$ 3,892,696	\$ 6,811,410
35,000	Brown-Forman Corp., Cl. A	1,761,167	3,325,000
6,250	Brown-Forman Corp., Cl. B	410,925	605,313
75,000	Campbell Soup Co.	2,084,700	2,503,500
15,000	Coca-Cola Enterprises Inc.	275,289	420,600
54,000	Constellation Brands Inc., Cl. A	677,279	1,461,240
222,000	Danone	10,623,550	13,770,349
599,000	Davide Campari - Milano SpA	3,115,159	4,161,617
680,000	DE Master Blenders 1753 NV	6,450,758	7,667,426
70,000	Dean Foods Co.	1,358,268	1,192,100
199,000	Diageo plc, ADR	8,255,063	20,510,930
20,000	Diamond Foods Inc.	483,508	356,800
100,000	Dr Pepper Snapple Group Inc.	2,291,138	4,375,000
72,000	Flowers Foods Inc.	356,368	1,672,560
83,000	Fomento Economico Mexicano SAB de CV, ADR	1,109,710	7,407,750
40,000	General Mills Inc.	967,929	1,541,600
2,050,000	Grupo Bimbo SAB de CV, Cl. A	1,594,046	5,039,056
63,000	H.J. Heinz Co.	2,184,064	3,425,940
44,000	Heineken NV	2,071,793	2,291,040
136,000	Hillshire Brands Co.	3,473,485	3,942,640
27,000	Ingredion Inc.	373,194	1,337,040
110,000	ITO EN Ltd.	2,537,808	2,053,168
14,000	Kellogg Co.	502,615	690,620
64,000	Kerry Group plc, Cl. A	735,609	2,794,229
160,000	Kraft Foods Inc., Cl. A	4,773,465	6,179,200
11,500	LVMH Moet Hennessy Louis Vuitton SA	397,547	1,744,210
70,000	Morinaga Milk Industry Co. Ltd.	299,202	267,092
25,000	Nestlé SA	513,610	1,489,491
210,000	PepsiCo Inc.	11,513,352	14,838,600
46,000	Pernod-Ricard SA	3,968,283	4,905,037
32,750	Post Holdings Inc.	221,580	1,007,063
70,500	Ralcorp Holdings Inc.	1,584,061	4,705,170
40,673	Remy Cointreau SA	2,357,660	4,456,427
65,000	The Coca-Cola Co.	2,905,349	5,082,350
20,000	The Hain Celestial Group Inc.	267,663	1,100,800
2,000	The J.M. Smucker Co.	52,993	151,040
134,930	Tootsie Roll Industries Inc.	1,519,168	3,219,430
67,000	Tyson Foods Inc., Cl. A	625,344	1,261,610
100,000	Viterra Inc.	1,620,246	1,586,288
360,000	Yakult Honsha Co. Ltd.	10,182,581	14,051,417
		100,388,225	165,402,153
	<b>Cable and Satellite 7.6%</b>		
285,000	AMC Networks Inc., Cl. A	5,129,809	10,131,750
1,170,000	Cablevision Systems Corp., Cl. A	14,025,514	15,549,300

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89,000	Comcast Corp., Cl. A, Special	539,529	2,794,600
480,000	DIRECTV, Cl. A	10,823,266	23,433,600
100,000	DISH Network Corp., Cl. A	2,524,679	2,855,000
30,740	EchoStar Corp., Cl. A	923,528	812,151
84,000	Liberty Global Inc., Cl. A	1,526,720	4,168,920
84,000	Liberty Global Inc., Cl. C	1,653,621	4,011,000
481,690	Rogers Communications Inc., Cl. B, New York	3,993,639	17,441,995
19,310	Rogers Communications Inc., Cl. B, Toronto	137,424	700,061
118,000	Scripps Networks Interactive Inc., Cl. A	3,787,615	6,709,480
154,000	Shaw Communications Inc., Cl. B, New York	316,962	2,912,140
40,000	Shaw Communications Inc., Cl. B, Non-Voting, Toronto	52,983	755,918
67,000	Time Warner Cable Inc.	3,851,950	5,500,700
		49,287,239	97,776,615

Market

Shares		Cost	Value
	<b>Financial Services 7.4%</b>		
465,000	American Express Co.	\$ 21,702,254	\$ 27,067,650
15,000	Argo Group International Holdings Ltd.	558,079	439,050
38,000	Artio Global Investors Inc.	767,471	133,000
72,000	Banco Santander SA, ADR	545,542	472,320
128	Berkshire Hathaway Inc., Cl. A	375,826	15,992,960
10,000	Calamos Asset Management Inc., Cl. A	88,164	114,500
80,000	Citigroup Inc.	2,853,432	2,192,800
20,000	Deutsche Bank AG	914,496	723,400
10,000	Fortress Investment Group LLC, Cl. A	49,693	33,700
20,000	H&R Block Inc.	323,249	319,600
33,000	Interactive Brokers Group Inc., Cl. A	584,124	485,760
298,000	Janus Capital Group Inc.	3,689,224	2,330,360
49,088	JPMorgan Chase & Co.	1,540,997	1,753,914
30,000	Kinnevik Investment AB, Cl. A	450,841	637,518
121,000	Legg Mason Inc.	2,387,027	3,190,770
136,000	Leucadia National Corp.	1,804,206	2,892,720
6,000	Loews Corp.	222,631	245,460
135,000	Marsh & McLennan Companies Inc.	4,085,756	4,351,050
11,000	Moody's Corp.	427,219	402,050
22,000	Och-Ziff Capital Management Group LLC, Cl. A	214,559	166,760
120,000	State Street Corp.	4,047,374	5,356,800
20,000	SunTrust Banks Inc.	419,333	484,600
140,000	T. Rowe Price Group Inc.	4,303,432	8,814,400
203,000	The Bank of New York Mellon Corp.	6,104,021	4,455,850
40,000	The Charles Schwab Corp.	584,500	517,200
14,500	The Dun & Bradstreet Corp.	323,896	1,031,965
62,000	Waddell & Reed Financial Inc., Cl. A	1,376,530	1,877,360
270,000	Wells Fargo & Co.	8,051,764	9,028,800
13,000	WR Berkley Corp.	476,775	505,960
		69,272,415	96,018,277

**Energy and Utilities 6.4%**

25,000	ABB Ltd., ADR	389,250	408,000
32,000	Anadarko Petroleum Corp.	1,377,320	2,118,400
60,000	Apache Corp.	2,338,860	5,273,400
92,000	BP plc, ADR	4,996,180	3,729,680
57,000	CH Energy Group Inc.	2,350,266	3,744,330
29,000	CMS Energy Corp.	185,272	681,500
208,000	ConocoPhillips	9,630,644	11,623,040
22,000	CONSOL Energy Inc.	852,421	665,280
70,000	Duke Energy Corp.	1,267,113	1,614,200
236,000	El Paso Electric Co.	4,091,133	7,825,760
9,000	Exelon Corp.	314,898	338,580
75,000	Exxon Mobil Corp.	2,571,862	6,417,750

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15,000	GenOn Energy Inc.	141,261	25,650
140,000	GenOn Energy Inc., Escrow (a)	0	0
198,000	Halliburton Co.	3,391,894	5,621,220
92,114	Kinder Morgan Inc.	1,815,042	2,967,913
12,000	Marathon Oil Corp.	291,255	306,840
6,000	Marathon Petroleum Corp.	186,212	269,520
8,000	National Fuel Gas Co.	601,401	375,840
22,000	NextEra Energy Inc.	1,153,471	1,513,820
2,000	Niko Resources Ltd., OTC	110,842	25,960
500	Niko Resources Ltd., Toronto	21,373	6,591
5,000	NiSource Inc.	107,750	123,750
65,000	Northeast Utilities	1,254,193	2,522,650
38,000	Oceaneering International Inc.	512,207	1,818,680
104,000	Phillips 66	2,876,686	3,456,960
175,000	Rowan Companies plc, Cl. A	6,557,766	5,657,750
65,000	RPC Inc.	843,860	772,850
5,000	SJW Corp.	68,704	120,050
20,000	Southwest Gas Corp.	451,132	873,000
127,000	Spectra Energy Corp.	3,195,561	3,690,620

See accompanying notes to financial statements.

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**Table of Contents****The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) June 30, 2012 (Unaudited)**

See accompanying notes to financial statements.

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Energy and Utilities (Continued)</b>			
60,000	The AES Corp.	\$ 342,618	\$ 769,800
16,000	Transocean Ltd.	926,998	715,680
205,000	Westar Energy Inc.	3,414,614	6,139,750
		58,630,059	82,214,814
<b>Equipment and Supplies 6.0%</b>			
315,000	AMETEK Inc.	3,393,888	15,721,650
3,500	Amphenol Corp., Cl. A	12,928	192,220
94,000	CIRCOR International Inc.	974,241	3,204,460
376,000	Donaldson Co. Inc.	2,930,891	12,547,120
98,000	Flowserve Corp.	2,993,806	11,245,500
22,000	Franklin Electric Co. Inc.	242,405	1,124,860
60,000	Gerber Scientific Inc., Escrow (a)	0	600
100,000	GrafTech International Ltd.	979,573	965,000
288,000	IDEX Corp.	6,908,808	11,226,240
40,000	Ingersoll-Rand plc.	778,178	1,687,200
178,000	Lufkin Industries Inc.	832,264	9,668,960
11,000	Mueller Industries Inc.	485,034	468,490
22,000	Sealed Air Corp.	337,834	339,680
68,000	Tenaris SA, ADR	2,989,903	2,377,960
20,000	The Greenbrier Companies Inc.	396,412	351,600
4,000	The Manitowoc Co. Inc.	25,450	46,800
70,000	The Weir Group plc.	294,552	1,677,342
150,000	Watts Water Technologies Inc., Cl. A	2,145,439	5,001,000
		26,721,606	77,846,682
<b>Diversified Industrial 5.9%</b>			
3,000	Acuity Brands Inc.	76,507	152,730
157,000	Ampco-Pittsburgh Corp.	2,050,159	2,877,810
8,000	Brunswick Corp.	150,061	177,760
203,000	Cooper Industries plc.	5,960,084	13,840,540
207,000	Crane Co.	4,850,462	7,530,660
165,000	General Electric Co.	2,881,096	3,438,600
154,000	Greif Inc., Cl. A	1,648,005	6,314,000
15,000	Greif Inc., Cl. B	674,933	674,550
30,000	Griffon Corp.	264,355	257,400
389,000	Honeywell International Inc.	12,744,372	21,721,760
128,000	ITT Corp.	1,507,566	2,252,800
11,000	Jardine Strategic Holdings Ltd.	222,951	335,500
2,000	Kennametal Inc.	77,640	66,300

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30,000	Material Sciences Corp.	30,306	246,000
95,000	Park-Ohio Holdings Corp.	974,355	1,807,850
1,000	Pentair Inc.	31,908	38,280
55,000	Smiths Group plc.	993,765	874,301
15,400	Sulzer AG	470,222	1,817,205
9,000	Terex Corp.	147,720	160,470
15,000	Tredegar Corp.	204,650	218,400
39,000	Trinity Industries Inc.	804,553	974,220
198,000	Tyco International Ltd.	9,018,988	10,464,300

45,784,658 76,241,436

<b>Entertainment 5.3%</b>			
2,002	Chestnut Hill Ventures (a)	53,837	130,039
82,000	Discovery Communications Inc., Cl. A	1,484,440	4,428,000
82,000	Discovery Communications Inc., Cl. C	1,036,307	4,107,380
500	DreamWorks Animation SKG Inc., Cl. A	10,535	9,530
645,000	Grupo Televisa SAB, ADR	7,487,837	13,854,600
7,000	Regal Entertainment Group, Cl. A	89,752	96,320
32,000	Societe d Edition de Canal +	34,010	172,108

Shares		Cost	Market Value
355,000	The Madison Square Garden Co., Cl. A	\$ 5,988,351	\$ 13,291,200
220,000	Time Warner Inc.	8,702,917	8,470,000
58,000	Tokyo Broadcasting System Holdings Inc.	1,369,660	708,901
100,000	Universal Entertainment Corp.	2,093,892	2,070,432
290,000	Viacom Inc., Cl. A	13,397,689	14,784,200
330,666	Vivendi SA.	8,503,632	6,122,050
		50,252,859	68,244,760

<b>Consumer Products 4.4%</b>			
50,000	Avon Products Inc.	1,325,900	810,500
16,500	Christian Dior SA	624,386	2,260,345
24,000	Church & Dwight Co. Inc.	79,628	1,331,280
24,000	Deckers Outdoor Corp.	1,235,395	1,056,240
94,000	Energizer Holdings Inc.	4,395,004	7,073,500
2,100	Givaudan SA	608,272	2,056,524
60,000	Hanesbrands Inc.	1,376,148	1,663,800
28,000	Harley-Davidson Inc.	1,300,779	1,280,440
4,000	Jarden Corp.	91,909	168,080
7,000	Mattel Inc.	126,000	227,080
11,683	National Presto Industries Inc.	552,055	815,123
10,000	Oil-Dri Corp. of America	171,255	219,000
55,000	Reckitt Benckiser Group plc.	1,688,933	2,898,545
32,400	Svenska Cellulosa AB, Cl. B	441,093	484,774
838,000	Swedish Match AB	9,271,950	33,762,528
9,000	The Clorox Co.	663,172	652,140
2,000	The Estee Lauder Companies Inc., Cl. A	72,260	108,240
		24,024,139	56,868,139

<b>Health Care 4.2%</b>			
10,000	Abbott Laboratories	425,367	644,700
13,000	Allergan Inc.	603,993	1,203,410
36,000	Amgen Inc.	2,104,520	2,629,440
25,000	Baxter International Inc.	1,204,317	1,328,750
15,000	Becton, Dickinson and Co.	1,213,063	1,121,250
31,000	Biogen Idec Inc.	624,029	4,475,780
320,000	Boston Scientific Corp.	2,428,573	1,814,400
85,000	Bristol-Myers Squibb Co.	2,152,363	3,055,750

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49,000	Covidien plc.	1,929,854	2,621,500
3,500	Gilead Sciences Inc.	142,734	179,480
28,000	Henry Schein Inc.	719,282	2,197,720
25,000	Hospira Inc.	827,597	874,500
40,000	Johnson & Johnson	2,595,348	2,702,400
66,000	Life Technologies Corp.	1,769,474	2,969,340
40,000	Mead Johnson Nutrition Co	1,797,128	3,220,400
100,000	Merck & Co. Inc.	2,237,482	4,175,000
9,600	Nobel Biocare Holding AG	275,441	99,019
97,000	Novartis AG, ADR	4,333,718	5,422,300
10,000	Teva Pharmaceutical Industries Ltd., ADR	392,264	394,400
94,000	UnitedHealth Group Inc.	4,429,213	5,499,000
4,000	Waters Corp.	285,470	317,880
12,000	Watson Pharmaceuticals Inc.	491,936	887,880
60,000	William Demant Holding A/S	2,727,517	5,377,113
7,000	Zimmer Holdings Inc.	339,145	450,520
		36,049,828	53,661,932
	<b>Telecommunications 3.7%</b>		
65,000	BCE Inc.	1,607,838	2,678,000
1,032,000	BT Group plc, Cl. A	4,267,428	3,416,779
7,040,836	Cable & Wireless Jamaica Ltd.(b)	128,658	15,188
620,000	Cincinnati Bell Inc.	3,274,665	2,306,400

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**Table of Contents****The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) June 30, 2012 (Unaudited)**

See accompanying notes to financial statements.

Shares		Cost	Market Value
	<b>COMMON STOCKS (Continued)</b>		
	<b>Telecommunications (Continued)</b>		
130,000	Deutsche Telekom AG, ADR	\$ 2,137,750	\$ 1,421,160
36,000	Hellenic Telecommunications Organization SA	625,736	91,116
15,000	Hellenic Telecommunications Organization SA, ADR	117,820	18,750
95,000	Koninklijke KPN NV	221,092	908,403
60,000	NII Holdings Inc.	1,171,964	613,800
131,741	Oi SA, ADR	2,908,740	1,625,684
38,433	Oi SA, Cl. C, ADR	409,776	178,713
750,000	Sprint Nextel Corp.	3,751,902	2,445,000
25,000	Telecom Argentina SA, ADR	147,932	295,250
565,000	Telecom Italia SpA	2,308,990	558,064
88,253	Telefonica Brasil SA, ADR	2,232,998	2,183,379
597,315	Telefonica SA, ADR	9,146,761	7,824,827
80,000	Telefonos de Mexico SAB de CV, Cl. L	46,372	60,691
610,740	Telephone & Data Systems Inc.	26,414,733	13,002,655
15,000	TELUS Corp.	280,203	900,796
150,000	Verizon Communications Inc.	4,927,467	6,666,000
		66,128,825	47,210,655
	<b>Automotive: Parts and Accessories 3.5%</b>		
69,000	BorgWarner Inc.	1,608,717	4,525,710
142,000	CLARCOR Inc.	1,181,624	6,838,720
215,000	Dana Holding Corp.	1,440,698	2,754,150
256,000	Genuine Parts Co.	9,168,176	15,424,000
147,000	Johnson Controls Inc.	3,141,470	4,073,370
235,000	Modine Manufacturing Co.	5,054,652	1,628,550
85,000	O Reilly Automotive Inc.	2,393,129	7,120,450
152,000	Standard Motor Products Inc.	1,520,657	2,140,160
58,300	Superior Industries. International Inc.	1,195,058	954,371
12,000	Tenneco Inc.	380,139	321,840
		27,084,320	45,781,321
	<b>Retail 3.0%</b>		
10,000	Abercrombie & Fitch Co., Cl. A	315,760	341,400
71,000	AutoNation Inc.	745,868	2,504,880
100	AutoZone Inc.	8,793	36,717
60,000	Burger King Worldwide Inc.	932,678	898,200
27,000	Coldwater Creek Inc.	126,973	14,742
126,000	Collective Brands Inc.	2,285,301	2,698,920
40,000	Costco Wholesale Corp.	1,843,960	3,800,000

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120,000	CVS Caremark Corp.	4,075,042	5,607,600
36,000	HSN Inc.	843,049	1,452,600
377,000	Macy's Inc.	6,682,622	12,949,950
47,000	Sally Beauty Holdings Inc.	386,808	1,209,780
13,000	The Cheesecake Factory Inc.	380,728	415,480
5,000	Tiffany & Co.	285,150	264,750
74,000	Walgreen Co.	2,344,551	2,188,920
39,000	Wal-Mart Stores Inc.	1,947,671	2,719,080
21,000	Whole Foods Market Inc.	423,988	2,001,720
		23,628,942	39,104,739

### Machinery 3.0%

15,000	Caterpillar Inc.	101,378	1,273,650
12,000	CNH Global NV	300,884	466,320
376,000	Deere & Co.	10,962,073	30,407,120
267,000	Xylem Inc.	4,320,747	6,720,390
		15,685,082	38,867,480

Shares		Cost	Market Value
	<b>Consumer Services 3.0%</b>		
17,000	Expedia Inc.	\$ 501,322	\$ 817,190
71,000	IAC/InterActiveCorp.	1,814,243	3,237,600
200,000	Liberty Interactive Corp., Cl. A	4,158,599	3,558,000
1,337,000	Rollins Inc.	9,132,991	29,908,690
27,000	TripAdvisor Inc.	733,181	1,206,630
		16,340,336	38,728,110

### Aerospace and Defense 2.7%

612,015	BBA Aviation plc.	1,468,801	1,955,350
240,000	Exelis Inc.	1,747,195	2,366,400
4,000	Huntington Ingalls Industries Inc.	121,831	160,960
42,800	Kaman Corp.	1,040,981	1,324,232
3,000	Lockheed Martin Corp.	175,770	261,240
25,000	Northrop Grumman Corp.	1,282,844	1,594,750
1,200,000	Rolls-Royce Holdings plc.	9,166,092	16,125,039
145,000	The Boeing Co.	9,549,914	10,773,500
		24,553,428	34,561,471

### Publishing 2.5%

170,000	Il Sole 24 Ore SpA	707,873	112,623
130,000	Media General Inc., Cl. A	1,142,790	599,300
110,000	Meredith Corp.	4,693,916	3,513,400
665,000	News Corp., Cl. A	7,480,444	14,822,850
355,000	News Corp., Cl. B	5,695,245	7,994,600
27,000	The E.W. Scripps Co., Cl. A	172,848	259,470
116,000	The McGraw-Hill Companies Inc.	4,729,254	5,220,000
		24,622,370	32,522,243

### Business Services 2.5%

1	Ascent Capital Group Inc., Cl. A	23	52
159,000	Clear Channel Outdoor Holdings Inc., Cl. A	1,236,036	957,180
33,000	Contax Participacoes SA, Preference	67,778	368,693
84,000	Diebold Inc.	3,161,225	3,100,440
5,230	Edenred	94,604	147,892
997	FleetCor Technologies Inc.	663	34,935
200,000	G4S plc.	0	874,223
18,000	Jardine Matheson Holdings Ltd.	565,207	871,200
89,000	Landauer Inc.	2,479,290	5,102,370
36,500	MasterCard Inc., Cl. A	1,472,775	15,699,015
77,000	Monster Worldwide Inc.	740,095	654,500

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315,000	The Interpublic Group of Companies Inc.	2,655,599	3,417,750
4,000	Visa Inc., Cl. A	176,000	494,520
		12,649,295	31,722,770
<b>Aviation: Parts and Services 2.0%</b>			
320,000	Curtiss-Wright Corp.	4,507,634	9,936,000
275,000	GenCorp Inc.	2,370,094	1,790,250
86,200	Precision Castparts Corp.	4,434,882	14,179,038
		11,312,610	25,905,288
<b>Hotels and Gaming 1.7%</b>			
20,000	Accor SA	694,524	624,652
186,000	Gaylord Entertainment Co.	4,787,676	7,172,160
70,000	Genting Singapore plc.	52,525	77,916
8,000	Hyatt Hotels Corp., Cl. A	263,258	297,280
32,000	Interval Leisure Group Inc.	610,959	608,320
1,330,000	Ladbrokes plc.	8,850,280	3,274,435
54,000	Las Vegas Sands Corp.	751,456	2,348,460
3,600,000	Mandarin Oriental International Ltd.	6,769,756	4,644,000

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**Table of Contents****The Gabelli Equity Trust Inc.****Schedule of Investments (Continued) June 30, 2012 (Unaudited)**

See accompanying notes to financial statements.

Shares		Cost	Market Value
<b>COMMON STOCKS (Continued)</b>			
<b>Hotels and Gaming (Continued)</b>			
90,000	MGM China Holdings Ltd.	\$ 177,759	\$ 135,964
30,000	MGM Resorts International	277,963	334,800
32,000	Orient-Express Hotels Ltd., Cl. A	473,395	267,840
40,000	Pinnacle Entertainment Inc.	189,092	384,800
34,000	Starwood Hotels & Resorts Worldwide Inc.	520,597	1,803,360
200,000	The Hongkong & Shanghai Hotels Ltd.	155,450	265,534
2,000	Wynn Resorts Ltd.	74,539	207,440
		24,649,229	22,446,961
<b>Specialty Chemicals 1.6%</b>			
9,000	Ashland Inc.	150,660	623,790
24,000	E. I. du Pont de Nemours and Co.	1,082,876	1,213,680
410,000	Ferro Corp.	4,426,680	1,968,000
8,000	FMC Corp.	136,430	427,840
39,000	H.B. Fuller Co.	753,034	1,197,300
45,000	Huntsman Corp.	633,827	582,300
67,000	International Flavors & Fragrances Inc.	3,160,460	3,671,600
267,000	Omnova Solutions Inc.	1,655,747	2,013,180
208,000	Sensient Technologies Corp.	3,788,404	7,639,840
1,000	SGL Carbon SE	57,689	39,053
100,000	Zep Inc.	1,293,508	1,373,000
		17,139,315	20,749,583
<b>Broadcasting 1.3%</b>			
265,000	CBS Corp., Cl. A, Voting	7,659,961	8,821,850
2,000	Cogeco Inc.	39,014	90,050
22,334	Corus Entertainment Inc., Cl. B, OTC	40,694	504,078
6,666	Corus Entertainment Inc., Cl. B, Non-Voting, Toronto	12,406	150,068
30,000	Gray Television Inc.	54,872	44,100
80,000	Liberty Media Corp. - Liberty Capital, Cl. A	1,113,132	7,032,800
24,000	LIN TV Corp., Cl. A	156,403	72,480
100,000	Television Broadcasts Ltd.	396,239	692,838
		9,472,721	17,408,264
<b>Electronics 1.3%</b>			
19,000	Bel Fuse Inc., Cl. A	558,116	344,090
40,000	Emerson Electric Co.	2,027,346	1,863,200

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4,000	Hitachi Ltd., ADR	287,076	245,600
90,000	Intel Corp.	1,934,046	2,398,500
36,342	Koninklijke Philips Electronics NV	88,880	714,853
60,000	LSI Corp. .	350,973	382,200
2,400	Mettler-Toledo International Inc.	337,270	374,040
20,000	Molex Inc., Cl. A	363,729	404,600
2,000	Rovi Corp.	33,295	39,240
55,000	TE Connectivity Ltd.	2,106,049	1,755,050
270,000	Texas Instruments Inc.	6,455,544	7,746,300

14,542,324 16,267,673

**Metals and Mining 1.1%**

44,000	Agnico-Eagle Mines Ltd.	1,853,887	1,780,240
125,000	Alcoa Inc.	1,210,891	1,093,750
64,000	Barrick Gold Corp.	1,873,920	2,404,480
20,000	Freeport-McMoRan Copper & Gold Inc.	928,431	681,400
54,000	Ivanhoe Mines Ltd.	452,732	522,720
5,000	Materion Corp.	112,422	115,150

**Shares**

		<b>Cost</b>	<b>Market Value</b>
50,000	New Hope Corp. Ltd.	\$ 67,580	\$ 205,212
156,000	Newmont Mining Corp.	5,355,090	7,567,560
20,000	Vale SA, ADR	359,974	397,000

12,214,927 14,767,512

**Wireless Communications 1.1%**

130,000	America Movil SAB de CV, Cl. L, ADR	843,732	3,387,800
7,000	Millicom International Cellular SA, SDR	700,202	658,769
1,500	NTT DoCoMo Inc.	2,980,751	2,490,148
54,075	Tim Participacoes SA, ADR	390,208	